

# LARGE FILING SEPARATOR SHEET

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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2011/Q4
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**Undesignated Hedges — Location and Amount of Pre-Tax Gains and (Losses) Recognized in Income or as Regulatory Assets or Liabilities**

Duke Energy (in millions)	Year Ended December 31,	
	2011	2010
<b>Location of Pre-Tax Gains and (Losses) Recognized in Earnings</b>		
<b>Commodity contracts</b>		
Revenue, regulated electric	\$ -	\$ 1
Revenue, non-regulated electric, natural gas and other	(59)	(38)
Fuel used in electric generation and purchased power-non-regulated	(1)	9
Total Pre-tax Losses Recognized in Earnings	<u>\$ (60)</u>	<u>\$ (28)</u>

**Location of Pre-Tax Gains and (Losses) Recognized as Regulatory Assets or Liabilities**

<b>Commodity contracts</b>		
Regulatory Asset	\$ (1)	\$ 5
Regulatory Liability	17	14
<b>Interest rate contracts</b>		
Regulatory Asset <sup>(a)</sup>	(165)	(1)
Regulatory Liability <sup>(b)</sup>	<u>(60)</u>	<u>60</u>
Total Pre-tax (Losses) Gains Recognized as Regulatory Assets or Liabilities	<u>\$ (209)</u>	<u>\$ 78</u>

- (a) Includes losses related to interest rate swaps at Duke Energy Carolinas and Duke Energy Indiana of \$94 million and \$67 million, respectively, during the year ended December 31, 2011.
- (b) Amounts relate to interest rate swaps at Duke Energy Carolinas.

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Duke Energy Ohio (in millions)	Year Ended December 31,	
	2011	2010
<b>Location of Pre-Tax Gains and (Losses) Recognized in Earnings</b>		
<b>Commodity contracts</b>		
Revenue, non-regulated electric and other	(26)	(3)
Fuel used in electric generation and purchased power-non-regulated	(1)	9
<b>Interest rate contracts</b>		
Interest expense	(1)	(1)
Total Pre-tax (Losses) Gains Recognized in Earnings <sup>(a)</sup>	<u>\$ (28)</u>	<u>\$ 5</u>
<b>Location of Pre-Tax Gains and (Losses) Recognized as Regulatory Assets</b>		
	<u>2011</u>	<u>2010</u>
<b>Commodity contracts</b>		
Regulatory Asset	\$ 1	\$ 5
<b>Interest rate contracts</b>		
Regulatory Asset	(4)	(1)
Total Pre-tax (Losses) Gains Recognized as Regulatory Assets	<u>\$ (3)</u>	<u>\$ 4</u>

(a) Amounts include intercompany positions that eliminate at the consolidated Duke Energy level.

### Credit Risk

The Duke Energy Registrants' principal customers for its electric and gas businesses are commodity clearinghouses, regional transmission organizations, residential, commercial and industrial end-users, marketers, local distribution companies, municipalities, electric cooperatives and utilities located throughout the U.S. and Latin America. The Duke Energy Registrants have concentrations of receivables from natural gas and electric utilities and their affiliates, as well as municipalities, electric cooperatives, residential, commercial and industrial customers and marketers throughout these regions. These concentrations of customers may affect the Duke Energy Registrants' overall credit risk in that risk factors can negatively impact the credit quality of the entire sector. Where exposed to credit risk, the Duke Energy Registrants analyze their counterparties' financial condition prior to entering into an agreement, establish credit limits and monitor the appropriateness of those limits on an ongoing basis.

The Duke Energy Registrants' industry has historically operated under negotiated credit lines for physical delivery contracts. The Duke Energy Registrants frequently use master collateral agreements to mitigate certain credit exposures, primarily related to hedging the risks inherent in its generation portfolio. The collateral agreements provide for a counterparty to post cash or letters of credit to the exposed party for exposure in excess of an established threshold. The threshold amount represents an unsecured credit limit, determined in accordance with the corporate credit policy. Collateral agreements also provide that the inability to post collateral is sufficient cause to terminate contracts and liquidate all positions.

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The Duke Energy Registrants also obtain cash, letters of credit or surety bonds from customers to provide credit support outside of collateral agreements, where appropriate, based on its financial analysis of the customer and the regulatory or contractual terms and conditions applicable to each transaction.

For regulated customers, commission rules restrict the ability to requires collateral and minimize exposure through the disconnection of service.

Certain of Duke Energy and Duke Energy Ohio's derivative contracts contain contingent credit features, such as material adverse change clauses or payment acceleration clauses that could result in immediate payments, the posting of letters of credit or the termination of the derivative contract before maturity if specific events occur, such as a downgrade of Duke Energy or Duke Energy Ohio's credit rating below investment grade.

The following table shows information with respect to derivative contracts that are in a net liability position and contain objective credit-risk related payment provisions. The amounts disclosed in the table below represents the aggregate fair value amounts of such derivative instruments at the end of the reporting period, the aggregate fair value of assets that are already posted as collateral under such derivative instruments at the end of the reporting period, and the aggregate fair value of additional assets that would be required to be transferred in the event that credit-risk-related contingent features were triggered at December 31, 2011.

#### Information Regarding Derivative Instruments that Contain Credit-risk Related Contingent Features

	December 31, 2011	December 31, 2010
<b>Duke Energy</b> (in millions)		
Aggregate Fair Value Amounts of Derivative Instruments in a Net Liability Position	\$ 96	\$ 148
Collateral Already Posted	36	2
Additional Cash Collateral or Letters of Credit in the Event Credit-risk-related Contingent Features were Triggered at the End of the Reporting Period	5	14

	December 31, 2011	December 31, 2010
<b>Duke Energy Ohio</b> (in millions)		
Aggregate Fair Value Amounts of Derivative Instruments in a Net Liability Position	\$ 94	\$ 147
Collateral Already Posted	35	2
Additional Cash Collateral or Letters of Credit in the Event Credit-risk-related Contingent Features were Triggered at the End of the Reporting Period	5	14

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### Netting of Cash Collateral and Derivative Assets and Liabilities Under Master Netting Arrangements.

In accordance with applicable accounting rules, Duke Energy and Duke Energy Ohio have elected to offset fair value amounts (or amounts that approximate fair value) recognized on their Consolidated Balance Sheets related to cash collateral amounts receivable or payable against fair value amounts recognized for derivative instruments executed with the same counterparty under the same master netting agreement. The amounts disclosed in the table below represent the receivables related to the right to reclaim cash collateral and payables related to the obligation to return cash collateral under master netting arrangements as of December 31, 2011 and December 31, 2010. See Note 15 for additional information on fair value disclosures related to derivatives.

### Information Regarding Cash Collateral under Master Netting Arrangements

#### Duke Energy

(in millions)	December 31, 2011		December 31, 2010	
	Receivables	Payables	Receivables	Payables
Amounts offset against net derivative positions on the Consolidated Balance Sheets	\$ 10	-	\$ 2	-
Amounts not offset against net derivative positions on the Consolidated Balance Sheets <sup>(a)</sup>	30	-	2	3

#### Duke Energy Ohio

(in millions)	December 31, 2011		December 31, 2010	
	Receivables	Payables	Receivables	Payables
Amounts offset against net derivative positions on the Consolidated Balance Sheets	\$ 9	-	\$ 2	-
Amounts not offset against net derivative positions on the Consolidated Balance Sheets <sup>(a)</sup>	28	\$ -	-	3

(a) Amounts primarily represent margin deposits related to futures contracts.

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## 15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Under current accounting guidance, fair value is considered to be the exchange price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The fair value definition focuses on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability versus an entry price, which would be the price paid to acquire an asset or received to assume a liability.

The Duke Energy Registrants classify recurring and non-recurring fair value measurements based on the following fair value hierarchy, as prescribed by current accounting guidance, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

**Level 1** — unadjusted quoted prices in active markets for identical assets or liabilities that Duke Energy has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide ongoing pricing information. Duke Energy does not adjust quoted market prices on Level 1 for any blockage factor.

**Level 2** — a fair value measurement utilizing inputs other than a quoted market price that are observable, either directly or indirectly, for the asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates. A Level 2 measurement cannot have more than an insignificant portion of the valuation based on unobservable inputs.

**Level 3** — any fair value measurements which include unobservable inputs for the asset or liability for more than an insignificant portion of the valuation. A Level 3 measurement may be based primarily on Level 2 inputs.

The fair value accounting guidance for financial instruments permits entities to elect to measure many financial instruments and certain other items at fair value that are not required to be accounted for at fair value under other GAAP. There are no financial assets or financial liabilities that are not required to be accounted for at fair value under GAAP for which the option to record at fair value has been elected. However, in the future, the Duke Energy Registrants may elect to measure certain financial instruments at fair value in accordance with this accounting guidance.

Valuation methods of the primary fair value measurements disclosed below are as follows:

### Investments in equity securities.

Investments in equity securities are typically valued at the closing price in the principal active market as of the last business day of the period. Principal active markets for equity prices include published exchanges such as NASDAQ and NYSE. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. Prices have not been adjusted to reflect for after-hours market activity. The majority of investments in equity securities are valued using Level 1 measurements.

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#### Investments in available-for-sale auction rate securities.

Duke Energy held \$89 million par value (\$71 million carrying value) and \$149 million par value (\$118 million carrying value) as of December 31, 2011, and December 31, 2010, respectively of auction rate securities for which an active market does not currently exist. During the year ended December 31, 2011, \$59 million of these investments in auction rate securities were redeemed at full par value plus accrued interest. Duke Energy Carolinas held \$16 million par value (\$12 million carrying value) of auction rate securities at both December 31, 2011, and December 31, 2010. All of these auction rate securities are student loan securities for which substantially all the values are ultimately backed by the U.S. government, and the majority of these securities are AAA rated. As of December 31, 2011 all of these auction rate securities are classified as long-term investments and are valued using Level 3 measurements. The methods and significant assumptions used to determine the fair values of the investment in auction rate debt securities represent estimations of fair value using internal discounted cash flow models which incorporate primarily management's own assumptions as to the term over which such investments will be recovered at par, the current level of interest rates, and the appropriate risk-adjusted discount rates when relevant observable inputs are not available to determine the present value of such cash flows. In preparing the valuations, all significant value drivers were considered, including the underlying collateral. Auction rate securities which are classified as Short-term investments are valued using Level 2 measurements, as they are valued at par based on a commitment by the issuer to redeem at par value. There were no auction rate securities classified as Short-term investments as of December 31, 2011 or December 31, 2010.

There were no other-than-temporary impairments associated with investments in auction rate debt securities during the years ended December 31, 2011, 2010, or 2009.

#### Investments in debt securities.

Most debt investments (including those held in the NDTF) are valued based on a calculation using interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating. Most debt valuations are Level 2 measurements. If the market for a particular fixed income security is relatively inactive or illiquid, the valuation is a Level 3 measurement. U.S. Treasury debt is typically a Level 1 measurement.

#### Commodity derivatives.

The pricing for commodity derivatives is primarily a calculated value which incorporates the forward price and is adjusted for liquidity (bid-ask spread), credit or non-performance risk (after reflecting credit enhancements such as collateral) and discounted to present value. The primary difference between a Level 2 and a Level 3 measurement has to do with the level of activity in forward markets for the commodity. If the market is relatively inactive, the measurement is deemed to be a Level 3 measurement. Some commodity derivatives are NYMEX contracts, which are classified as Level 1 measurements.

#### Goodwill and Long-Lived Assets.

See Note 12 for a discussion of the valuation for goodwill and long-lived assets.

#### Duke Energy

The following tables provide the fair value measurement amounts for assets and liabilities recorded on Duke Energy's Consolidated Balance Sheets at fair value at December 31, 2011 and 2010. Derivative amounts in the table below exclude cash collateral amounts which are disclosed in Note 14.

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(in millions) Description	Total Fair Value Amounts at December 31,			
	2011	Level 1	Level 2	Level 3
Investments in available-for-sale auction rate securities <sup>(a)</sup>	\$ 71	\$ -	\$ -	\$ 71
Nuclear decommissioning trust fund equity securities	1,337	1,285	46	6
Nuclear decommissioning trust fund debt securities	723	109	567	47
Other long-term trading and available-for-sale equity securities <sup>(b)</sup>	68	61	7	-
Other trading and available-for-sale debt securities <sup>(c)</sup>	382	22	360	-
Derivative assets <sup>(b)</sup>	74	43	6	25
Total Assets	\$ 2,655	\$ 1,520	\$ 986	\$ 149
Derivative liabilities <sup>(d)</sup>	(264)	(36)	(164)	(64)
Net Assets	\$ 2,391	\$ 1,484	\$ 822	\$ 85

- (a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.
- (b) Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheets.
- (c) Included in Other within Investments and Other Assets and Short-term Investments on the Consolidated Balance Sheets.
- (d) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

(in millions) Description	Total Fair Value Amounts at December 31,			
	2010	Level 1	Level 2	Level 3
Investments in available-for-sale auction rate securities <sup>(a)</sup>	\$ 118	\$ -	\$ -	\$ 118
Nuclear decommissioning trust fund equity securities	1,365	1,313	46	6
Nuclear decommissioning trust fund debt securities	649	35	573	41
Other long-term trading and available-for-sale equity securities <sup>(a)</sup>	164	157	7	-
Other long-term trading and available-for-sale debt securities <sup>(a)</sup>	221	10	211	-
Derivative assets <sup>(b)</sup>	186	21	81	84
Total Assets	\$ 2,703	\$ 1,536	\$ 918	\$ 249
Derivative liabilities <sup>(c)</sup>	(132)	(8)	(21)	(103)
Net Assets	\$ 2,571	\$ 1,528	\$ 897	\$ 146



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- (a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.
- (b) Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheets.
- (c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3):

**Rollforward of Level 3 Measurements**

	Available-for-Sale Auction Rate Securities	Available-for-Sale NDTF Investments	Derivatives (net)	Total
<b>Year Ended December 31, 2011</b>				
Balance at January 1, 2011	\$ 118	\$ 47	\$ (19)	\$ 146
Total pre-tax realized and unrealized gains (losses) included in earnings:				
Revenue, regulated electric <sup>(a)</sup>	-	-	13	13
Revenue, non-regulated electric, natural gas, and other	-	-	(27)	(27)
Total pre-tax gains included in other comprehensive income				
Gains on available for sale securities and other	12	-	-	12
Net purchases, sales, issuances and settlements				
Purchases <sup>(a)</sup>	-	8	8	16
Sales	-	(3)	-	(3)
Settlements	(16)	-	(16)	(32)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as non-current liability	-	1	2	3
Transfers out of Level 3	(43)	-	-	(43)
Balance at December 31, 2011	\$ 71	\$ 53	\$ (39)	\$ 85

(a) Derivative amounts relate to financial transmission rights

Pre-tax amounts included in the Consolidated  
Statements of Operations related to Level 3  
measurements outstanding at December 31, 2011:

Revenue, non-regulated electric, natural gas, and other	-	-	(20)	(20)
Total	\$ -	\$ -	\$ (20)	\$ (20)

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	Available-for-Sale Rate Securities	Available-for-Sale NDTF Investments	Derivatives (net)	Total
<b>Year Ended December 31, 2010</b>				
Balance at January 1, 2010	\$ 198	\$ -	\$ 25	\$ 223
Total pre-tax realized and unrealized losses included in earnings:				
Revenue, non-regulated electric, natural gas, and other	-	-	(45)	(45)
Fuel used in electric generation and purchased power-non-regulated	-	-	(13)	(13)
Total pre-tax gains (losses) included in other comprehensive income:				
Gains on available for sale securities and other	22	-	-	22
Losses on commodity cash flow hedges	-	-	(1)	(1)
Net purchases, sales, issuances and settlements	(102)	45	(3)	(60)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as non-current liability	-	2	18	20
Balance at December 31, 2010	\$ 118	\$ 47	\$ (19)	\$ 146
Pre-tax amounts included in the Consolidated Statements of Operations related to Level 3 measurements outstanding at December 31, 2010:				
Revenue, non-regulated electric, natural gas, and other	\$ -	\$ -	\$ 1	\$ 1
Total	\$ -	\$ -	\$ 1	\$ 1

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	Available-for-Sale Rate Securities	Auction Rate Securities	Available-for-Sale NDTF Investments	Derivatives (net)	Total
<b>Year Ended December 31, 2009</b>					
Balance at January 1, 2009	\$	224	\$	-	\$ 34 \$ 258
Total pre-tax realized or unrealized (losses) gains included in earnings:					
Revenue, non-regulated electric, natural gas, and other	-	-	-	(5)	(5)
Fuel used in electric generation and purchased power-non-regulated	-	-	-	16	16
Total pre-tax (losses) gains included in other comprehensive income:					
Losses on available for sale securities and other	(10)	-	-	-	(10)
Gains on commodity cash flow hedges	-	-	-	1	1
Net purchases, sales, issuances and settlements	(16)	-	-	(7)	(23)
Total losses included on the Consolidated Balance Sheet as regulatory asset or liability or as non-current liability	-	-	-	(14)	(14)
Balance at December 31, 2009	\$	198	\$	-	\$ 25 \$ 223
Pre-tax amounts included in the Consolidated Statements of Operations related to Level 3 measurements outstanding at December 31, 2009:					
Revenue, non-regulated electric, natural gas, and other	\$	-	\$	-	\$ (14) \$ (14)
Fuel used in electric generation and purchased power-non-regulated	-	-	-	(12)	(12)
Total	\$	-	\$	-	\$ (26) \$ (26)

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### Duke Energy Carolinas

The following tables provide the fair value measurement amounts for assets and liabilities recorded on Duke Energy Carolinas' Consolidated Balance Sheets at fair value at December 31, 2011 and December 31, 2010. Amounts presented in the tables below exclude cash collateral amounts.

(in millions) Description	Total Fair Value Amounts at December 31,			
	2011	Level 1	Level 2	Level 3
Investments in available-for-sale auction rate securities <sup>(a)</sup>	\$ 12	\$ -	\$ -	\$ 12
Nuclear decommissioning trust fund equity securities	1,337	1,285	46	6
Nuclear decommissioning trust fund debt securities	723	109	567	47
Derivative assets <sup>(b)</sup>	1	-	1	-
Total assets	\$ 2,073	\$ 1,394	\$ 614	\$ 65

(a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.

(b) Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheets.

(in millions) Description	Total Fair Value Amounts at December 31,			
	2010	Level 1	Level 2	Level 3
Investments in available-for-sale auction rate securities <sup>(a)</sup>	\$ 12	\$ -	\$ -	\$ 12
Nuclear decommissioning trust fund equity securities	1,365	1,313	46	6
Nuclear decommissioning trust fund debt securities	649	35	573	41
Derivative assets <sup>(b)</sup>	62	1	61	-
Total assets	2,088	1,349	680	59
Derivative liabilities <sup>(c)</sup>	(1)	(1)	-	-
Net assets	\$ 2,087	\$ 1,348	\$ 680	\$ 59

(a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.

(b) Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheets.

(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

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The following table provides a reconciliation of beginning and ending balances of assets measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3):

#### Rollforward of Level 3 Measurements

(in millions)	Available-for-Sale Auction Rate Securities	Available-for-Sale NDTF Investments	Total
Year Ended December 31, 2011			
Balance at January 1, 2011	\$12	\$47	\$ 59
Net purchases, sales, issuances and settlements:			
Purchases	-	8	8
Sales		(3)	(3)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability	-	1	1
Balance at December 31, 2011	\$12	\$53	\$ 65

  

(in millions)	Available-for-Sale Auction Rate Securities	Available-for-Sale NDTF Investments	Total
Year Ended December 31, 2010			
Balance at January 1, 2010	\$66	\$-	\$ 66
Total pre-tax gains included in other comprehensive income			
Gains on available for sale securities and other	12	-	12
Net purchases, sales, insurances and settlements	(66)	45	(21)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability	-	2	2
Balance at December 31, 2010	\$12	\$ 47	\$ 59

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(in millions)		Available-for-Sale Auction Rate Securities
Year Ended December 31, 2009		
Balance at January 1, 2009		\$ 72
Total pre-tax unrealized losses included in Other Comprehensive income:		
Losses on available for sale securities and other		(6)
Balance at December 31, 2009		\$ 66

### Duke Energy Ohio

The following tables provide the fair value measurement amounts for assets and liabilities recorded on Duke Energy Ohio's Consolidated Balance Sheets at fair value at December 31, 2011 and December 31, 2010. Amounts presented in the tables below exclude cash collateral amounts which are disclosed separately in Note 14.

(in millions)	Total Fair Value Amounts at December 31,			
	2011	Level 1	Level 2	Level 3
<b>Description</b>				
Derivative assets <sup>(a)</sup>	\$ 56	\$ 42	\$ 5	\$ 9
Derivative liabilities <sup>(b)</sup>	(30)	(10)	(8)	(12)
Net Assets	\$ 26	\$ 32	\$ (3)	\$ (3)

- (a) Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheets.
- (b) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

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(in millions)	Total Fair Value Amounts at December 31,			
	2010	Level 1	Level 2	Level 3
<b>Description</b>				
Derivative assets <sup>(a)</sup>	\$ 59	\$ 20	\$ 6	\$ 33
Derivative liabilities <sup>(b)</sup>	(32)	(7)	(5)	(20)
Net Assets	<u>\$ 27</u>	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ 13</u>

- (a) Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheets.
- (b) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

The following table provides a reconciliation of beginning and ending balances of assets measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3):

#### Rollforward of Level 3 Measurements

	Derivatives (net)
<b>Year Ended December 31, 2011</b>	
Balance at January 1, 2011	\$ 13
Total pre-tax realized and unrealized losses included in earnings:	
Revenue, non-regulated electric and other	(4)
Net purchases, sales, issuances and settlements:	
Settlements	(14)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as non-current liability	<u>2</u>
Balance at December 31, 2011	<u>\$ (3)</u>

There were insignificant amounts included in the Consolidated Statements of Operations related to Level 3 measurements outstanding at December 31, 2011.

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	Derivatives (net)
<b>Year Ended December 31, 2010</b>	
Balance at January 1, 2010	
Total pre-tax realized and unrealized gains (losses) included in earnings:	\$ 7
Revenue, non-regulated electric and other	8
Fuel used in electric generation and purchased power-non-regulated	(12)
Total pre-tax losses included in other comprehensive income	
Losses on commodity cash flow hedges	(1)
Net purchases, sales, issuances and settlements	8
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as non-current liability	3
Balance at December 31, 2010	<u>\$ 13</u>

**Year Ended December 31, 2010**

Balance at January 1, 2010	\$ 4
Net purchases, sales, issuances and settlements	(15)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as current or non-current liability	15
Balance at December 31, 2010	<u>\$ 4</u>

**Year Ended December 31, 2009**

Balance at January 1, 2009	\$ 10
Net purchases, sales, issuances and settlements	(9)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as current or non-current liability	3
Balance at December 31, 2009	<u>\$ 4</u>



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### Duke Energy Indiana

The following tables provide the fair value measurement amounts for assets and liabilities recorded on Duke Energy Indiana's Consolidated Balance Sheets at fair value at December 31, 2011 and December 31, 2010. Amounts presented in the tables below exclude cash collateral amounts.

(in millions)	Total Fair Value Amounts at December 31,			
	2011	Level 1	Level 2	Level 3
<b>Description</b>				
Available-for-sale equity securities <sup>(a)</sup>	\$ 46	\$ 46	\$ -	\$ -
Available-for-sale debt securities <sup>(a)</sup>	28	-	28	-
Derivative assets <sup>(b)</sup>	4	-	-	4
Total Assets	78	46	28	4
Derivative liabilities <sup>(c)</sup>	(69)	(1)	(68)	-
Net Assets	\$ 9	\$ 45	\$ (40)	\$ 4

(a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.

(b) Included in Other within Current Assets on the Consolidated Balance Sheets.

(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

(in millions)	Total Fair Value Amounts at December 31,			
	2010	Level 1	Level 2	Level 3
<b>Description</b>				
Available-for-sale equity securities <sup>(a)</sup>	\$ 47	\$ 47	\$ -	\$ -
Available-for-sale debt securities <sup>(a)</sup>	26	-	26	-
Derivative assets <sup>(b)</sup>	4	-	-	4
Total Assets	77	47	26	4
Derivative liabilities <sup>(c)</sup>	(2)	-	(2)	-
Net Assets	\$ 75	\$ 47	\$ 24	\$ 4

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
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- (a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.  
(b) Included in Other within Current Assets on the Consolidated Balance Sheets.  
(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

**Rollforward of Level 3 measurements**

(in millions)	<u>Derivatives (net)</u>
<b>Year Ended December 31, 2011</b>	
Balance at January 1, 2011	\$ 4
Total pre-tax realized or unrealized gains included in earnings:	
Revenue, regulated electric <sup>(a)</sup>	14
Net purchases, sales, issuances and settlements:	
Purchases <sup>(a)</sup>	8
Settlements	(21)
Total losses included on the Consolidated Balance Sheet as regulatory asset or liability or as current or non-current liability	<u>(1)</u>
Balance at December 31, 2011	<u>\$ 4</u>

- (a) Amounts relate to financial transmission rights.

(in millions)	<u>Derivatives (net)</u>
<b>Year Ended December 31, 2010</b>	
Balance at January 1, 2010	\$ 4
Net purchases, sales, issuances and settlements	(15)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as current or non-current liability	<u>15</u>
Balance at December 31, 2010	<u>\$ 4</u>
<b>Year Ended December 31, 2009</b>	
Balance at January 1, 2009	\$ 10
Net purchases, sales, issuances and settlements	(9)
Total gains included on the Consolidated Balance Sheet as regulatory asset or liability or as current or non-current liability	<u>3</u>
Balance at December 31, 2009	<u>\$ 4</u>

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#### Additional Fair Value Disclosures — Long-term debt:

The fair value of financial instruments, excluding financial assets and certain financial liabilities included in the scope of the accounting guidance for fair value measurements disclosed in the tables above, is summarized in the following table. Judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates determined as of December 31, 2011 and 2010 are not necessarily indicative of the amounts the Duke Energy Registrants could have settled in current markets.

As of December 31, 2011								
(in millions)	Duke Energy		Duke Energy Carolinas		Duke Energy Ohio		Duke Energy Indiana	
	Book Value <sup>(a)</sup>	Approximate Fair Value	Book Value <sup>(a)</sup>	Approximate Fair Value	Book Value	Approximate Fair Value	Book Value	Approximate Fair Value
Long-term debt, including current maturities	\$ 20,573	\$ 23,053	\$ 9,274	\$ 10,629	\$ 2,555	\$ 2,688	\$ 3,459	\$ 4,048

- (a) Includes Non-recourse long-term debt of variable interest entities of \$949 million for Duke Energy and \$300 million for Duke Energy Carolinas.

As of December 31, 2010								
(in millions)	Duke Energy		Duke Energy Carolinas		Duke Energy Ohio		Duke Energy Indiana	
	Book Value	Approximate Fair Value	Book Value	Approximate Fair Value	Book Value	Approximate Fair Value	Book Value	Approximate Fair Value
Long-term debt, including current maturities (a)	\$ 18,210	\$ 19,484	\$ 7,770	\$ 8,376	\$ 2,564	\$ 2,614	\$ 3,472	\$ 3,746

- a) Includes Non-recourse long-term debt of variable interest entities of \$976 million for Duke Energy and \$300 million for Duke Energy Carolinas.

At both December 31, 2011 and December 31, 2010, the fair value of cash and cash equivalents, accounts and notes receivable, accounts and notes payable and commercial paper, as well as restricted funds held in trust at Duke Energy Ohio, are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated rates approximate market rates.

See Note 21 for disclosure of fair value measurements for investments that support Duke Energy's qualified, non-qualified and other post-retirement benefit plans.

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## 16. INVESTMENTS IN DEBT AND EQUITY SECURITIES

The Duke Energy Registrants classify their investments in debt and equity securities into two categories — trading and available-for-sale. Investments in debt and equity securities held in grantor trusts associated with certain deferred compensation plans and certain other investments are classified as trading securities and are reported at fair value in the Consolidated Balance Sheets with net realized and unrealized gains and losses included in earnings each period. All other investments in debt and equity securities are classified as available-for-sale securities, which are also reported at fair value on the Consolidated Balance Sheets with unrealized gains and losses excluded from earnings and reported either as a regulatory asset or liability, as discussed further below, or as a component of other comprehensive income until realized.

**Trading Securities.** Duke Energy holds investments in debt and equity securities in grantor trusts that are associated with certain deferred compensation plans. At December 31, 2011 and 2010, the fair value of these investments was \$32 million and \$29 million, respectively. Additionally, at December 31, 2010 Duke Energy held Windstream Corp. equity securities, which were received as proceeds from the sale of Duke Energy's equity investment in Q-Comm during the fourth quarter of 2010 (see Note 2). The fair value of these securities at December 31, 2010 was \$87 million. Duke Energy subsequently sold these securities in the first quarter of 2011. Proceeds received from the sale of Windstream equity securities are reflected in Net proceeds from the sale of equity investments and other assets, and sales of and collections on notes receivable in the Duke Energy Consolidated Statement of Cash Flows.

**Available for Sale Securities.** Duke Energy's available-for-sale securities are primarily comprised of investments held in the NDTF at Duke Energy Carolinas, investments in a grantor trust at Duke Energy Indiana related to other post-retirement benefit plans as required by the IURC, Duke Energy captive insurance investment portfolio, Duke Energy foreign operations investment portfolio, and investments of Duke Energy and Duke Energy Carolinas in auction rate debt securities.

The investments within the Duke Energy Carolinas NDTF and the Duke Energy Indiana grantor trust are managed by independent investment managers with discretion to buy, sell and invest pursuant to the objectives set forth by the trust agreements. Therefore, Duke Energy Carolinas and Duke Energy Indiana have limited oversight of the day-to-day management of these investments. Since day-to-day investment decisions, including buy and sell decisions, are made by the investment manager, the ability to hold investments in unrealized loss positions is outside the control of Duke Energy Carolinas and Duke Energy Indiana. Accordingly, all unrealized losses associated with equity securities within the Duke Energy Carolinas NDTF and the Duke Energy Indiana grantor trust are considered other-than-temporary and are recognized immediately when the fair value of individual investments is less than the cost basis of the investment. Pursuant to regulatory accounting, substantially all unrealized losses associated with investments in debt and equity securities within the Duke Energy Carolinas NDTF or the Duke Energy Indiana grantor trust are deferred as a regulatory asset, thus there is no immediate impact on the earnings of Duke Energy Carolinas and Duke Energy Indiana as a result of any other-than-temporary impairments that would otherwise be required to be recognized in earnings.

For investments in debt and equity securities held in the captive insurance investment portfolio and investments in auction rate debt securities, unrealized gains and losses are included in other comprehensive income until realized, unless it is determined that the carrying value of an investment is other-than-temporarily impaired, at which time the write-down to fair value may be included in earnings based on the criteria discussed below.

For available-for-sale securities outside of the Duke Energy Carolinas NDTF and the Duke Energy Indiana grantor trust, which are discussed separately above, Duke Energy analyzes all investment holdings each reporting period to determine whether a decline in fair value should be considered other-than-temporary. Criteria used to evaluate whether an impairment associated with equity securities is other-than-temporary includes, but is not limited to, the length of time over which the market value has been lower than the cost basis of the investment, the percentage decline compared to the cost of the investment and management's intent and ability to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value. If a decline in fair value is determined to be other-than-temporary, the investment is written down to its fair value through a charge to earnings.

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With respect to investments in debt securities, under the accounting guidance for other-than-temporary impairment, if the entity does not have an intent to sell the security and it is not more likely than not that management will be required to sell the debt security before the recovery of its cost basis, the impairment write-down to fair value would be recorded as a component of other comprehensive income, except for when it is determined that a credit loss exists. In determining whether a credit loss exists, management considers, among other things, the length of time and the extent to which the fair value has been less than the amortized cost basis, changes in the financial condition of the issuer of the security, or in the case of an asset backed security, the financial condition of the underlying loan obligors, consideration of underlying collateral and guarantees of amounts by government entities, ability of the issuer of the security to make scheduled interest or principal payments and any changes to the rating of the security by rating agencies. If it is determined that a credit loss exists, the amount of impairment write-down to fair value would be split between the credit loss, which would be recognized in earnings, and the amount attributable to all other factors, which would be recognized in other comprehensive income. Since management believes, based on consideration of the criteria above, that no credit loss exists as of December 31, 2011 and 2010, and management does not have the intent to sell such investments in auction rate debt securities and the investments in debt securities within its captive insurance investment portfolio, and foreign operations investment portfolio, and it is not more likely than not that management will be required to sell these securities before the anticipated recovery of their cost basis, management concluded that there were no other-than-temporary impairments necessary as of December 31, 2011 and 2010. Accordingly, all changes in the market value of investments in auction rate debt securities, captive insurance investments, and foreign operation investments were reflected as a component of other comprehensive income in 2011 and 2010. See Note 15 for additional information related to fair value measurements for investments in auction rate debt securities.

Management will continue to monitor the carrying value of its entire portfolio of investments in the future to determine if any additional other-than-temporary impairment losses should be recorded.

Investments in debt and equity securities are classified as either short-term investments or long-term investments based on management's intent and ability to sell these securities, taking into consideration liquidity factors in the current markets with respect to certain short-term investments that have historically provided for a high degree of liquidity, such as investments in auction rate debt securities.

#### **Short-term investments.**

During the year ended December 31, 2011, Duke Energy purchased \$190 million of corporate debt securities using excess cash from its foreign operations. These investments are classified as Short-Term Investments on the balance sheet and are available for current operations of Duke Energy's foreign business. During the year ended December 31, 2011, Duke Energy received proceeds on sales of auction rate securities of approximately \$59 million (par value). During the year ended December 31 2010, there were no purchases or sales of short-term investments.

#### **Long-term investments.**

Duke Energy classifies its investments in debt and equity securities held in the Duke Energy Carolinas NDTF (see Note 15 for further information), the Duke Energy Indiana grantor trust and the captive insurance investment portfolio as long term. Additionally, Duke Energy has classified \$71 million carrying value (\$89 million par value) and \$118 million carrying value (\$149 million par value) of investments in auction rate debt securities as long-term at December 31, 2011 and 2010, respectively, due to market illiquidity factors as a result of continued failed auctions. All of these investments are classified as available-for-sale and, therefore, are reflected on the Consolidated Balance Sheets at estimated fair value based on either quoted market prices or management's best estimate of fair value based on expected future cash flow using appropriate risk-adjusted discount rates. Since management does not intend to use these investments in current operations, these investments are classified as long term.

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The cost of securities is determined using the specific identification method.

The estimated fair values of investments classified as available-for-sale are as follows (in millions):

#### Duke Energy

	December 31, 2011			December 31, 2010		
	Gross Unrealized Holding Gains <sup>(a)</sup>	Gross Unrealized Holding Losses <sup>(a)</sup>	Estimated Fair Value	Gross Unrealized Holding Gains <sup>(a)</sup>	Gross Unrealized Holding Losses <sup>(a)</sup>	Estimated Fair Value
Short-term Investments	\$ -	\$ -	\$ 190	\$ -	\$ -	\$ -
Total short-term investments	\$ -	\$ -	\$ 190	\$ -	\$ -	\$ -
Equity Securities	\$ 448	\$ (18)	\$ 1,397	\$ 481	\$ (16)	\$ 1,435
Corporate Debt Securities	9	(3)	256	12	(3)	270
Municipal Bonds	3	-	79	1	(9)	69
U.S. Government Bonds	17	-	327	10	(1)	235
Auction Rate Debt Securities	-	(17)	71	-	(31)	118
Other	6	(4)	229	11	(5)	274
Total long-term investments	\$ 483	\$ (42)	\$ 2,359	\$ 515	\$ (65)	\$ 2,401

- (a) The table above includes unrealized gains and losses of \$473 million and \$22 million, respectively, at December 31, 2011 and unrealized gains and losses of \$505 million and \$32 million, respectively, at December 31, 2010 associated with investments held in the Duke Energy Carolinas NDTF. Additionally, the table above includes unrealized gains of \$6 million and \$1 million of unrealized losses at December 31, 2011, and unrealized gains of \$6 million and an insignificant amount of unrealized losses, at December 31, 2010 associated with investments held in the Duke Energy Indiana grantor trust. As discussed above, unrealized losses on investments within the NDTF and Duke Energy Indiana grantor trust are deferred as a regulatory asset pursuant to regulatory accounting treatment.

For the years ended December 31, 2011 and 2009, a pre-tax gain of \$6 million and \$7 million, respectively were reclassified out of AOCI into earnings. There were no reclassifications out of AOCI into earnings for the year ended December 31, 2010.

Debt securities held at December 31, 2011, which excludes auction rate securities based on the stated maturity date, mature as follows: \$141 million in less than one year, \$318 million in one to five years, \$240 million in six to 10 years and \$381 million thereafter.

The fair values and gross unrealized losses of available-for-sale debt and equity securities which are in an unrealized loss position for which other-than-temporary impairment losses have not been recorded in the Consolidated Statement of Operations, summarized by investment type and length of time that the securities have been in a continuous loss position, are presented in the table below as of December 31, 2011 and 2010.

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	December 31, 2011			December 31, 2010		
	Estimated Fair Value (a)	Unrealized Loss Position > 12 Months	Unrealized Loss Position < 12 Months	Estimated Fair Value (a)	Unrealized Loss Position > 12 Months	Unrealized Loss Position < 12 Months
Equity Securities	\$ 123	(6)	\$ (12)	\$ 85	(11)	\$ (5)
Corporate Debt Securities	258	(2)	(1)	73	(2)	(2)
Municipal Bonds	3	-	-	42	(8)	(1)
U.S. Government Bonds	8	-	-	38	-	(1)
Auction Rate Debt Securities <sup>(b)</sup>	71	(17)	-	118	(31)	-
Other	121	-	(4)	84	(1)	(3)
Total long-term investments	\$ 584	\$ (25)	\$ (17)	\$ 440	\$ (53)	\$ (12)

- (a) The table above includes fair values of \$289 million and \$226 million at December 31, 2011 and December 31, 2010, respectively, associated with investments held in the Duke Energy Carolinas NDTF. Additionally, the table above includes fair values of \$11 million and \$5 million at December 31, 2011 and December 31, 2010, respectively, associated with investments held in the Duke Energy Indiana grantor trust.
- (b) See Note 15 for information about fair value measurements related to investments in auction rate debt securities.

#### Duke Energy Carolinas

	December 31, 2011			December 31, 2010		
	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Equity Securities	\$ 443	\$ (16)	\$ 1,337	\$ 475	\$ (16)	\$ 1,365
Corporate Debt Securities	8	(2)	205	10	(3)	227
Municipal Bonds	2	-	51	1	(9)	43
U.S. Government Bonds	16	-	306	10	-	224
Auction Rate Debt Securities	-	(3)	12	-	(3)	12
Other	4	(4)	161	9	(4)	155
Total long-term investments	\$ 473	\$ (25)	\$ 2,072	\$ 505	\$ (35)	\$ 2,026

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Debt securities held at December 31, 2011, which excludes auction rate securities based on the stated maturity date, mature as follows: \$65 million in less than one year, \$144 million in one to five years, \$205 million in six to 10 years and \$309 million thereafter.

The fair values and gross unrealized losses of available-for-sale debt and equity securities which are in an unrealized loss position for which other-than-temporary impairment losses have not been recorded in the Consolidated Statement of Operations, summarized by investment type and length of time that the securities have been in a continuous loss position, are presented in the table below as of December 31, 2011 and December 31, 2010.

	December 31, 2011			December 31, 2010		
	Estimated Fair Value	Unrealized Loss Position > 12 Months	Unrealized Loss Position < 12 Months	Estimated Fair Value	Unrealized Loss Position > 12 Months	Unrealized Loss Position < 12 Months
Equity Securities	\$ 111	(4)	\$ (12)	\$ 79	(11)	\$ (5)
Corporate Debt Securities	57	(1)	(1)	59	(2)	(1)
Municipal Bonds	-	-	-	28	(8)	(1)
U.S. Government Bonds	8	-	-	33	-	-
Auction Rate Debt Securities <sup>(a)</sup>	12	(3)	-	12	(3)	-
Other	113	(1)	(3)	27	(1)	(3)
Total long-term investments	\$ 301	\$ (9)	\$ (16)	\$ 238	\$ (25)	\$ (10)

(a) See Note 15 for information about fair value measurements related to investments in auction rate debt securities.

#### Duke Energy Indiana

	December 31, 2011			December 31, 2010		
	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Equity Securities	\$ 5	\$ (1)	\$ 46	\$ 6	\$ -	\$ 47
Municipal Bonds	1	-	28	-	-	26
Total long-term investments	\$ 6	\$ (1)	\$ 74	\$ 6	\$ -	\$ 73

Debt securities held at December 31, 2011 mature as follows: \$1 million in less than one year, \$20 million in one to five years, \$6 million in six to 10 years and \$1 million thereafter.

The fair values and gross unrealized losses of available-for-sale debt and equity securities which are in an unrealized loss position for which other-than-temporary impairment losses have not been recorded in the Consolidated Statement of Operations, summarized by investment type and length of time that the securities have been in a continuous loss position, are presented in the table below as of December 31, 2011 and December 31, 2010.



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	December 31, 2011			December 31, 2010		
	Fair Value	Unrealized Loss Position > 12 Months	Unrealized Loss Position < 12 Months	Fair Value	Unrealized Loss Position > 12 Months	Unrealized Loss Position < 12 Months
Equity Securities	\$ 8	\$ -	\$ (1)	\$ -	\$ -	\$ -
Municipal Bonds	3	-	-	14	-	-
Total long-term investments	\$ 11	\$ -	\$ (1)	\$ 14	\$ -	\$ -

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## 17. VARIABLE INTEREST ENTITIES

VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. If an entity is determined to be a VIE, a qualitative analysis of control determines the party that consolidates a VIE based on what party has the power to direct the most significant activities of the VIE that impact its economic performance as well as what party has rights to receive benefits or is obligated to absorb losses that are significant to the VIE. The analysis of the party that consolidates a VIE is a continual reassessment.

### CONSOLIDATED VIEs

The table below shows the VIEs that Duke Energy and Duke Energy Carolinas consolidate and how these entities impact Duke Energy's and Duke Energy Carolinas' respective Consolidated Balance Sheets. None of these entities is consolidated by Duke Energy Ohio or Duke Energy Indiana.

Other than the discussion below related to CRC, no financial support was provided to any of the consolidated VIEs during the years ended December 31, 2011 and 2010, respectively, or is expected to be provided in the future, that was not previously contractually required.

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**Duke Energy**

(in millions)	Duke Energy					
	Duke Energy Carolinas	Duke Energy Receivables Financing LLC (DERF)	CRC	CinCap V	Renewables	Other
At December 31, 2011						
<b>VIE Balance Sheets</b>						
Restricted Receivables of VIEs	\$ 581	\$ 547	\$ 13	\$ 13	\$ 3	\$ 1,157
Other Current Assets	-	-	2	124	8	134
Intangibles, net	-	-	-	12	-	12
Restricted Other Assets of VIEs	-	-	65	10	60	135
Other Assets	-	-	14	36	-	50
Property, Plant and Equipment Cost, VIEs	-	-	-	913	-	913
Less Accumulated Depreciation and Amortization	-	-	-	(62)	-	(62)
Other Deferred Debits	-	-	-	24	2	26
<b>Total Assets</b>	<b>581</b>	<b>547</b>	<b>94</b>	<b>1,070</b>	<b>73</b>	<b>2,365</b>
Accounts Payable	-	-	-	1	1	2
Non-Recourse Notes Payable	-	273	-	-	-	273
Taxes Accrued	-	-	-	3	-	3
Current Maturities of Long-Term Debt	-	-	11	49	5	65
Other Current Liabilities	-	-	3	59	-	62
Non-Recourse Long-Term Debt	300	-	60	528	61	949
Deferred Income Taxes	-	-	-	160	-	160
Asset Retirement Obligation	-	-	-	13	-	13
Other Liabilities	-	-	13	37	-	50
<b>Total Liabilities</b>	<b>300</b>	<b>273</b>	<b>87</b>	<b>850</b>	<b>67</b>	<b>1,577</b>
Noncontrolling interests	-	-	-	-	1	1
<b>Net Duke Energy Corporation Shareholders' Equity</b>	<b>\$ 281</b>	<b>\$ 274</b>	<b>\$ 7</b>	<b>\$ 220</b>	<b>\$ 5</b>	<b>\$ 787</b>

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**Duke Energy**

(in millions)	Duke Energy					
	Duke Energy Carolinas	Duke Energy Receivables Financing LLC (DERF)	CRC	CinCap V	Renewables	Other
<b>At December 31, 2010</b>						
<b>VIE Balance Sheets</b>						
Restricted Receivables of VIEs	\$ 637	\$ 629	\$ 12	\$ 20	\$ 4	\$ 1,302
Other Current Assets	-	-	4	282	8	294
Intangibles, net	-	-	-	13	-	13
Restricted Other Assets of VIEs	-	-	76	(2)	65	139
Other Assets	-	-	23	-	-	23
Property, Plant and Equipment Cost, VIEs	-	-	-	892	50	942
Less Accumulated Depreciation and Amortization	-	-	-	(26)	(29)	(55)
Other Deferred Debits	-	-	-	24	(3)	21
<b>Total Assets</b>	<b>637</b>	<b>629</b>	<b>115</b>	<b>1,203</b>	<b>95</b>	<b>2,679</b>
Accounts Payable	-	-	-	2	2	4
Non-Recourse Notes Payable	-	216	-	-	-	216
Taxes Accrued	-	-	-	1	-	1
Current Maturities of Long-Term Debt	-	-	9	45	7	61
Other Current Liabilities	-	-	5	16	-	21
Non-Recourse Long-Term Debt	300	-	71	518	87	976
Deferred Income Taxes	-	-	-	191	-	191
Asset Retirement Obligation	-	-	-	12	-	12
Other Liabilities	-	-	22	4	-	26
<b>Total Liabilities</b>	<b>300</b>	<b>216</b>	<b>107</b>	<b>789</b>	<b>96</b>	<b>1,508</b>
Noncontrolling interests	-	-	-	-	1	1
<b>Net Duke Energy Corporation Shareholders' Equity</b>	<b>\$ 337</b>	<b>\$ 413</b>	<b>\$ 8</b>	<b>\$ 414</b>	<b>\$ (2)</b>	<b>\$ 1,170</b>

**DERF.**

Duke Energy Carolinas securitizes certain accounts receivable through DERF, a bankruptcy remote, special purpose subsidiary. DERF is a wholly-owned limited liability company of Duke Energy Carolinas with a separate legal existence from its parent, and its assets are not intended to be generally available to creditors of Duke Energy Carolinas. As a result of the securitization, on a daily basis Duke Energy Carolinas sells certain accounts receivable, arising from the sale of electricity and/or related services as part of Duke Energy Carolinas' franchised electric business, to DERF. In order to fund its purchases of accounts receivable, DERF has a \$300 million secured credit facility with a commercial paper conduit, which expires in August 2013. Duke Energy Carolinas provides the servicing for the receivables (collecting and applying the cash to the appropriate receivables). Duke Energy Carolinas' borrowing under the credit facility is limited to the amount of qualified receivables sold, which has been and is expected to be in excess of the amount borrowed, which is maintained at \$300 million. The debt is classified as long-term since the facility has an expiration date of greater than one year from the balance sheet date.

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The obligations of DERF under the facility are non-recourse to Duke Energy Carolinas. Duke Energy and its subsidiaries have no requirement to provide liquidity, purchase assets of DERF or guarantee performance. DERF is considered a VIE because the equity capitalization is insufficient to support its operations. If deficiencies in the net worth of DERF were to occur, those deficiencies would be cured through funding from Duke Energy Carolinas. In addition, the most significant activity of DERF relates to the decisions made with respect to the management of delinquent receivables. Since those decisions are made by Duke Energy Carolinas and any net worth deficiencies of DERF would be cured through funding from Duke Energy Carolinas, Duke Energy Carolinas consolidates DERF.

### **CRC.**

CRC was formed in order to secure low cost financing for Duke Energy Ohio, including Duke Energy Kentucky, and Duke Energy Indiana. Duke Energy Ohio and Duke Energy Indiana sell on a revolving basis at a discount, nearly all of their customer accounts receivable and related collections to CRC. The receivables which are sold are selected in order to avoid any significant concentration of credit risk and exclude delinquent receivables. The receivables sold are securitized by CRC through a facility managed by two unrelated third parties and the receivables are used as collateral for commercial paper issued by the unrelated third parties. These loans provide the cash portion of the proceeds paid by CRC to Duke Energy Ohio and Duke Energy Indiana. The proceeds obtained by Duke Energy Ohio and Duke Energy Indiana from the sales of receivables are cash and a subordinated note from CRC (subordinated retained interest in the sold receivables) for a portion of the purchase price (typically approximates 25% of the total proceeds). The amount borrowed by CRC against these receivables is non-recourse to the general credit of Duke Energy, and the associated cash collections from the accounts receivable sold is the sole source of funds to satisfy the related debt obligation. Borrowing is limited to approximately 75% of the transferred receivables. Losses on collection in excess of the discount are first absorbed by the equity of CRC and next by the subordinated retained interests held by Duke Energy Ohio and Duke Energy Indiana. The discount on the receivables reflects interest expense plus an allowance for bad debts net of a servicing fee charged by Duke Energy Ohio and Duke Energy Indiana. Duke Energy Ohio and Duke Energy Indiana are responsible for the servicing of the receivables (collecting and applying the cash to the appropriate receivables). Depending on the experience with collections, additional equity infusions to CRC may be required to be made by Duke Energy in order to maintain a minimum equity balance of \$3 million. For the years ended December 31, 2011, 2010 and 2009, respectively, Duke Energy infused \$6 million, \$10 million and \$11 million of equity to CRC to remedy net worth deficiencies. The amount borrowed fluctuates based on the amount of receivables sold. The debt is short term because the facility has an expiration date of less than one year from the balance sheet date. The current expiration date is October 2012. CRC is considered a VIE because the equity capitalization is insufficient to support its operations, the power to direct the most significant activities of the entity are not performed by the equity holder, Cinergy, and deficiencies in the net worth of CRC are not funded by Cinergy, but by Duke Energy. The most significant activity of CRC relates to the decisions made with respect to the management of delinquent receivables. These decisions, as well as the requirement to make up deficiencies in net worth, are made by Duke Energy and not by Duke Energy Ohio, Duke Energy Kentucky or Duke Energy Indiana. Thus, Duke Energy consolidates CRC. Duke Energy Ohio and Duke Energy Indiana do not consolidate CRC.

### **CinCap V.**

CinCap V was created to finance and execute a power sale agreement with Central Maine Power Company for approximately 35 MW of capacity and energy. This agreement expires in 2016. CinCap V is considered a VIE because the equity capitalization is insufficient to support its operations. As Duke Energy has the power to direct the most significant activities of the entity, which are the decisions to hedge and finance the power sales agreement, CinCap V is consolidated by Duke Energy.

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### **Renewables.**

Duke Energy's renewable energy facilities include Green Frontier Windpower, LLC, Top of The World Wind Energy LLC and various solar projects, all subsidiaries of DEGS, an indirect wholly-owned subsidiary of Duke Energy.

These renewable energy facilities are VIEs due to power purchase agreements with terms that approximate the expected life of the projects. These fixed price agreements effectively transfer the commodity price risk to the buyer of the power. Duke Energy has consolidated these entities since inception because the most significant activities that impact the economic performance of these renewable energy facilities were the decisions associated with the siting, negotiation of the purchase power agreement, engineering, procurement and construction, and decisions associated with ongoing operations and maintenance related activities, all of which were made solely by Duke Energy.

The debt held by these renewable energy facilities is non-recourse to the general credit of Duke Energy. Duke Energy and its subsidiaries have no requirement to provide liquidity or purchase the assets of these renewable energy facilities. Duke Energy does not guarantee performance except for an immaterial multi-purpose letter of credit and various immaterial debt service reserve and operations and maintenance reserve guarantees. The assets are restricted and they cannot be pledged as collateral or sold to third parties without the prior approval of the debt holders.

### **Other.**

Duke Energy has other VIEs with restricted assets and non-recourse debt. These VIEs include certain on-site power generation facilities. Duke Energy consolidates these particular on-site power generation entities because Duke Energy has the power to direct the majority of the most significant activities, which, most notably involve the oversight of operation and maintenance related activities that impact the economic performance of these entities.

During the second quarter of 2011, the customer for one of these on-site generation facilities canceled its contract. As a result, the entity providing the on-site generation services no longer has any activity or assets, other than a receivable with payments to be collected through 2017. As of December 31, 2011, Duke Energy no longer consolidates this entity.

### **NON-CONSOLIDATED VIEs**

The table below shows the VIEs that the Duke Energy Registrants do not consolidate and how these entities impact Duke Energy's, Duke Energy Ohio's and Duke Energy Indiana's respective Consolidated Balance Sheets. As discussed above, while Duke Energy consolidates CRC, Duke Energy Ohio and Duke Energy Indiana do not consolidate CRC as they are not the primary beneficiary.

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(in millions)	Duke Energy				Duke Energy Ohio	Duke Energy Indiana
	DukeNet	Renewables	Other	Total		
At December 31, 2011						
Consolidated Balance Sheets						
Receivables	\$ -	\$ -	\$ -	\$ -	\$ 129	\$ 139
Investments in equity method unconsolidated affiliates	129	81	25	235	-	-
Intangibles	-	-	111	111	111	-
Total Assets	129	81	136	346	240	139
Other Current Liabilities	-	-	3	3	-	-
Deferred Credits and Other Liabilities	-	-	18	18	-	-
Total Liabilities	-	-	21	21	-	-
Net Duke Energy Corporation						
Shareholders' Equity	\$ 129	\$ 81	\$ 115	\$ 325	\$ 240	\$ 139

(in millions)	Duke Energy				Duke Energy Ohio	Duke Energy Indiana
	DukeNet	Renewables	Other	Total		
At December 31, 2010						
Consolidated Balance Sheets						
Receivables	\$ -	\$ -	\$ -	\$ -	\$ 216	\$ 192
Investments in equity method unconsolidated affiliates	137	95	23	255	-	-
Intangibles	-	-	119	119	119	-
Total Assets	137	95	142	374	335	192
Other Current Liabilities	-	-	3	3	-	-
Deferred Credits and Other Liabilities	-	-	28	28	-	-
Total Liabilities	-	-	31	31	-	-
Net Duke Energy Corporation						
Shareholders' Equity	\$ 137	\$ 95	\$ 111	\$ 343	\$ 335	\$ 192

No financial support that was not previously contractually required was provided to any of the unconsolidated VIEs during the years ended December 31, 2011 and 2010, respectively, or is expected to be provided in the future.

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With the exception of the power purchase agreement with the Ohio Valley Electric Corporation (OVEC), which is discussed below, and various guarantees, reflected in the table above as "Deferred Credits and Other Liabilities", the Duke Energy Registrants are not aware of any situations where the maximum exposure to loss significantly exceeds the carrying values shown above.

#### **CRC.**

As discussed above, CRC is consolidated only by Duke Energy. Accordingly, the retained interest in the sold receivables recorded on the Consolidated Balance Sheets of Duke Energy Ohio and Duke Energy Indiana are eliminated in consolidation at Duke Energy.

The proceeds obtained from the sales of receivables are largely cash but do include a subordinated note from CRC for a portion of the purchase price (typically approximates 25% of the total proceeds). The subordinated note is a retained interest (right to receive a specified portion of cash flows from the sold assets) and is classified within Receivables in Duke Energy Ohio's and Duke Energy Indiana's Consolidated Balance Sheets at December 31, 2011 and 2010, respectively. The retained interests reflected on the Consolidated Balance Sheets of Duke Energy Ohio and Duke Energy Indiana approximate fair value.

The carrying values of the retained interests are determined by allocating the carrying value of the receivables between the assets sold and the interests retained based on relative fair value. Because the receivables generally turnover in less than two months, credit losses are reasonably predictable due to the broad customer base and lack of significant concentration, and the purchased beneficial interest (equity in CRC) is subordinate to all retained interests and thus would absorb losses first, the allocated basis of the subordinated notes are not materially different than their face value. The hypothetical effect on the fair value of the retained interests assuming both a 10% and a 20% unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Ohio, Duke Energy Indiana and Duke Energy Kentucky on the retained interests using the accretable yield method, which generally approximates the stated rate on the notes since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both the retained interests and purchased beneficial interest whenever it is determined that an other-than-temporary impairment has occurred. The key assumptions used in estimating the fair value in 2011 and 2010 is detailed in the following table:

	2011	2010
<b>Duke Energy Ohio</b>		
Anticipated credit loss ratio	0.8%	0.8%
Discount rate	2.6%	2.7%
Receivable turnover rate	12.7%	12.6%
<b>Duke Energy Indiana</b>		
Anticipated credit loss ratio	0.4%	0.5%
Discount rate	2.6%	2.7%
Receivable turnover rate	10.2%	10.2%



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The following table shows the gross and net receivables sold as of December 31, 2011 and December 31, 2010, respectively:

	<b>Duke Energy Ohio</b>	<b>Duke Energy Indiana</b>
Receivables sold as of December 31, 2011	\$ 302	\$ 279
Less: Retained interests	129	139
Net receivables sold as of December 31, 2011	\$ 173	\$ 140

	<b>Duke Energy Ohio</b>	<b>Duke Energy Indiana</b>
Receivables sold as of December 31, 2010	\$ 373	\$ 284
Less: Retained interests	216	192
Net receivables sold as of December 31, 2010	\$ 157	\$ 92

The following table shows the retained interests, sales, and cash flows during the years ended December 31, 2011, 2010 and 2009 respectively:

	<b>Duke Energy Ohio</b>	<b>Duke Energy Indiana</b>
<b>Year Ended December 31, 2011</b>		
<b>Sales</b>		
Receivables sold	\$2,390	\$ 2,658
Loss recognized on sale	21	16
<b>Cash flows</b>		
Cash proceeds from receivables sold	\$2,474	\$ 2,674
Collection fees received	1	1
Return received on retained interests	12	13

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	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
<b>Year Ended December 31, 2010</b>		
<b>Sales</b>		
Receivables sold	\$2,858	\$ 2,537
Loss recognized on sale	26	17
<b>Cash flows</b>		
Cash proceeds from receivables sold	\$2,809	\$ 2,474
Collection fees received	1	1
Return received on retained interests	15	13
	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
<b>Year Ended December 31, 2009</b>		
<b>Sales</b>		
Receivables sold	\$3,108	\$ 2,398
Loss recognized on sale	26	16
<b>Cash flows</b>		
Cash proceeds from receivables sold	\$3,063	\$ 2,353
Collection fees received	2	1
Return received on retained interests	15	12

Cash flows from the sale of receivables are reflected within Operating Activities on Duke Energy Ohio's and Duke Energy Indiana's Consolidated Statements of Cash Flows.

Collection fees received in connection with the servicing of transferred accounts receivable are included in Operation, Maintenance and Other on Duke Energy Ohio's and Duke Energy Indiana's Consolidated Statements of Operations. The loss recognized on the sale of receivables is calculated monthly by multiplying the receivables sold during the month by the required discount which is derived monthly utilizing a three year weighted average formula that considers charge-off history, late charge history, and turnover history on the sold receivables, as well as a component for the time value of money. The discount rate, or component for the time value of money, is calculated monthly by summing the prior month-end LIBOR plus a fixed rate of 2.39%.

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### DukeNet.

In 2010, Duke Energy sold a 50% ownership interest in DukeNet to Alinda. The sale resulted in DukeNet becoming a joint venture with Duke Energy and Alinda each owning a 50% interest. In connection with the formation of the new DukeNet joint venture, a five-year, \$150 million senior secured credit facility was executed with a syndicate of ten external financial institutions. This credit facility is non-recourse to Duke Energy. DukeNet is considered a VIE because it has entered into certain contractual arrangements that provide DukeNet with additional forms of subordinated financial support. The most significant activities that impact DukeNet's economic performance relate to its business development and fiber optic capacity marketing and management activities. The power to direct these activities is jointly and equally shared by Duke Energy and Alinda. As a result, Duke Energy does not consolidate the DukeNet joint venture. Accordingly, DukeNet is a non-consolidated VIE that is reported as an equity method investment.

Unless consent by Duke Energy is given otherwise, Duke Energy and its subsidiaries have no requirement to provide liquidity, purchase the assets of DukeNet, or guarantee performance.

### Renewables.

Duke Energy has investments in various entities that generate electricity through the use of renewable energy technology. Some of these entities, which were part of the Catamount acquisition, are VIEs which are not consolidated due to the joint ownership of the entities when they were created and the power to direct and control key activities is shared jointly. Instead, Duke Energy's investment is recorded under the equity method of accounting. These entities are VIEs due to power purchase agreements with terms that approximate the expected life of the project. These fixed price agreements effectively transfer the commodity price risk to the buyer of the power.

### Other.

Duke Energy has investments in various other entities that are VIEs which are not consolidated. The most significant of these investments is Duke Energy Ohio's 9% ownership interest in OVEC. Through its ownership interest in OVEC, Duke Energy Ohio has a contractual arrangement through June 2040 to buy power from OVEC's power plants. The proceeds from the sale of power by OVEC to its power purchase agreement counterparties, including Duke Energy Ohio, are designed to be sufficient for OVEC to meet its operating expenses, fixed costs, debt amortization and interest expense, as well as earn a return on equity. Accordingly, the value of this contract is subject to variability due to fluctuations in power prices and changes in OVEC's costs of business, including costs associated with its 2,256 megawatts of coal-fired generation capacity. As discussed in Note 5, the proposed rulemaking on cooling water intake structures, utility boiler MACT, CSAPR and CCP's could increase the costs of OVEC which would be passed through to Duke Energy Ohio. The initial carrying value of this contract was recorded as an intangible asset when Duke Energy acquired Cinergy in April 2006.

In addition, the company has guaranteed the performance of certain entities in which the company no longer has an equity interest. As a result, the company has a variable interest in certain other VIEs that are non-consolidated.

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## 18. EARNINGS PER SHARE

Basic Earnings Per Share (EPS) is computed by dividing net income attributable to Duke Energy common shareholders, adjusted for distributed and undistributed earnings allocated to participating securities, by the weighted-average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income attributable to Duke Energy common shareholders, as adjusted for distributed and undistributed earnings allocated to participating securities, by the diluted weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other agreements to issue common stock, such as stock options, phantom shares and stock-based performance unit awards were exercised or settled.

The following table illustrates Duke Energy's basic and diluted EPS calculations and reconciles the weighted-average number of common shares outstanding to the diluted weighted-average number of common shares outstanding for the years ended December 31, 2011, 2010, and 2009.

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(in millions, except per share amounts)	Income	Average Shares	EPS
<b>2011</b>			
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic	\$ 1,702	1,332	\$ 1.28
Effect of dilutive securities:			
Stock options, performance and restricted stock		1	
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — diluted	\$ 1,702	1,333	\$ 1.28
<b>2010</b>			
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic	\$ 1,315	1,318	\$ 1.00
Effect of dilutive securities:			
Stock options, performance and restricted stock		1	
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — diluted	\$ 1,315	1,319	\$ 1.00
<b>2009</b>			
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic	\$ 1,061	1,293	\$ 0.82
Effect of dilutive securities:			
Stock options, performance and restricted stock		1	
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — diluted	\$ 1,061	1,294	\$ 0.82

As of December 31, 2011, 2010 and 2009, 7 million, 13 million and 20 million, respectively, of stock options, unvested stock and performance awards were not included in the “effect of dilutive securities” in the above table because either the option exercise prices were greater than the average market price of the common shares during those periods, or performance measures related to the awards had not yet been met.

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Beginning in the fourth quarter of 2008, Duke Energy began issuing authorized but previously unissued shares of common stock to fulfill obligations under its Dividend Reinvestment Plan (DRIP) and other internal plans, including 401(k) plans. During the years ended December 31, 2010 and 2009, Duke Energy received proceeds of \$288 million and \$494 million, respectively, from the sale of common stock associated with these plans. Proceeds from the sale of common stock associated with these plans were not significant in 2011. Duke Energy has discontinued issuing new shares of common stock under the DRIP.

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## 19. SEVERANCE

### 2011 Severance Plans.

In conjunction with the proposed merger with Progress Energy, in August 2011, Duke Energy announced plans to offer a voluntary severance plan to approximately 4,850 eligible employees. As this is a voluntary plan, all severance benefits offered under this plan are considered special termination benefits under GAAP. Special termination benefits are measured upon employee acceptance and recorded immediately absent a significant retention period. If a significant retention period exists, the cost of the special termination benefits are recorded ratably over the remaining service periods of the affected employees. Approximately 500 employees accepted the termination benefits during the voluntary window period, which closed on November 30, 2011. Duke Energy reserves the right to reject any request to volunteer based on business needs and/or excessive participation. The estimated amount of severance payments associated with this voluntary plan, contingent upon a successful close of the proposed merger with Progress Energy, are expected to be approximately \$80 million.

### 2010 Severance Plans.

During 2010, the majority of severance charges were related to a voluntary severance plan whereby eligible employees were provided a window during which to accept termination benefits. As this was a voluntary plan, all severance benefits offered under this plan were considered special termination benefits under GAAP. Special termination benefits are measured upon employee acceptance and recorded immediately absent a significant retention period. If a significant retention period exists, the cost of the special termination benefits are recorded ratably over the remaining service periods of the affected employees. Approximately 900 employees accepted the termination benefits during the voluntary window period, which closed March 31, 2010. Future severance costs under Duke Energy's ongoing severance plan, if any, are currently not estimable.

Amounts included in the table below represent severance expense recorded by the Duke Energy Registrants during 2010. The Duke Energy Registrants recorded insignificant amounts for severance expense during 2011.

	Year Ended December 31, 2010 <sup>(a)</sup>
Duke Energy	\$ 172
Duke Energy Carolinas	99
Duke Energy Ohio	24
Duke Energy Indiana	33

(a) These amounts are recorded in Operation, Maintenance and Other within Operating Expenses on the Consolidated Statements of Operations.

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The severance costs discussed above for the Subsidiary Registrants include an allocation of their proportionate share of severance costs for employees of Duke Energy's shared services affiliate that provides support to the Subsidiary Registrants. Amounts included in the table below represent the severance liability recorded by Duke Energy Carolinas and Duke Energy Indiana for employees of those registrants, and excludes costs allocated from and paid by Duke Energy's shared services affiliate.

(in millions)	Balance at December 31, 2010	Provision / Adjustments	Cash Reductions	Balance at December 31, 2011
Duke Energy	\$ 87	\$ (2)	\$ (53)	\$ 32
Duke Energy Carolinas	21	(2)	(18)	1
Duke Energy Indiana	1	-	(1)	-



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## 20. STOCK-BASED COMPENSATION

For employee awards, equity classified stock-based compensation cost is measured at the service inception date or the grant date, based on the estimated achievement of certain performance metrics or the fair value of the award, and is recognized as expense or capitalized as a component of property, plant and equipment over the requisite service period.

Duke Energy's 2010 Long-Term Incentive Plan (the 2010 Plan) reserved 75 million shares of common stock for awards to employees and outside directors. The 2010 Plan superseded the 2006 Long-Term Incentive Plan, as amended (the 2006 Plan), and no additional grants will be made from the 2006 Plan. Under the 2010 Plan, the exercise price of each option granted cannot be less than the market price of Duke Energy's common stock on the date of grant and the maximum option term is 10 years. The vesting periods range from immediate to three years. Duke Energy has historically issued new shares upon exercising or vesting of share-based awards. In 2012, Duke Energy may use a combination of new share issuances and open market repurchases for share-based awards which are exercised or become vested; however Duke Energy has not determined with certainty the amount of such new share issuances or open market repurchases.

The 2010 Plan allows for a maximum of 18.75 million shares of common stock to be issued under various stock-based awards other than options and stock appreciation rights.

### Stock-Based Compensation Expense

Pre-tax stock-based compensation expense recorded in the Consolidated Statements of Operations is as follows:

(in millions)	For the Years Ended December 31,		
	2011 <sup>(a)</sup>	2010 <sup>(a)</sup>	2009 <sup>(a)</sup>
Stock Options	\$ 2	\$ 2	\$ 2
Phantom Awards	27	26	17
Performance Awards	23	39	20
Other Stock Awards	-	-	1
Total	<u>\$ 52</u>	<u>\$ 67</u>	<u>\$ 40</u>

(a) Excludes stock-based compensation cost capitalized as a component of property, plant and equipment of \$2 million, \$4 million and \$4 million for the years ended December 31, 2011, 2010 and 2009, respectively.

The tax benefit associated with the stock-based compensation expense for the years ended December 31, 2011, 2010 and 2009 was \$20 million, \$26 million and \$16 million, respectively.

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### Stock Option Activity

	Options (in thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Life (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2010	13,881	\$ 17		
Granted	1,074	18		
Exercised	(4,734)	15		
Forfeited or expired	(3,954)	22		
Outstanding at December 31, 2011	6,267	\$ 15	4.6	\$ 41
Exercisable at December 31, 2011	4,256	\$ 15	2.7	\$ 31
Options Expected to Vest	2,011	\$ 17	8.6	\$ 10

On December 31, 2010 and 2009, Duke Energy had 12 million and 17 million exercisable options, respectively with a weighted-average exercise price of \$17 and \$18, respectively. The options granted in 2011 were expensed immediately, therefore, there is no future compensation cost associated with these options. The following table includes information related to Duke Energy's stock options.

	For the Years Ended December 31,		
(in millions)	2011	2010	2009
Intrinsic value of options exercised	\$ 26	\$ 8	\$ 6
Tax benefit related to options exercised	10	3	2
Cash received from options exercised	74	14	24
	(in thousands of shares)		
Stock options granted <sup>(a)</sup>	1,074	1,103	603

- (a) The options granted in 2011 were expensed immediately, therefore, there is no future compensation cost associated with these options.

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These assumptions were used to determine the grant date fair value of the stock options granted during 2011:

**Weighted-Average Assumptions for Option Pricing**

Risk-free interest rate <sup>(a)</sup>	2.5%
Expected dividend yield <sup>(b)</sup>	5.7%
Expected life <sup>(c)</sup>	6.0 years
Expected volatility <sup>(d)</sup>	18.8%

- (a) The risk free rate is based upon the U.S. Treasury Constant Maturity rates as of the grant date.  
(b) The expected dividend yield is based upon annualized dividends and the 1-year average closing stock price.  
(c) The expected life of options is derived from the simplified method approach.  
(d) Volatility is based upon 50% historical and 50% implied volatility. Historic volatility is based on Duke Energy's historical volatility over the expected life using daily stock prices. Implied volatility is the average for all option contracts with a term greater than six months using the strike price closest to the stock price on the valuation date.

**Phantom Stock Awards**

Phantom stock awards issued and outstanding under the 2010 Plan and the 2006 Plan generally vest over periods from immediate to three years. The following table includes information related to Duke Energy's phantom stock awards.

	Shares awarded (in thousands)	Fair value <sup>(a)</sup> (in millions)
Years ended December 31,		
2011	1,907	\$ 34
2010	1,047	17
2009	1,096	16

- (a) Based on the market price of Duke Energy's common stock at the grant date.

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Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

The following table summarizes information about phantom stock awards outstanding at December 31, 2011:

	Shares (in thousands)	Weighted Average Per Share Grant Date Fair Value
Number of Phantom Stock Awards:		
Outstanding at December 31, 2010	1,763	\$ 17
Granted	1,907	18
Vested	(1,057)	18
Forfeited	(46)	18
Outstanding at December 31, 2011	2,567	\$ 17
Phantom Stock Awards Expected to Vest	2,503	\$ 17

The total grant date fair value of the shares vested during the years ended December 31, 2011, 2010 and 2009 was \$19 million, \$29 million and \$23 million, respectively. At December 31, 2011, Duke Energy had \$19 million of unrecognized compensation cost which is expected to be recognized over a weighted-average period of 2.6 years.

#### Performance Awards

Stock-based awards issued and outstanding under the 2010 Plan and the 2006 Plan generally vest over three years if performance targets are met. Vesting for certain stock-based performance awards can occur in three years, at the earliest, if performance is met. Certain performance awards granted in 2011, 2010 and 2009 contain market conditions based on the total shareholder return (TSR) of Duke Energy stock relative to a pre-defined peer group (relative TSR). These awards are valued using a path-dependent model that incorporates expected relative TSR into the fair value determination of Duke Energy's performance-based share awards. The model uses three year historical volatilities and correlations for all companies in the pre-defined peer group, including Duke Energy, to simulate Duke Energy's relative TSR as of the end of the performance period. For each simulation, Duke Energy's relative TSR associated with the simulated stock price at the end of the performance period plus expected dividends within the period results in a value per share for the award portfolio. The average of these simulations is the expected portfolio value per share. Actual life to date results of Duke Energy's relative TSR for each grant is incorporated within the model. Other performance awards not containing market conditions were awarded in 2011, 2010 and 2009. The performance goal for the 2011 and 2010 award is Duke Energy's Return on Equity (ROE) over a three year period. The performance goal for the 2009 award is Duke Energy's compounded annual growth rate of annual diluted EPS, adjusted for certain items, over a three year period. All of these awards are measured at grant date price. The following table includes information related to Duke Energy's performance awards.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
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	Shares awarded (in thousands)	Fair value <sup>(a)</sup> (in millions)
Years ended December 31,		
2011	1,294	\$ 20
2010	2,734	38
2009	3,426	44

(a) Based on the market price of Duke Energy's common stock at the grant date.

The following table summarizes information about stock-based performance awards outstanding at the maximum level at December 31, 2011:

	Shares (in thousands)	Weighted Average Per Share Grant Date Fair Value
Number of Stock-based Performance Awards:		
Outstanding at December 31, 2010	7,550	\$ 14
Granted	1,294	16
Vested	(2,111)	16
Forfeited	(363)	13
Outstanding at December 31, 2011	6,370	\$ 14
Stock-based Performance Awards Expected to Vest	6,212	\$ 14

The total grant date fair value of the shares vested during the years ended December 31, 2011, 2010 and 2009 was \$33 million, \$15 million and \$20 million, respectively. At December 31, 2011, Duke Energy had \$17 million of unrecognized compensation cost which is expected to be recognized over a weighted-average period of 1.5 years.

#### Other Stock Awards

Other stock awards issued and outstanding under the 1998 Plan vest over periods from three to five years. There were no other stock awards issued during the years ended December 31, 2011, 2010 or 2009.

The following table summarizes information about other stock awards outstanding at December 31, 2011:

	Shares (in thousands)	Weighted Average Per Share Grant Date Fair Value
Number of Other Stock Awards:		
Outstanding at December 31, 2010	131	\$ 28
Vested	(131)	28
Forfeited	-	-
Outstanding at December 31, 2011	-	-

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The total fair value of the shares vested during the years ended December 31, 2011, 2010 and 2009 was \$4 million, \$1 million, and \$1 million, respectively.

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Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

## 21. EMPLOYEE BENEFIT PLANS

### Duke Energy

#### Defined Benefit Retirement Plans

Duke Energy and its subsidiaries (including legacy Cinergy businesses) maintain qualified, non-contributory defined benefit retirement plans. The plans cover most U.S. employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits that are based upon a percentage (which varies with age and years of service) of current eligible earnings and current interest credits. Certain legacy Cinergy U.S. employees are covered under plans that use a final average earnings formula. Under a final average earnings formula, a plan participant accumulates a retirement benefit equal to a percentage of their highest 3-year average earnings, plus a percentage of their highest 3-year average earnings in excess of covered compensation per year of participation (maximum of 35 years), plus a percentage of their highest 3-year average earnings times years of participation in excess of 35 years. Duke Energy also maintains non-qualified, non-contributory defined benefit retirement plans which cover certain executives.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefit payments to be paid to plan participants. The following table includes information related to Duke Energy's contributions to its U.S. qualified defined benefit pension plans.

	For the Years Ended			
	December 31,			
(in millions)	2012	2011	2010	2009
Contributions made				
Anticipated contributions	\$ 200	\$ 200	\$ 400	\$ 800

Actuarial gains and losses subject to amortization are amortized over the average remaining service period of the active employees. The average remaining service period of active employees covered by the qualified retirement plans is ten years. The average remaining service period of active employees covered by the non-qualified retirement plans is nine years. Duke Energy determines the market-related value of plan assets using a calculated value that recognizes changes in fair value of the plan assets in a particular year on a straight line basis over the next five years.

Net periodic benefit costs disclosed in the tables below for the qualified, non-qualified and other post-retirement benefit plans represent the cost of the respective benefit plan for the periods presented. However, portions of the net periodic benefit costs disclosed in the tables below have been capitalized as a component of property, plant and equipment.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
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## Qualified Pension Plans

### Components of Net Periodic Pension Costs: Qualified Pension Plans

(in millions)	For the Years Ended December 31,		
	2011 <sup>(a)</sup>	2010 <sup>(a)</sup>	2009 <sup>(a)</sup>
Service cost	\$ 96	\$ 96	\$ 85
Interest cost on projected benefit obligation	232	248	257
Expected return on plan assets	(384)	(378)	(362)
Amortization of prior service cost	6	5	7
Amortization of actuarial loss	77	50	2
Settlement and contractual termination benefit cost	-	13	-
Other	18	18	17
Net periodic pension costs	<u>\$ 45</u>	<u>\$ 52</u>	<u>\$ 6</u>

- (a) These amounts exclude \$14 million, \$16 million and \$10 million for the years ended December 31, 2011, 2010 and 2009, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

## Other Changes in Plan Assets and Projected Benefit Obligations

### Recognized in Accumulated Other Comprehensive Income and Regulatory Assets: Qualified Pension Plans

(in millions)	For the Years Ended December 31,	
	2011	2010
Regulatory assets, net increase	\$ 152	\$ 350
Accumulated other comprehensive (income) loss <sup>(a)</sup>		
Deferred income tax asset	(10)	143
Actuarial losses (gains) arising during the year	60	(5)
Amortization of prior year actuarial losses	(8)	(16)
Reclassification of actuarial gains (losses) to regulatory assets	8	(365)
Amortization of prior year prior service cost	(1)	(3)
Reclassification of prior service cost to regulatory assets	-	(19)
Net amount recognized in accumulated other comprehensive (income) loss	<u>\$ 49</u>	<u>\$ (265)</u>



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Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2011/Q4
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- (a) Excludes actuarial losses of \$2 million in 2011 and \$3 million in 2010 recognized in other accumulated comprehensive income, net of tax, associated with a Brazilian retirement plan.

**Reconciliation of Funded Status to Net Amount Recognized: Qualified Pension Plans**

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
Change in Projected Benefit Obligation		
Obligation at prior measurement date	\$ 4,861	\$ 4,695
Service cost	96	96
Interest cost	232	248
Actuarial (gains) losses	(7)	190
Plan amendments	18	2
Settlement and contractual termination benefit cost	-	13
Benefits paid	(320)	(383)
Obligation at measurement date	<u>\$ 4,880</u>	<u>\$ 4,861</u>

The accumulated benefit obligation was \$4,661 million and \$4,611 million at December 31, 2011 and 2010, respectively.

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 4,797	\$ 4,224
Actual return on plan assets	64	556
Benefits paid	(320)	(383)
Employer contributions	200	400
Plan assets at measurement date	<u>\$ 4,741</u>	<u>\$ 4,797</u>

**Amounts Recognized in the Consolidated Balance Sheets: Qualified Pension Plans**

The following table provides the amounts related to Duke Energy's qualified pension plans that are reflected in Other within Investments and Other Assets and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

(in millions)	As of December 31,	
	2011	2010
Prefunded pension cost	\$ -	\$ 101
Accrued pension liability	(139)	(165)
Net amount recognized	<u>\$ (139)</u>	<u>\$ (64)</u>

The following table provides the amounts related to Duke Energy's qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits and AOCI on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 1,411	\$ 1,259
Accumulated other comprehensive (income) loss		
Deferred income tax asset	(73)	(63)
Prior service cost	4	5
Net actuarial loss	<u>201</u>	<u>141</u>
Net amount recognized in accumulated other comprehensive (income) loss <sup>(a)</sup>	<u>\$ 132</u>	<u>\$ 83</u>

(a) Excludes accumulated other comprehensive income of \$19 million and \$17 million as of December 31, 2011 and 2010, respectively, net of tax, associated with a Brazilian retirement plan.

Of the amounts above, \$98 million of unrecognized net actuarial loss and \$5 million of unrecognized prior service cost will be recognized in net periodic pension costs in 2012.

#### Additional Information: Qualified Pension Plans

##### Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

(in millions)	As of December 31,	
	2011	2010
Projected benefit obligation	\$ -	\$1,052
Accumulated benefit obligation	-	956
Fair value of plan assets	<u>\$ -</u>	<u>\$ 951</u>

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Notes to Financial Statements			

### Assumptions Used for Pension Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase (graded by age)	4.40	4.10	4.50
	2011	2010	2009
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50
Expected long-term rate of return on plan assets	8.25	8.50	8.50

The discount rate used to determine the current year pension obligation and following year's pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

### Non-Qualified Pension Plans

#### Components of Net Periodic Pension Costs: Non-Qualified Pension Plans

(in millions)	For the Years Ended December 31,		
	2011	2010	2009
Service cost	\$ 1	\$ 1	\$ 2
Interest cost on projected benefit obligation	8	9	10
Amortization of prior service cost	2	2	2
Settlement credit	-	-	(1)
Net periodic pension costs	\$ 11	\$ 12	\$ 13

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### Other Changes in Plan Assets and Projected Benefit Obligations

#### Recognized in Regulatory Assets, Regulatory Liabilities and Accumulated Other Comprehensive Income: Non-Qualified Pension Plans

(in millions)	For the Years Ended December 31,	
	2011	2010
Regulatory assets, net increase	\$ 2	\$ 23
Regulatory liabilities, net increase	7	3
Accumulated other comprehensive (income) loss		
Deferred income tax asset	(1)	8
Actuarial losses (gains) arising during the year	1	(8)
Reclassification of actuarial gains (losses) to regulatory assets	-	(1)
Amortization of prior year prior service cost	-	(2)
Reclassification of prior service cost to regulatory assets	-	(1)
Reclassification of prior services cost to regulatory liabilities	-	(8)
Net amount recognized in accumulated other comprehensive (income) loss	\$ -	\$ (12)

#### Reconciliation of Funded Status to Net Amount Recognized: Non-Qualified Pension Plans

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Projected Benefit Obligation</b>		
Obligation at prior measurement date	\$ 167	\$ 173
Service cost	1	1
Interest cost	8	9
Actuarial losses (gains)	(2)	2
Benefits paid	(14)	(18)
Obligation at measurement date	\$ 160	\$ 167
<b>Change in Fair Value of Plan Assets</b>		
Benefits paid	\$ (14)	\$ (18)
Employer contributions	14	18
Plan assets at measurement date	\$ -	\$ -

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The accumulated benefit obligation was \$151 million and \$160 million at December 31, 2011 and 2010, respectively.

**Amounts Recognized in the Consolidated Balance Sheets: Non-Qualified Pension Plans**

The following table provides the amounts related to Duke Energy's non-qualified pension plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued pension liability <sup>(a)</sup>	\$ (160)	\$ (167)

- (a) Includes \$17 million and \$19 million recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of December 31, 2011 and 2010, respectively.

The following table provides the amounts related to Duke Energy's non-qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits, Other within Deferred Credits and Other Liabilities and AOCI on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 25	\$ 23
Regulatory liabilities	10	3
Accumulated other comprehensive (income) loss		
Deferred income tax (asset) liability	-	1
Prior service cost	-	1
Net actuarial loss (gain)	1	(1)
Net amount recognized in accumulated other comprehensive (income) loss	\$ 1	\$ 1

Of the amounts above, \$1 million of unrecognized prior service cost and \$1 million of unrecognized net actuarial loss will be recognized in net periodic pension costs in 2012.

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Duke Energy Ohio, Inc.			
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### Additional Information: Non-Qualified Pension Plans

#### Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

(in millions)	As of December 31,	
	2011	2010
Projected benefit obligation	\$ 160	\$ 167
Accumulated benefit obligation	151	160
Fair value of plan assets	\$ -	\$ -

#### Assumptions Used for Pension Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase (graded by age)	4.40	4.10	4.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50

The discount rate used to determine the current year pension obligation and following year's pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

#### Other Post-Retirement Benefit Plans

Duke Energy and most of its subsidiaries provide some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans.

Duke Energy did not make any pre-funding contributions to its other post-retirement benefit plans during the years ended December 31, 2011, 2010 or 2009.

These benefit costs are accrued over an employee's active service period to the date of full benefits eligibility. The net unrecognized transition obligation is amortized over 20 years. Actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the plan is 11 years.

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# **Components of Net Periodic Other Post-Retirement Benefit Costs**

(in millions)	For the Years Ended December 31,		
	2011 (a)	2010 (a)	2009 (a)
Service cost	\$ 7	\$ 7	\$ 7
Interest cost on accumulated post-retirement benefit obligation	35	38	46
Expected return on plan assets	(15)	(15)	(16)
Amortization of prior service credit	(8)	(8)	(8)
Amortization of net transition liability	10	11	10
Amortization of actuarial gain	(3)	(5)	(5)
Net periodic other post-retirement benefit costs	<u>\$ 26</u>	<u>\$ 28</u>	<u>\$ 34</u>

- (a) These amounts exclude \$8 million, \$9 million and \$9 million for the years ended December 31, 2011, 2010 and 2009, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Modernization Act) introduced a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans. Accounting guidance issued and adopted by Duke Energy in 2004 prescribes the appropriate accounting for the federal subsidy. The after-tax effect on net periodic post-retirement benefit cost was a decrease of \$3 million in 2011, \$4 million in 2010 and \$3 million in 2009. Duke Energy recognized a \$1 million subsidy receivable as of December 31, 2011 and 2010, which is included in Receivables on the Consolidated Balance Sheets.

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**Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Accumulated Other Comprehensive Income, Regulatory Assets and Regulatory Liabilities: Other Post-Retirement Benefit Plans**

**For the Years Ended  
December 31,**

**(in millions)**

	<b>2011</b>	<b>2010</b>
Regulatory assets, net decrease	\$ (22)	\$ (14)
Regulatory liabilities, net increase (decrease)	21	(5)
Accumulated other comprehensive (income) loss		
Deferred income tax liability	1	1
Actuarial (gain) loss arising during the year	-	(3)
Amortization of prior year actuarial gains	1	1
Reclassification of actuarial losses to regulatory liabilities	-	(8)
Amortization of prior year prior service credit	-	2
Reclassification of prior service credit to regulatory liabilities	-	9
Amortization of prior year net transition liability	-	(2)
Reclassification of net transition liability to regulatory liabilities	-	(2)
Net amount recognized in accumulated other comprehensive (income) loss	<u>\$ 2</u>	<u>\$ (2)</u>



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Duke Energy Ohio, Inc.			
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# Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Benefit Obligation</b>		
Accumulated post-retirement benefit obligation at prior measurement date	\$ 723	\$ 728
Service cost	7	7
Interest cost	35	38
Plan participants' contributions	32	35
Actuarial gain	(55)	(12)
Benefits paid	(83)	(79)
Early retiree reinsurance program subsidy	3	-
Accrued retiree drug subsidy	5	6
Accumulated post-retirement benefit obligation at measurement date	<u>\$ 667</u>	<u>\$ 723</u>
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 186	\$ 169
Actual return on plan assets	4	19
Benefits paid	(83)	(79)
Employer contributions	42	42
Plan participants' contributions	32	35
Plan assets at measurement date	<u>\$ 181</u>	<u>\$ 186</u>

## Amounts Recognized in the Consolidated Balance Sheets: Other Post-Retirement Benefit Plans

The following table provides the amounts related to Duke Energy's other post-retirement benefit plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued other post-retirement liability <sup>(a)</sup>	\$ (486)	\$ (537)

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- (a) Includes \$3 million and \$2 million recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of December 31, 2011 and 2010, respectively.

The following table provides the amounts related to Duke Energy's other post-retirement benefit plans that are reflected in Other within Regulatory Assets and Deferred Debits, Other within Deferred Credits and Other Liabilities and AOCI on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 37	\$ 59
Regulatory liabilities	107	86
Accumulated other comprehensive (income)/loss:		
Deferred income tax liability	4	3
Prior service credit	(3)	(3)
Net actuarial loss (gain)	(6)	(7)
Net amount recognized in accumulated other comprehensive (income)/loss	\$ (5)	\$ (7)

Of the amounts above, \$8 million of unrecognized net transition obligation, \$6 million of unrecognized actuarial gains and \$8 million of unrecognized prior service credit (which will reduce pension expense) will be recognized in net periodic pension costs in 2012.

#### Assumptions Used for Other Post-Retirement Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Determined Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Expected long-term rate of return on plan assets	5.36 - 8.25	5.53 - 8.50	5.53 - 8.50
Assumed tax rate <sup>(a)</sup>	35.0	35.0	35.0

- (a) Applicable to the health care portion of funded post-retirement benefits.

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Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

#### Assumed Health Care Cost Trend Rate

	2011	2010
Health care cost trend rate assumed for next year	8.75%	8.50%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2020

#### Sensitivity to Changes in Assumed Health Care Cost Trend Rates

(in millions)	1-Percentage- Point Increase	1-Percentage- Point Decrease
Effect on total service and interest costs	\$ 2	\$ (2)
Effect on post-retirement benefit obligation	31	(28)

#### Expected Benefit Payments: Defined Benefit Retirement Plans

The following table presents Duke Energy's expected benefit payments to participants in its qualified, non-qualified and other post-retirement benefit plans over the next 10 years, which are primarily paid out of the assets of the various trusts. These benefit payments reflect expected future service, as appropriate.

(in millions)	Qualified Plans	Non- Qualified Plans	Other Post- Retirement Plans <sup>(a)</sup>	Total
Years Ended December 31,				
2012	\$ 463	\$ 17	\$ 49	\$ 529
2013	451	15	52	518
2014	440	17	53	510
2015	434	14	54	502
2016	428	13	55	496
2017 - 2021	2,050	64	270	2,384

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- (a) Duke Energy expects to receive future subsidies under Medicare Part D of \$4 million in 2012 and \$3 million in each of the years 2013-2016, and a total of \$15 million during the years 2017-2021.

#### Plan Assets

**Master Retirement Trust.** Assets for both the qualified pension and other post-retirement benefits are maintained in a Master Retirement Trust (Master Trust). Approximately 97% of Master Trust assets were allocated to qualified pension plans and approximately 3% were allocated to other post-retirement plans, as of December 31, 2011 and 2010. The investment objective of the Master Trust is to achieve reasonable returns, subject to a prudent level of portfolio risk, for the purpose of enhancing the security of benefits for plan participants. The long-term rate of return of 8.00% as of December 31, 2011, for the Master Trust was developed using a weighted-average calculation of expected returns based primarily on future expected returns across asset classes considering the use of active asset managers. The following table includes the weighted-average returns expected by asset classes:

Asset Class	<u>Weighted-average returns expected</u>
U.S. Equities	2.61%
Non-U.S. Equities	1.50%
Global Equities	0.99%
Debt Securities	1.69%
Global Private Equity	0.37%
Hedge Funds	0.24%
Real Estate	0.30%
Other Global Securities	0.30%

The asset allocation targets were set after considering the investment objective and the risk profile. U.S. equities are held for their high expected return. Non-U.S. equities, debt securities, and real estate are held for diversification. Investments within asset classes are to be diversified to achieve broad market participation and reduce the impact of individual managers or investments. Duke Energy regularly reviews its actual asset allocation and periodically rebalances its investments to the targeted allocation when considered appropriate.

The Duke Energy Subsidiary Registrants' qualified pension and other post-retirement benefits are derived from the Master Trust, as such, each are allocated their proportionate share of the assets discussed below.

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The following table presents target and actual asset allocations for the Master Trust at December 31, 2011 and 2010:

Asset Category	Target Allocation	Percentage at December 31,	
		2011	2010
U.S. equity securities	28%	28%	30%
Non-U.S. equity securities	15	15	19
Global equity securities	10	9	10
Debt securities	32	32	27
Global private equity securities	3	1	-
Hedge funds	4	3	3
Real estate and cash	4	9	7
Other global securities	4	3	4
Total	100%	100%	100%

**VEBA I/II.** Duke Energy also invests other post-retirement assets in the Duke Energy Corporation Employee Benefits Trust (VEBA I). As of December 31, 2010, Duke Energy invested in the Duke Energy Corporation Post-Retirement Medical Benefits Trust (VEBA II). The investment objective of VEBA I is to achieve sufficient returns, subject to a prudent level of portfolio risk, for the purpose of promoting the security of plan benefits for participants. VEBA I is passively managed.

The following tables present target and actual asset allocations for the VEBA I and VEBA II at December 31, 2011 and 2010:

VEBA I Asset Category	Target Allocation	Percentage at December 31,	
		2011	2010
U.S. equity securities	30%	20%	22%
Debt securities	45	31	34
Cash	25	49	44
Total	100%	100%	100%

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Asset Category	Target Allocation	Percentage at December 31,	
		2011	2010
VEBA II			
U.S. equity securities	-%	-%	1%
Debt securities	-	-	69
Cash	-	-	30
Total	-%	-%	100%

#### Fair Value Measurements.

The accounting guidance for fair value defines fair value, establishes a framework for measuring fair value in GAAP in the U.S. and expands disclosure requirements about fair value measurements. Under the accounting guidance for fair value, fair value is considered to be the exchange price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The fair value definition focuses on an exit price, which is the price that would be received by Duke Energy to sell an asset or paid to transfer a liability versus an entry price, which would be the price paid to acquire an asset or received to assume a liability. Although the accounting guidance for fair value does not require additional fair value measurements, it applies to other accounting pronouncements that require or permit fair value measurements.

Duke Energy classifies recurring and non-recurring fair value measurements based on the following fair value hierarchy, as prescribed by the accounting guidance for fair value, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

**Level 1** — unadjusted quoted prices in active markets for identical assets or liabilities that Duke Energy has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occurs with sufficient frequency and volume to provide ongoing pricing information. Duke Energy does not adjust quoted market prices on Level 1 for any blockage factor.

**Level 2** — a fair value measurement utilizing inputs other than a quoted market price that are observable, either directly or indirectly, for the asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates. A Level 2 measurement cannot have more than an insignificant portion of the valuation based on unobservable inputs.

**Level 3** — any fair value measurements which include unobservable inputs for the asset or liability for more than an insignificant portion of the valuation. A Level 3 measurement may be based primarily on Level 2 inputs.

The following table provides the fair value measurement amounts for Master Trust qualified pension and other post-retirement assets at December 31, 2011:

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(in millions)	Total Fair Value Amounts at December 31,			
	2011 <sup>(a)</sup>	Level 1	Level 2	Level 3
<b>Master Trust</b>				
Equity securities	\$ 2,568	\$ 1,745	\$ 823	\$ -
Corporate bonds	1,237	-	1,236	1
Short-term investment funds	328	276	52	-
Partnership interests	127	-	-	127
Hedge funds	89	-	89	-
Real estate investment trust	152	-	-	152
U.S. Government securities	211	-	211	-
Other investments <sup>(b)</sup>	33	30	2	1
Guaranteed investment contracts	39	-	-	39
Government bonds — Foreign	39	-	38	1
Cash	7	7	-	-
Asset backed securities	4	-	3	1
Government and commercial mortgage backed securities	8	-	8	-
<b>Total Assets</b>	<b>\$ 4,842</b>	<b>\$2,058</b>	<b>\$2,462</b>	<b>\$ 322</b>

(a) Excludes \$27 million in net receivables and payables associated with security purchases and sales.

(b) Includes pending investment sales (net of investment purchases) of \$3 million.

The following table provides the fair value measurement amounts for Master Trust qualified pension and other post-retirement assets at December 31, 2010:

(in millions)	Total Fair Value Amounts at December 31,			
	2011 <sup>(a)</sup>	Level 1	Level 2	Level 3
<b>Master Trust</b>				
Equity securities	\$ 2,978	\$ 2,019	\$ 959	\$ -
Corporate bonds	1,062	11	1,040	11
Short-term investment funds	484	469	15	-
Partnership interests	108	-	-	108
Hedge funds	94	-	94	-
Real estate investment trust	66	-	-	66
U.S. Government securities	138	-	138	-
Other investments <sup>(b)</sup>	(121)	(84)	3	(40)
Guaranteed investment contracts	38	-	-	38
Government bonds — Foreign	35	-	34	1
Cash	2	2	-	-
Asset backed securities	9	-	8	1
Government and commercial mortgage backed securities	8	-	8	-
<b>Total Assets</b>	<b>\$ 4,901</b>	<b>\$ 2,417</b>	<b>\$ 2,299</b>	<b>\$ 185</b>

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- (a) Excludes \$23 million in net receivables and payables associated with security purchases and sales.  
(b) Includes pending investment sales (net of investment purchases) of \$(139) million.

The following table provides the fair value measurement amounts for VEBA I other post-retirement assets at December 31, 2011:

(in millions)	Total Fair Value Amounts at December 31,			
	2011	Level 1	Level 2	Level 3
<b>VEBA I</b>				
Cash and cash equivalents	\$ 26	\$ -	\$ 26	\$ -
Equity securities	11	-	11	-
Debt securities	16	-	16	-
Total Assets	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ -</u>

The following table provides the fair value measurement amounts for VEBA I and VEBA II other post-retirement assets at December 31, 2010:

(in millions)	Total Fair Value Amounts at December 31,			
	2010	Level 1	Level 2	Level 3
<b>VEBA I/ II</b>				
Cash and cash equivalents	\$ 30	\$ -	\$ 30	\$ -
Equity securities	12	-	12	-
Debt securities	17	-	17	-
Total Assets	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ -</u>

The following table provides a reconciliation of beginning and ending balances of Master Trust assets measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3) for the year ended December 31, 2011:



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**Year Ended December 31, 2011 (in millions)**

**Master Trust**

Balance at January 1, 2011	\$ 185
Purchases, sales, issuances and settlements:	
Purchases	156
Sales	(29)
Total gains (losses), (realized and unrealized) and other	10
Balance at December 31, 2011	<u>\$ 322</u>

The following table provides a reconciliation of beginning and ending balances of Master Trust assets measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3) for the year ended December 31, 2010:

**Year Ended December 31, 2010 (in millions)**

**Master Trust**

Balance at January 1, 2010	\$ 256
Purchases, sales, issuances and settlements (net)	(71)
Total gains (losses), realized and unrealized and other	-
Balance at December 31, 2010	<u>\$ 185</u>

Valuation methods of the primary fair value measurements disclosed above are as follows:

**Investments in equity securities:**

Investments in equity securities are typically valued at the closing price in the principal active market as of the last business day of the quarter. Principal active markets for equity prices include published exchanges such as NASDAQ and NYSE. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. Duke Energy has not adjusted prices to reflect for after-hours market activity. Most equity security valuations are Level 1 measures. Investments in equity securities with unpublished prices are valued as Level 2 if they are redeemable at the measurement date. Investments in equity securities with redemption restrictions are valued as Level 3.

**Investments in corporate bonds and U.S. government securities:**

Most debt investments are valued based on a calculation using interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating. Most debt valuations are Level 2 measures. If the market for a particular fixed income security is relatively inactive or illiquid, the measurement is a Level 3 measurement.

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#### Investments in short-term investment funds:

Valued at the net asset value of units held at year end. Investments in short-term investment funds with published prices are valued as Level 1. Investments in short-term investment funds with unpublished prices are valued as Level 2.

#### Investments in real estate investment trust:

Valued based upon property appraisal reports prepared by independent real estate appraisers. The Chief Real Estate Appraiser of the asset manager is responsible for assuring that the valuation process provides independent and reasonable property market value estimates. An external appraisal management firm not affiliated with the asset manager has been appointed to assist the Chief Real Estate Appraiser in maintaining and monitoring the independence and the accuracy of the appraisal process.

#### Employee Savings Plans

Duke Energy sponsors employee savings plans that cover substantially all U.S. employees. Most employees participate in a matching contribution formula where Duke Energy provides a matching contribution generally equal to 100% of employee before-tax and Roth 401(k) contributions, of up to 6% of eligible pay per pay period. Duke Energy made pre-tax employer matching contributions of \$86 million in 2011, \$85 million in 2010 and \$80 million in 2009. Dividends on Duke Energy shares held by the savings plans are charged to retained earnings when declared and shares held in the plans are considered outstanding in the calculation of basic and diluted earnings per share.

### DUKE ENERGY CAROLINAS

#### Duke Energy Retirement Plans.

Duke Energy Carolinas participates in Duke Energy sponsored qualified non-contributory defined benefit retirement plans. The plans cover most U.S. employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits that are based upon a percentage (which may vary with age and years of service) of current eligible earnings and current interest credits. Duke Energy Carolinas also participates in Duke Energy sponsored non-qualified, non-contributory defined benefit pension plans which cover certain executives.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefits to be paid to plan participants. The following table includes information related to Duke Energy Carolinas' contributions to Duke Energy's qualified defined benefit pension plans.

(in millions)	Years Ended December 31,			
	2012	2011	2010	2009
Contributions made	-	\$ 33	\$ 158	\$ 158
Anticipated contributions	\$ 66	-	-	-

Actuarial gains and losses subject to amortization are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the qualified retirement plans is nine years. The average remaining service period of active employees covered by the non-qualified retirement plans is also nine years. Duke Energy determines the market-related value of plan assets using a calculated value that recognizes changes in fair value of the plan assets in a particular year on a straight-line basis over the next five years.

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Net periodic pension costs disclosed in the tables below for the qualified, non-qualified and other post-retirement benefit plans represent the cost of the respective plan for the periods presented. However, portions of the net periodic pension costs (benefits) disclosed in the tables have been capitalized as a component of property, plant and equipment.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations.

Amounts presented in the tables below represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of Duke Energy Carolinas. Additionally, Duke Energy Carolinas is allocated its proportionate share of pension and other post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provides support to Duke Energy Carolinas. These allocated amounts are included in the governance and shared services costs discussed in Note 13.

### Qualified Pension Plans

#### Components of Net Periodic Pension (Benefit) Costs as allocated by Duke Energy: Qualified Pension Plans

(in millions)	For the Years Ended December 31,		
	2011	2010	2009
Service cost	\$ 37	\$ 36	\$ 31
Interest cost on projected benefit obligation	85	91	95
Expected return on plan assets	(150)	(147)	(142)
Amortization of prior service cost	1	1	1
Amortization of actuarial loss	37	27	2
Other	7	8	7
Net periodic pension costs (benefit)	<u>\$ 17</u>	<u>\$ 16</u>	<u>\$ (6)</u>

#### Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets: Qualified Pension Plans

(in millions)	For the Years Ended December 31,	
	2011	2010
Regulatory assets, net increase	\$ 65	\$ 628

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**Reconciliation of Funded Status to Net Amount Recognized: Qualified Pension Plans**

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Projected Benefit Obligation</b>		
Obligation at prior measurement date	\$ 1,786	\$ 1,737
Service cost	37	36
Interest cost	85	91
Actuarial losses	20	57
Transfers	(5)	(5)
Plan amendments	13	-
Benefits paid	(105)	(130)
Obligation at measurement date	<u>\$ 1,831</u>	<u>\$ 1,786</u>

The accumulated benefit obligation was \$1,787 million and \$1,743 million at December 31, 2011 and 2010, respectively.

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 1,837	\$ 1,602
Actual return on plan assets	60	212
Benefits paid	(105)	(130)
Transfers	(5)	(5)
Employer contributions	33	158
Obligation at measurement date	<u>\$ 1,820</u>	<u>\$ 1,837</u>

**Amounts Recognized in the Consolidated Balance Sheets: Qualified Pension Plans**

The following table provides the amounts related to Duke Energy's Carolinas' qualified pension plans that are reflected in Other within Investments and Other Assets on the Consolidated Balance Sheets at December 31, 2011 and 2010:

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(in millions)	As of and for the Years Ended December 31,	
	2011	2010
Prefunded pension cost	\$ -	\$ 51
Accrued pension liability	(11)	-

The following table provides the amounts related to Duke Energy Carolinas' qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 693	\$ 628

Of the amounts above, \$46 million of unrecognized net actuarial loss and \$1 million of unrecognized prior service cost will be recognized in net periodic pension costs in 2012.

#### Additional Information: Qualified Pension Plans

##### Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy

(in millions)	As of December 31,	
	2011	2010
Projected benefit obligation	\$ -	\$ -
Accumulated benefit obligation	-	-
Fair value of plan assets	-	-

#### Assumptions Used for Pension Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase (graded by age)	4.40	4.10	4.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50
Expected long-term rate of return on plan assets	8.25	8.50	8.50

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The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

### Non-Qualified Pension Plans

#### Components of Net Periodic Pension Costs as allocated by Duke Energy: Non-Qualified Pension Plans

(in millions)	For the Years Ended December 31,		
	2011	2010	2009
Amortization of prior service cost	\$ -	\$ 1	\$ 1
Interest cost on projected benefit obligation	1	1	1
Net periodic pension costs	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 2</u>

#### Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets: Non-Qualified Pension Plans

	For the Years Ended December 31,	
	2011	2010
	(in millions)	
Regulatory assets, new increase	\$ -	\$ 3

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#### Reconciliation of Funded Status to Net Amount Recognized: Non-Qualified Pension Plans

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Projected Benefit Obligation</b>		
Obligation at prior measurement date	\$ 21	\$ 22
Transfers	(1)	-
Interest cost	1	1
Actuarial losses	-	1
Benefits paid	(3)	(3)
Obligation at measurement date	<u>\$ 18</u>	<u>\$ 21</u>
<b>Change in Fair Value of Plan Assets</b>		
Benefits paid	(3)	(3)
Employer contributions	3	3
Plan assets at measurement date	<u>\$ -</u>	<u>\$ -</u>

The accumulated benefit obligation was \$17 million and \$20 million at December 31, 2011 and 2010, respectively.

#### Amounts Recognized in the Consolidated Balance Sheets: Non-Qualified Pension Plans

The following table provides the amounts related to Duke Energy Carolinas' non-qualified pension plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued pension liability <sup>(a)</sup>	\$ (18)	\$ (21)

- (a) Includes \$3 million and \$5 million recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of December 31, 2011 and 2010, respectively.

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The following table provides the amounts related to Duke Energy's non-qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 3	\$ 3

Of the amounts above, an insignificant amount will be recognized in net periodic pension costs in 2012.

#### Additional Information: Non-Qualified Pension Plans

#### Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy

	As of December 31,	
	2011	2010
	(in millions)	
Projected benefit obligation	\$ 18	\$ 21
Accumulated benefit obligation	17	20
Fair value of plan assets	-	-

#### Assumptions Used for Pension Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase	4.40	4.10	4.50
<b>Determined Expense</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.



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### Other Post-Retirement Benefit Plans

In conjunction with Duke Energy, Duke Energy Carolinas provides some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans.

These benefit costs are accrued over an employee's active service period to the date of full benefits eligibility. The net unrecognized transition obligation is amortized over 20 years. Actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the plan is ten years.

### Components of Net Periodic Other Post-Retirement Benefit Costs as allocated by Duke Energy

	For the Years Ended December 31,		
	2011	2010	2009
	(in millions)		
Service cost benefit earned during the year	\$ 2	\$ 2	\$ 2
Interest cost on accumulated post-retirement benefit obligation	16	17	21
Expected return on plan assets	(10)	(10)	(11)
Amortization of prior service credit	(5)	(5)	(5)
Amortization of net transition liability	9	9	9
Amortization of actuarial loss	2	3	1
Net periodic other post-retirement benefit costs	<u>\$ 14</u>	<u>\$ 16</u>	<u>\$ 17</u>

### Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets: Other Post-Retirement Benefit Plans

	For the Years Ended December 31,	
	2011	2010
	(in millions)	
Regulatory assets, net (decrease) increase	\$ (12)	\$ 49

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# Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Benefit Obligation</b>		
Accumulated post-retirement benefit obligation at prior measurement date	\$ 326	\$ 338
Service cost	2	2
Interest cost	16	17
Plan participants' contributions	21	24
Actuarial gain	(12)	(14)
Transfer	(1)	(1)
Plan transfer	(1)	-
Benefits paid	(44)	(44)
Early retiree reinsurance program subsidy	2	-
Accrued retiree drug subsidy	3	4
Accumulated post-retirement benefit obligation at measurement date	<u>\$ 312</u>	<u>\$ 326</u>
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 125	\$ 114
Actual return on plan assets	2	13
Benefits paid	(44)	(44)
Employer contributions	16	18
Plan participants' contributions	21	24
Plan assets at measurement date	<u>\$ 120</u>	<u>\$ 125</u>

## Amounts Recognized in the Consolidated Balance Sheets: Other Post-Retirement Benefit Plans

The following table provides the amounts related to Duke Energy Carolinas' other post-retirement benefit plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued other post-retirement liability	\$ (192)	\$ (201)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
Notes to Financial Statements			

The following table provides the amounts related to Duke Energy Carolinas' other post-retirement benefit plans that are reflected in Other within Regulatory Assets and Deferred Debits on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 37	\$ 49

Of the amounts above, \$6 million of unrecognized net transition obligation, \$3 million of unrecognized losses and \$5 million of unrecognized prior service credit (which will reduce pension expense) will be recognized in net periodic pension costs in 2012.

#### Assumptions Used for Other Post-Retirement Benefits Accounting

(percentages)	2011	2010	2009
<b>Determined Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
<b>Determined Expense</b>			
Discount rate	5.00	5.50	6.50
Expected long-term rate of return on plan assets	5.36 - 8.25	5.53 - 8.50	5.53 - 8.50
Assumed tax rate <sup>(a)</sup>	35.0	35.0	35.0

(a) Applicable to the health care portion of funded post-retirement benefits.

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
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### Assumed Health Care Cost Trend Rate

	2011	2010
Health care cost trend rate assumed for next year	8.75%	8.50%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2020

### Sensitivity to Changes in Assumed Health Care Cost Trend Rates

(in millions)	1-Percentage- Point Increase	1-Percentage- Point Decrease
Effect on total service and interest costs	\$ 1	\$ (1)
Effect on post-retirement benefit obligation	13	(12)

### Expected Benefit Payments: Defined Benefit Retirement Plans

The following table presents Duke Energy's expected benefit payments made on behalf of Duke Energy Carolinas to participants in its qualified, non-qualified and other post-retirement benefit plans over the next 10 years, which are primarily paid out of the assets of the various trusts. These benefit payments reflect expected future service, as appropriate.

(in millions)	Qualified Plans	Non- Qualified Plans	Other Post- Retirement Plans <sup>(a)</sup>	Total
Years Ended December 31,				
2012	\$ 186	\$ 3	\$ 22	\$ 211
2013	186	3	23	212
2014	185	3	24	212
2015	183	3	25	211
2016	179	2	26	207
2017 - 2021	806	10	129	945

- (a) Duke Energy expects to receive on behalf of Duke Energy Carolinas, future subsidies under Medicare Part D of \$2 million in each of the years 2012-2016 and a total of \$9 million during the years 2017-2021.

### Employee Savings Plans

Duke Energy sponsors, and Duke Energy Carolinas participates in, an employee savings plan that covers substantially all U.S. employees. Duke Energy contributes a matching contribution equal to 100% of employee before-tax and Roth 401(k) contributions, of up to 6% of eligible pay per pay period. Duke Energy Carolinas expensed pre-tax plan contributions, as allocated by Duke Energy, of \$37 million in 2011, \$36 million in 2010 and \$36 million in 2009.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

## DUKE ENERGY OHIO

### Duke Energy Retirement Plans.

Duke Energy Ohio participates in qualified and non-qualified defined benefit pension plans and other post-retirement benefit plans sponsored by Duke Energy. Duke Energy allocates pension and other post-retirement obligations and costs related to these plans to Duke Energy Ohio.

Net periodic benefit cost disclosed in the tables below for the qualified, non-qualified and other post-retirement benefit plans represent the cost of the respective plan for the periods presented. However, portions of the net periodic benefit cost disclosed in the tables have been capitalized as a component of property, plant and equipment.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations.

Amounts presented in the tables below represent the amounts of pension and other post-retirement benefit cost allocated to Duke Energy Ohio. Additionally, Duke Energy Ohio is allocated its proportionate share of pension and other post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provides support to Duke Energy Ohio. These allocated amounts are included in the governance and shared services costs discussed in Note 13.

### Qualified Pension Plans

Duke Energy's qualified defined benefit pension plans cover substantially all employees meeting certain minimum age and service requirements. The plans cover most employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits that are based upon a percentage (which varies with age and years of service) of current eligible earnings and current interest credits. Certain legacy Cinergy employees are covered under plans that use a final average earnings formula. Under a final average earnings formula, a plan participant accumulates a retirement benefit equal to a percentage of their highest 3-year average earnings, plus a percentage of their highest 3-year average earnings in excess of covered compensation per year of participation (maximum of 35 years), plus a percentage of their highest 3-year average earnings times years of participation in excess of 35 years. Duke Energy Ohio also participates in Duke Energy sponsored non-qualified, non-contributory defined benefit pension plans which cover certain executives.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefits to be paid to plan participants. The following table includes information related to Duke Energy Ohio's contributions to Duke Energy's qualified defined benefit pension plans.

(in millions)	Years ended December 31,			
	2012	2011	2010	2009
Contributions made	-	\$ 48	\$ 45	\$ 210
Anticipated contributions	\$ 29	-	-	-

Actuarial gains and losses are amortized over the average remaining service period of active employees. The average remaining service period of active employees covered by the qualified retirement plans is ten years. The average remaining service period of active employees covered by the non-qualified retirement plans is also ten years. Duke Energy determines the market-related value of plan assets using a calculated value that recognizes changes in fair value of the plan assets over five years.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

**Components of Net Periodic Pension Costs as allocated by Duke Energy: Qualified Pension Plans**

(in millions)	For the Years Ended December 31,		
	2011 (a)	2010 (a)	2009 (a)
Service cost	\$ 7	\$ 7	\$ 8
Interest cost on projected benefit obligation	32	33	38
Expected return on plan assets	(44)	(44)	(43)
Amortization of prior service cost	1	1	1
Amortization of actuarial loss	7	4	-
Other	2	2	2
Net periodic other pension costs	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 6</u>

- (a) These amounts exclude \$7 million, \$7 million and \$4 million for the years ended December 31, 2011, 2010 and 2009, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

**Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets and AOCI: Qualified Pension Plans**

(in millions)	For the Years Ended December 31,	
	2011	2010
Regulatory assets, net increase	\$ 11	\$ 6
Accumulated other comprehensive (income) loss		
Deferred income tax asset	1	4
Actuarial loss (gain) arising during the year	10	(9)
Amortization of prior year actuarial losses	(3)	(1)
Amortization of prior year prior service cost	-	(1)
Net amount recognized in accumulated other comprehensive (income) loss	<u>\$ 8</u>	<u>\$ (7)</u>

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2011/Q4
Notes to Financial Statements			

**Reconciliation of Funded Status to Net Amount Recognized: Qualified Pension Plans**

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Projected Benefit Obligation</b>		
Obligation at prior measurement date	\$ 651	\$ 689
Service cost	7	7
Interest cost	32	33
Actuarial (gains) losses	(9)	24
Plan amendments	-	-
Transfers	(17)	(54)
Benefits paid	(37)	(48)
Obligation at measurement date	<u>\$ 627</u>	<u>\$ 651</u>

The accumulated benefit obligation was \$602 million and \$616 million at December 31, 2011 and 2010, respectively.

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 565	\$ 557
Actual return on plan assets	6	65
Transfers	(17)	(54)
Benefits paid	(37)	(48)
Employer contributions	48	45
Plan assets at measurement date	<u>\$ 565</u>	<u>\$ 565</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

### Amounts Recognized in the Consolidated Balance Sheets: Qualified Pension Plans

The following table provides the amounts related to Duke Energy Ohio's qualified pension plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
Accrued pension liability	\$ (62)	\$ (86)

The following table provides the amounts related to Duke Energy Ohio's qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits and AOCI on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 122	\$ 111
Accumulated Other Comprehensive (Income) Loss		
Deferred income tax asset	\$ (15)	\$ (16)
Prior service cost	1	1
Net actuarial loss	52	45
Net amount recognized in accumulated other comprehensive loss (income)	<u>\$ 38</u>	<u>\$ 30</u>

Of the amounts above, approximately \$9 million of unrecognized net actuarial loss and approximately \$1 million of unrecognized prior service cost will be recognized in net periodic pension costs in 2012.

### Additional Information: Qualified Pension Plans

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy

(in millions)	As of December 31,	
	2011	2010
Projected benefit obligation	\$ -	\$ 651
Accumulated benefit obligation	-	616
Fair value of plan assets	-	565



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

### Assumptions Used for Pension Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Determined Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase (graded by age)	4.40	4.10	4.50
	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Determined Expense</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50
Expected long-term rate of return on plan assets	8.25	8.50	8.50

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

### Non-Qualified Pension Plans

#### Components of Net Periodic Pension Costs as allocated by Duke Energy: Non-Qualified Pension Plans

Duke Energy Ohio's non-qualified pension plan pre-tax net periodic pension benefit costs as allocated by Duke Energy was insignificant for the years ended December 31, 2011, 2010 and 2009.

#### Other Changes in Plan Assets and Projected Benefit Obligations

#### Recognized in Regulatory Assets and Accumulated Other Comprehensive Income: Non-Qualified Pension Plans

Duke Energy Ohio's non-qualified pension plan Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets and Accumulated Other Comprehensive Income as allocated by Duke Energy was insignificant for the years ended December 31, 2011 and 2010.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
Notes to Financial Statements			

### Reconciliation of Funded Status to Net Amount Recognized: Non-Qualified Pension Plans

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Projected Benefit Obligation</b>		
Obligation at prior measurement date	\$ 6	\$ 4
Service cost	-	-
Interest cost	-	-
Actuarial losses	(1)	3
Benefits paid	(1)	(1)
Obligation at measurement date	<u>\$ 4</u>	<u>\$ 6</u>
<b>Change in Fair Value of Plan Assets</b>		
Benefits paid	\$ (1)	\$ (1)
Employer contributions	1	1
Plan assets at measurement date	<u>\$ -</u>	<u>\$ -</u>

The accumulated benefit obligation was \$4 million and \$6 million at December 31, 2011 and 2010, respectively.

### Amounts Recognized in the Consolidated Balance Sheets: Non-Qualified Pension Plans

The following table provides the amounts related to Duke Energy Ohio's non-qualified pension plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued pension liability (a)	\$ (4)	\$ (6)

- (a) Includes \$1 million recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of both December 31, 2011 and 2010.

Amounts related to Duke Energy Ohio's non-qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits and AOCI on the Consolidated Balance Sheets were insignificant at December 31, 2011 and 2010.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	11	2011/Q4
Notes to Financial Statements			

#### Additional Information: Non-Qualified Pension Plans

#### Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy

(in millions)	As of December 31,	
	2011	2010
Projected benefit obligation	\$ 4	\$ 6
Accumulated benefit obligation	4	6
Fair value of plan assets	-	-

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

#### Assumptions Used for Pension Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase	4.40	4.10	4.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50

#### Other Post-Retirement Benefit Plans

Duke Energy Ohio participates in other post-retirement benefit plans sponsored by Duke Energy. Duke Energy provides certain health care and life insurance benefits to retired employees and their eligible dependents on a contributory and non-contributory basis. These benefits are subject to minimum age and service requirements. The health care benefits include medical coverage, dental coverage, and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments. These benefit costs are accrued over an employee's active service period to the date of full benefits eligibility. The net unrecognized transition obligation is amortized over 20 years.

Actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the plan is 10 years. Duke Energy did not make any contributions to its other post-retirement plans in 2011, 2010 or 2009.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

**Components of Net Periodic Other Post-Retirement Benefit Costs as allocated by Duke Energy**

(in millions)	For the Years Ended December 31,		
	2011 <sup>(a)</sup>	2010 <sup>(a)</sup>	2009 <sup>(a)</sup>
Service cost	\$ 1	\$ 1	\$ 1
Interest cost on accumulated post-retirement benefit obligation	3	3	4
Expected return on plan assets	(1)	(1)	(1)
Amortization of prior service credit	(1)	(1)	(1)
Amortization of actuarial gain	(2)	(2)	(2)
Net periodic other post-retirement benefit costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

- (a) These amounts exclude \$2 million for each of the years ended December 31, 2011, 2010 and 2009 of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

**Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Accumulated Other Comprehensive Income, Regulatory Assets and Regulatory Liabilities: Other Post-Retirement Benefit Plans**

(in millions)	For the Years Ended December 31,	
	2011	2010
Regulatory liabilities, net decrease	\$ (1)	\$ (4)
Accumulated other comprehensive (income)/loss		
Deferred income tax liability	(1)	3
Actuarial loss (gain) arising during the year	2	(3)
Amortization of prior year actuarial gains	1	1
Net amount recognized in accumulated other comprehensive (income)/loss	<u>\$ 2</u>	<u>\$ 1</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
Notes to Financial Statements			

# Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Benefit Obligation</b>		
Accumulated post-retirement benefit obligation at prior measurement date	\$ 66	\$ 70
Service cost	1	1
Interest cost	3	3
Plan participant's contributions	1	1
Actuarial loss	-	2
Transfers	(2)	(6)
Benefits paid	(8)	(5)
Accumulated post-retirement benefit obligation at measurement date	<u>\$ 61</u>	<u>\$ 66</u>
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 8	\$ 7
Actual return on plan assets	-	2
Benefits paid	(8)	(5)
Employer contributions	8	3
Plan participants' contributions	1	1
Plan assets at measurement date	<u>\$ 9</u>	<u>\$ 8</u>

## Amounts Recognized in the Consolidated Balance Sheets: Other Post-Retirement Benefit Plans

The following table provides the amounts related to Duke Energy Ohio's other post-retirement benefit plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued other post-retirement liability <sup>(a)</sup>	\$ (52)	\$ (58)

(a) Includes \$2 million recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of both December 31, 2011 and 2010.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

The following table provides the amounts related to Duke Energy Ohio's other post-retirement benefit plans that are reflected in Other within Deferred Credits and Other Liabilities and AOCI on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory liabilities	\$ 19	\$ 20
Accumulated other comprehensive income		
Deferred income tax liability	\$ 4	\$ 5
Prior service credit	(1)	(1)
Net actuarial loss (gain)	(9)	(12)
Net amount recognized in accumulated other comprehensive (income)/loss	<u>\$ (6)</u>	<u>\$ (8)</u>

Of the amounts above, \$2 million of unrecognized gains and \$1 million of unrecognized prior service credit (which will reduce pension expense) will be recognized in net periodic pension costs in 2012.

**Assumptions Used for Other Post-retirement Benefits Accounting**

(percentages)	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Expected long-term rate of return on plan assets	8.25	8.50	8.50

**Assumed Health Care Cost Trend Rate**

	2011	2010
Health care cost trend rate assumed for next year	8.75%	8.50%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2020

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

### Sensitivity to Changes in Assumed Health Care Cost Trend Rates

(in millions)	1-Percentage - Point Increase	1-Percentage - Point Decrease
Effect on total service and interest costs	\$ 1	\$ (1)
Effect on post-retirement benefit obligation	18	(16)

### Expected Benefit Payments

The following table presents Duke Energy's expected benefit payments made on behalf of Duke Energy Ohio to participants in its qualified, non-qualified and other post-retirement benefit plans over the next 10 years, which are primarily paid out of the assets of the various trusts. These benefit payments reflect expected future service, as appropriate.

(in millions)	Qualified Plans	Non- Qualified Plans	Other Post- Retirement Plans	Total
Years Ended December 31,				
2012	\$ 46	\$ 1	\$ 5	\$ 52
2013	45	1	5	51
2014	44	1	6	51
2015	43	1	6	50
2016	44	1	6	51
2017 - 2021	241	3	27	271

### Employee Savings Plans

Duke Energy sponsors, and Duke Energy Ohio participates in, an employee savings plan that covers substantially all U.S. employees. Duke Energy contributes a matching contribution equal to 100% of employee before-tax and Roth 401(k) employee contributions, of up to 6% of eligible pay per period. Duke Energy Ohio expensed pre-tax plan contributions, as allocated by Duke Energy, of \$4 million in 2011, \$4 million in 2010 and \$4 million in 2009.

### DUKE ENERGY INDIANA

#### Duke Energy Retirement Plans.

Duke Energy Indiana participates in qualified and non-qualified defined benefit pension plans and other post-retirement benefit plans sponsored by Duke Energy. Duke Energy allocates pension and other post-retirement obligations and costs related to these plans to Duke Energy Indiana.

Net periodic benefit cost disclosed below for the qualified, non-qualified and other post-retirement benefit plans represent the cost of the respective plan for the periods presented. However, portions of the net periodic costs disclosed have been capitalized as a component of property, plant and equipment.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

Amounts presented below represent the amounts of pension and other post-retirement benefit cost allocated to Duke Energy Indiana. Additionally, Duke Energy Indiana is allocated its proportionate share of pension and other post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provides support to Duke Energy Indiana. These allocated amounts are included in the governance and shared services costs discussed in Note 13.

### Qualified Pension Plans

Duke Energy's qualified defined benefit pension plans cover substantially all employees meeting certain minimum age and service requirements. The plans cover most employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits that are based upon a percentage (which varies with age and years of service) of current eligible earnings and current interest credits. Certain legacy Cinergy employees are covered under plans that use a final average earnings formula. Under a final average earnings formula, a plan participant accumulates a retirement benefit equal to a percentage of their highest 3-year average earnings, plus a percentage of their highest 3-year average earnings in excess of covered compensation per year of participation (maximum of 35 years), plus a percentage of their highest 3-year average earnings times years of participation in excess of 35 years. Duke Energy Indiana also participates in Duke Energy sponsored non-qualified, non-contributory defined benefit pension plans which cover certain executives.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefits to be paid to plan participants. The following table includes information related to Duke Energy Indiana's contributions to Duke Energy's qualified defined benefit pension plans.

(in millions)	Years ended December 31,			
	2012	2011	2010	2009
Contributions made		\$ 52	\$ 46	\$ 140
Anticipated contributions	\$ 24			

Actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the qualified retirement plans is 10 years. The average remaining service period of the active employees covered by the qualified retirement plans is also 10 years. Duke Energy determines the market-related value of plan assets using a calculated value that recognizes changes in fair value of the plan assets over five years.



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

**Components of Net Periodic Pension Costs as allocated by Duke Energy: Qualified Pension Plans**  
**For the Years Ended**  
**December 31,**

(in millions)	2011	2010	2009
Service cost	\$ 11	\$ 11	\$ 9
Interest cost on projected benefit obligation	30	32	33
Expected return on plan assets	(45)	(45)	(42)
Amortization of prior service cost	2	2	2
Amortization of actuarial loss	14	12	5
Other	2	2	2
Net periodic pension costs	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 9</u>

**Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets**  
**For the Years**  
**Ended December 31,**

(in millions)	2011	2010
Regulatory assets, net increase (decrease)	\$ 5	\$ (4)

**Reconciliation of Funded Status to Net Amount Recognized: Qualified Pension Plans**

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Projected Benefit Obligation</b>		
Obligation at prior measurement date	\$ 628	\$ 602
Service cost	11	11
Interest cost	30	32
Actuarial (gains) loss	(11)	32
Plan amendments	(1)	2
Transfers	1	(7)
Benefits paid	(45)	(44)
Obligation at measurement date	<u>\$ 613</u>	<u>\$ 628</u>

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The accumulated benefit obligation was \$582 million and \$578 million at December 31, 2011 and 2010, respectively.

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 565	\$ 505
Actual return on plan assets	9	65
Benefits paid	(45)	(44)
Transfers	1	(7)
Employer contributions	52	46
Plan assets at measurement date	<u>\$ 582</u>	<u>\$ 565</u>

#### Amounts Recognized in the Consolidated Balance Sheets: Qualified Pension Plans

The following table provides the amounts related to Duke Energy Indiana's qualified pension plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
Accrued pension liability	\$ (31)	\$ (63)

The following table provides the amounts related to Duke Energy Indiana's qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 229	\$ 224

#### Additional Information: Qualified Pension Plans

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy

(in millions)	As of December 31,	
	2011	2010
Projected benefit obligation	\$ -	\$ 628
Accumulated benefit obligation	-	578
Fair value of plan assets	-	565

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### Assumptions Used for Pension Benefits Accounting

	As of December 31,		
	2011	2010	2009
	(percentages)		
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase	4.40	4.10	4.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50
Expected long-term rate of return on plan assets	8.25	8.50	8.40

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

### Non-Qualified Pension Plans

#### Components of Net Periodic Pension Costs as allocated by Duke Energy: Non-Qualified Pension Plans

Duke Energy Indiana's non-qualified pension plan pre-tax net periodic pension benefit costs, as allocated by Cinergy, were insignificant for the years ended December 31, 2011, 2010 and 2009.

#### Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets: Non-Qualified Pension Plans

(in millions)	For the year ended December 31,	
	2011	2010
Regulatory assets, net (decrease) increase	\$ (1)	\$ 1

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# Reconciliation of Funded Status to Net Amount Recognized: Non-Qualified Pension Plans

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Projected Benefit Obligation</b>		
Obligation at prior measurement date	\$ 6	\$ 6
Actuarial losses	(1)	-
Obligation at measurement date	<u>\$ 5</u>	<u>\$ 6</u>
<b>Change in Fair Value of Plan Assets</b>		
Benefits paid	\$ -	\$ -
Employer contributions	-	-
Plan assets at measurement date	<u>\$ -</u>	<u>\$ -</u>

The accumulated benefit obligation was \$5 million and \$6 million at December 31, 2011 and 2010, respectively.

## Amounts Recognized in the Consolidated Balance Sheets: Non-Qualified Pension Plans

The following table provides the amounts related to Duke Energy Indiana's non-qualified pension plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued pension liability <sup>(a)</sup>	\$ (5)	\$ (6)

(a) Includes \$1 million recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of both December 31, 2011 and 2010.

The following table provides the amounts related to Duke Energy Indiana's non-qualified pension plans that are reflected in Regulatory Assets on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Regulatory assets	\$ 2	\$ 3

Of the amounts above, an insignificant amount will be recognized in net periodic pension costs in 2012.

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### Additional Information: Non-Qualified Pension Plans

#### Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy

(in millions)	As of December 31,	
	2011	2010
Projected benefit obligation	\$ 5	\$ 6
Accumulated benefit obligation	5	6
Fair value of plan assets	-	-

#### Assumptions Used for Pension Benefits Accounting: Non-Qualified Plans

(percentages)	As of December 31,		
	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
Salary increase	4.40	4.10	4.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Salary increase	4.10	4.50	4.50

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

#### Other Post-Retirement Benefit Plans

Duke Energy Indiana participates in other post-retirement benefit plans sponsored by Duke Energy. Duke Energy provides certain health care and life insurance benefits to retired employees and their eligible dependents on a contributory and non-contributory basis. These benefits are subject to minimum age and service requirements. The health care benefits include medical coverage, dental coverage, and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments. These benefit costs are accrued over an employee's active service period to the date of full benefits eligibility. The net unrecognized transition obligation is amortized over 20 years. Actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the plan is 11 years.

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**Components of Net Periodic Other Post-Retirement Benefit Costs as allocated by Duke Energy**

(in millions)	For the Years Ended December 31,		
	2011	2010	2009
Service cost	\$ 1	\$ 1	\$ 1
Interest cost on accumulated post-retirement benefit obligation	7	8	11
Expected return on plan assets	(1)	(1)	(1)
Amortization of actuarial loss (gain)	2	1	2
Net periodic other post-retirement benefit costs	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 13</u>

**Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets and Regulatory Liabilities: Other Post-Retirement Benefit Plans**

(in millions)	For the year ended December 31,	
	2011	2010
Regulatory assets, net decrease	\$ (7)	\$ (12)
Regulatory liabilities, net increase (decrease)	12	(6)

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# Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
<b>Change in Benefit Obligation</b>		
Accumulated post-retirement benefit obligation at prior measurement date	\$ 152	\$ 154
Service cost	1	1
Interest cost	7	8
Plan participant's contributions	4	3
Actuarial (gain) loss	(17)	1
Benefits paid	(14)	(15)
Transfers	-	(1)
Early retiree reinsurance program subsidy	1	-
Accrued retiree drug subsidy	1	1
Accumulated post-retirement benefit obligation at measurement date	<u>\$ 135</u>	<u>\$ 152</u>
<b>Change in Fair Value of Plan Assets</b>		
Plan assets at prior measurement date	\$ 14	\$ 13
Actual return on plan assets	-	2
Benefits paid	(14)	(15)
Employer contributions	10	11
Plan participants' contributions	4	3
Plan assets at measurement date	<u>\$ 14</u>	<u>\$ 14</u>

# Amounts Recognized in the Consolidated Balance Sheets: Other Post-Retirement Benefit Plans

The following table provides the amounts related to Duke Energy Indiana's other post-retirement benefit plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued other post-retirement liability <sup>(a)</sup>	\$ (121)	\$ (138)

- (a) Includes an insignificant amount recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of both December 31, 2011 and 2010.

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The following table provides the amounts related to Duke Energy Indiana's other post-retirement benefit plans that are reflected in Other within Regulatory Assets and Deferred Debits and within Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

	As of December 31,	
	2011	2010
	(in millions)	
Regulatory assets	\$ 83	\$ 90
Regulatory liabilities	70	58

#### Assumptions Used for Other Post-retirement Benefits Accounting

(percentages)	As of December 31,		
	2011	2010	2009
<b>Benefit Obligations</b>			
Discount rate	5.10	5.00	5.50
<b>Net Periodic Benefit Cost</b>			
Discount rate	5.00	5.50	6.50
Expected long-term rate of return on plan assets	8.25	8.50	8.50

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

#### Assumed Health Care Cost Trend Rate

	2011	2010
Health care cost trend rate assumed for next year	8.75%	8.50%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2020



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***Sensitivity to Changes in Assumed Health Care Cost Trend Rates***

(in millions)	1-Percentage- Point Increase	1-Percentage- Point Decrease
Effect on total service and interest costs	\$ 1	\$ (1)
Effect on post-retirement benefit obligation	18	(16)

**Expected Benefit Payments**

The following table presents Duke Energy's expected benefit payments to participants on behalf of Duke Energy Indiana in its qualified, non-qualified and other post-retirement benefit plans over the next 10 years, which are primarily paid out of the assets of the various trusts. These benefit payments reflect expected future service, as appropriate.

(in millions)	Qualified Plans	Non- Qualified Plans	Other Post- Retirement Plans <sup>(a)</sup>	Total
Years Ended December 31,				
2012	\$ 46	\$ 1	\$ 12	\$ 59
2013	43	1	13	57
2014	42	1	13	56
2015	42	1	13	56
2016	43	1	13	57
2017 - 2021	223	3	61	287

- (a) Duke Energy expects to receive future subsidies under Medicare Part D on behalf of Duke Energy Indiana of \$1 million in each of the years 2012-2016 and a total of \$5 million during the years 2017-2021.

**Employee Savings Plans**

Duke Energy sponsors, and Duke Energy Indiana participates in, an employee savings plan that covers substantially all U.S. employees. Duke Energy contributes a matching contribution equal to 100% of employee before-tax and Roth 401(k) employee contributions, of up to 6% of eligible pay per period. Duke Energy Indiana expensed pre-tax plan contributions, as allocated by Duke Energy, of \$8 million in 2011, \$6 million in 2010 and \$5 million in 2009.

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## 22. INCOME TAXES

Duke Energy and its subsidiaries file income tax returns in the U.S. with federal and various state governmental authorities, and in certain foreign jurisdictions. The taxable income of Duke Energy and its subsidiaries is reflected in Duke Energy's U.S. federal and state income tax returns. These subsidiaries have a tax sharing agreement with Duke Energy where the separate return method is used to allocate tax expenses and benefits to the subsidiaries whose investments or results of operations provide these tax expenses and benefits. The accounting for income taxes essentially represents the income taxes that each of these subsidiaries would incur if it were a separate company filing its own tax return as a C-Corporation.

The following details the components of income tax expense:

### INCOME TAX EXPENSE

(in millions)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current income taxes				
Federal	\$ (37)	\$ (122)	\$ (95)	\$ 95
State	21	30	1	42
Foreign	164	-	-	-
Total current income taxes	148	(92)	(94)	137
Deferred income taxes				
Federal	526	531	194	(38)
State	56	40	(2)	(23)
Foreign	32	-	-	-
Total deferred income taxes	614	571	192	(61)
Investment tax credit amortization	(10)	(7)	(2)	(2)
Total income tax expense included in Consolidated Statements of Operations <sup>(a)</sup>	<u>\$ 752</u>	<u>\$ 472</u>	<u>\$ 96</u>	<u>\$ 74</u>

- (a) Included in the "Total current income taxes" line above are uncertain tax benefits relating primarily to certain temporary differences of \$43 million at Duke Energy, \$43 million at Duke Energy Carolinas, \$3 million at Duke Energy Ohio and \$3 million at Duke Energy Indiana. The offset to these temporary differences are included in the "Total deferred income taxes" line above.

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For the Year Ended December 31, 2010

(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current income taxes				
Federal	\$ (5)	\$ 3	\$ 107	\$ (3)
State	39	(2)	8	16
Foreign	125	-	-	-
Total current income taxes	159	1	115	13
Deferred income taxes				
Federal	639	388	6	123
State	83	75	12	22
Foreign	20	-	-	-
Total deferred income taxes	742	463	18	145
Investment tax credit amortization	(11)	(7)	(1)	(2)
Total income tax expense from continuing operations	890	457	132	156
Total income tax benefit from discontinued operations	(1)	-	-	-
Total income tax expense included in Consolidated Statements of Operations <sup>(a)</sup>	\$ 889	\$ 457	\$ 132	\$ 156

- (a) Included in the "Total current income taxes" line above are uncertain tax benefits relating primarily to certain temporary differences of \$392 million at Duke Energy, \$300 million at Duke Energy Carolinas, \$3 million at Duke Energy Ohio and \$7 million at Duke Energy Indiana. The offset to these temporary differences are included in the "Total deferred income taxes" line above.

For the Year Ended December 31, 2009

(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current income taxes				
Federal	\$ (271)	\$ (196)	\$ 77	\$ 2
State	3	(27)	7	5
Foreign	96	-	-	-
Total current income taxes	(172)	(223)	84	7
Deferred income taxes				
Federal	767	518	97	89
State	148	89	7	22
Foreign	27	-	-	-
Total deferred income taxes	942	607	104	111
Investment tax credit amortization	(12)	(7)	(2)	(2)
Total income tax expense from continuing operations	758	377	186	116
Total income tax benefit from discontinued operations	(2)	-	-	-
Total income tax expense included in Consolidated Statements of Operations <sup>(a)</sup>	\$ 756	\$ 377	\$ 186	\$ 116

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- (a) Included in the "Total current income taxes" line above are uncertain tax benefits relating primarily to certain temporary differences of \$91 million at Duke Energy, uncertain tax expenses of \$42 million, \$22 million and \$20 million at Duke Energy Carolinas, Duke Energy Ohio, and Duke Energy Indiana, respectively. The offset to these temporary differences are included in the "Total deferred income taxes" line above.

**Duke Energy Income from Continuing Operations before Income Taxes**

(in millions)	For the Years Ended December 31,		
	2011	2010	2009
Domestic	\$ 1,780	\$ 1,731	\$ 1,433
Foreign	685	479	398
Total income from continuing operations before income taxes	<u>\$ 2,465</u>	<u>\$ 2,210</u>	<u>\$ 1,831</u>

**Reconciliation of Income Tax Expense at the U.S. Federal Statutory Tax Rate to the Actual Tax Expense from Continuing Operations (Statutory Rate Reconciliation)**

(in millions)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35%	\$ 863	\$ 457	\$ 102	\$ 85
State income tax, net of federal income tax effect	50	46	(1)	13
Tax differential on foreign earnings	(44)	—	—	—
AFUDC equity income	(91)	(59)	(2)	(31)
Other items, net	(26)	28	(3)	7
Total income tax expense from continuing operations	<u>\$ 752</u>	<u>\$ 472</u>	<u>\$ 96</u>	<u>\$ 74</u>
Effective tax rate	30.5%	36.1%	33.1%	30.6%

(in millions)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35%	\$ 774	\$ 454	\$ (108)	\$ 155
State income tax, net of federal income tax effect	82	48	14	26
Tax differential on foreign earnings	(22)	-	-	-
Goodwill impairment charges	175	-	237	-
AFUDC equity income	(82)	(61)	(2)	(20)
Other items, net	(37)	16	(9)	(5)
Total income tax expense from continuing operations	<u>\$ 890</u>	<u>\$ 457</u>	<u>\$ 132</u>	<u>\$ 156</u>
Effective tax rate	40.3%	35.3%	(43.0)%	35.5%

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**For the Year Ended December 31, 2009**

(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35%	\$ 641	\$ 378	\$ (84)	\$ 111
State income tax, net of federal income tax effect	98	40	9	18
Tax differential on foreign earnings	(16)	-	-	-
Goodwill impairment charges	130	-	254	-
AFUDC equity income	(53)	(44)	1	(10)
Other items, net	(42)	3	6	(3)
Total income tax expense from continuing operations	<u>\$ 758</u>	<u>\$ 377</u>	<u>\$ 186</u>	<u>\$ 116</u>
Effective tax rate	41.4%	34.9%	(77.5)%	36.7%

Valuation allowances have been established for certain foreign and state net operating loss carryforwards that reduce deferred tax assets to an amount that will be realized on a more-likely-than-not basis. The net change in the total valuation allowance is included in Tax differential on foreign earnings and State income tax, net of federal income tax effect in the above table.

**Net Deferred Income Tax Liability Components**

**For the Year Ended December 31, 2011**

(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	\$ 790	\$ 228	\$ 68	\$ 92
Tax Credits and NOL Carryforwards <sup>(a)</sup>	930	199	-	95
Investments and other assets	-	-	3	-
Other	137	18	31	5
Total deferred income tax assets	<u>1,857</u>	<u>445</u>	<u>102</u>	<u>192</u>
Valuation allowance	(144)	-	-	-
Net deferred income tax assets	<u>1,713</u>	<u>445</u>	<u>102</u>	<u>192</u>
Investments and other assets	(809)	(720)	-	(2)
Accelerated depreciation rates	(6,989)	(3,576)	(1,706)	(968)
Regulatory assets and deferred debits	(1,219)	(658)	(216)	(136)
Total deferred income tax liabilities	<u>(9,017)</u>	<u>(4,954)</u>	<u>(1,922)</u>	<u>(1,106)</u>
Net deferred income tax liabilities	<u>\$ (7,304)</u>	<u>\$ (4,509)</u>	<u>\$ (1,820)</u>	<u>\$ (914)</u>

(a) See Tax Credits and NOL Carryforwards table below.

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### Tax Credits and NOL Carryforwards

(in millions)	For the Year Ended December 31, 2011	
	Amount	Expiration Year
Description		
Investment Tax Credits	\$ 362	2029 – 2031
Alternative Minimum Tax Credits	145	Indefinite
Federal NOL	274	2031
State NOL <sup>(a)</sup>	47	2016 – 2031
		2015 – 2029;
Foreign NOL <sup>(b)</sup>	102	Indefinite

- (a) A valuation allowance of \$41 million has been recorded on the State NOL Carryforwards, as presented in the Net Deferred Income Tax Liability Components table.
- (b) A valuation allowance of \$102 million has been recorded on the Foreign NOL Carryforwards, as presented in the Net Deferred Income Tax Liability Components table.

(in millions)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	\$ 679	\$ 204	\$ 61	\$ 70
Tax Credits and NOL Carryforwards	554	52	-	100
Other	100	15	19	5
Total deferred income tax assets	1,333	271	80	175
Valuation allowance	(145)	-	-	-
Net deferred income tax assets	1,188	271	80	175
Investments and other assets	(781)	(675)	(11)	(41)
Accelerated depreciation rates	(6,052)	(2,990)	(1,529)	(973)
Regulatory assets and deferred debits	(996)	(513)	(171)	(93)
Total deferred income tax liabilities	(7,829)	(4,178)	(1,711)	(1,107)
Net deferred income tax liabilities	\$ (6,641)	\$ (3,907)	\$ (1,631)	\$ (932)

The above amounts have been classified in the Consolidated Balance Sheets as follows:

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## Deferred Tax Assets (Liabilities)

### For the Year Ended December 31, 2011

(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current deferred tax assets, included in other current assets	\$ 210	\$ 46	\$ 33	\$ 13
Non-current deferred tax assets, included in other investments and other assets	67	-	-	-
Non-current deferred tax liabilities	(7,581)	(4,555)	(1,853)	(927)
Total net deferred income tax liabilities	<u>\$ (7,304)</u>	<u>\$ (4,509)</u>	<u>\$ (1,820)</u>	<u>\$ (914)</u>

### For the Year Ended December 31, 2010

(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current deferred tax assets, included in other current assets	\$ 236	\$ 81	\$ 9	\$ 41
Non-current deferred tax assets, included in other investments and other assets	101	-	-	-
Non-current deferred tax liabilities	(6,978)	(3,988)	(1,640)	(973)
Total net deferred income tax liabilities	<u>\$ (6,641)</u>	<u>\$ (3,907)</u>	<u>\$ (1,631)</u>	<u>\$ (932)</u>

Deferred income taxes and foreign withholding taxes have not been provided on undistributed earnings of Duke Energy's foreign subsidiaries when such amounts are deemed to be indefinitely reinvested. The cumulative undistributed earnings as of December 31, 2011 on which Duke Energy has not provided deferred income taxes and foreign withholding taxes is \$1.7 billion. The amount of unrecognized deferred tax liability related to these undistributed earnings is estimated at between \$250 million and \$325 million.

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## Changes to Unrecognized Tax Benefits

(in millions) Increase/(Decrease)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Unrecognized Tax Benefits — January 1,	\$ 342	\$ 217	\$ 29	\$ 21
Unrecognized Tax Benefits Changes				
Gross increases — tax positions in prior periods	49	42	4	3
Gross decreases — tax positions in prior periods	(18)	(8)	(5)	(3)
Gross increases — current period tax positions	16	9	4	3
Settlements	(4)	-	-	-
Total Changes	43	43	3	3
Unrecognized Tax Benefits — December 31,	<u>\$ 385</u>	<u>\$ 260</u>	<u>\$ 32</u>	<u>\$ 24</u>

(in millions) Increase/(Decrease)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Unrecognized Tax Benefits — January 1,	\$ 664	\$ 517	\$ 32	\$ 28
Unrecognized Tax Benefits Changes				
Gross increases — tax positions in prior periods	36	14	15	7
Gross decreases — tax positions in prior periods	(43)	(7)	(21)	(13)
Gross increases — current period tax positions	5	3	1	1
Settlements	(320)	(310)	2	(2)
Total Changes	(322)	(300)	(3)	(7)
Unrecognized Tax Benefits — December 31,	<u>\$ 342</u>	<u>\$ 217</u>	<u>\$ 29</u>	<u>\$ 21</u>

(in millions) Increase/(Decrease)	For the Year Ended December 31, 2009			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Unrecognized Tax Benefits — January 1,	\$ 572	\$ 462	\$ 15	\$ 9
Unrecognized Tax Benefits Changes				
Gross increases — tax positions in prior periods	132	58	30	22
Gross decreases — tax positions in prior periods	(38)	(11)	(9)	(1)
Gross increases — current period tax positions	11	8	1	2
Settlements	(13)	-	(5)	(4)
Total Changes	92	55	17	19
Unrecognized Tax Benefits — December 31,	<u>\$ 664</u>	<u>\$ 517</u>	<u>\$ 32</u>	<u>\$ 28</u>



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

The following table includes information regarding the Duke Energy Registrants unrecognized tax benefits<sup>(a)</sup>.

(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
<b>December 31, 2011</b>				
Amount that if recognized, would affect the effective tax rate or regulatory liability <sup>(b)</sup>	121	115	-	-
Amount that if recognized, would be recorded as a component of discontinued operations	11	-	-	-

- (a) The Duke Registrants do not anticipate a material increase or decrease in unrecognized tax benefits in the next 12 months.
- (b) Duke Energy and Duke Energy Carolinas are unable to estimate the specific amounts that would affect the effective tax rate or regulatory liability.

The following tables include interest and penalties recognized in the consolidated statements of operations and the consolidated balance sheets:

(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
<b>December 31, 2011</b>				
Net interest income recognized related to income taxes	\$ 12	\$ 5	\$ -	\$ -
Net interest expense recognized related to income taxes	-	-	1	1
Interest receivable related to income taxes included in the consolidated balance sheets	8	5	-	-
Interest payable related to income taxes included in the consolidated balance sheets	-	-	3	3
Accruals for the payment of penalties included in the consolidated balance sheets	-	-	-	-

(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
<b>December 31, 2010</b>				
Net interest income recognized related to income taxes	\$ 26	\$ 18	\$ 4	\$ 5
Interest receivable related to income taxes included in the consolidated balance sheets	33	34	-	-
Interest payable related to income taxes included in the consolidated balance sheets	-	-	1	2
Accruals for the payment of penalties included in the consolidated balance sheets	3	-	-	-

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Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
<b>December 31, 2009</b>				
Net interest expense recognized related to income taxes	\$ 7	\$ -	\$ 8	\$ 5

Duke Energy and its subsidiaries are no longer subject to U.S. federal examination for years before 2004. The years 2004 and 2005 are in Appeals. The Internal Revenue Service (IRS) is currently auditing the federal income tax returns for years 2006 and 2007. With few exceptions, Duke Energy and its subsidiaries are no longer subject to state, local or non-U.S. income tax examinations by tax authorities for years before 1999.

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Notes to Financial Statements			

### 23. SUBSEQUENT EVENTS

For information on subsequent events related to acquisitions, regulatory matters, commitments and contingencies, debt and credit facilities and joint ownership of generating and transmission facilities, see Notes 2, 4, 5, 6 and 8 respectively.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
Notes to Financial Statements			

## 24. QUARTERLY FINANCIAL DATA (UNAUDITED)

### Duke Energy

(In millions, except share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<b>2011</b>					
Operating revenues	\$ 3,663	\$ 3,534	\$ 3,964	\$ 3,368	\$ 14,529
Operating income	814	679	767	517	2,777
Net income attributable to Duke Energy Corporation	511	435	472	288	1,706
Earnings per share:					
Basic <sup>(a)</sup>	\$ 0.38	\$ 0.33	\$ 0.35	\$ 0.22	\$ 1.28
Diluted <sup>(a)</sup>	\$ 0.38	\$ 0.33	\$ 0.35	\$ 0.22	\$ 1.28
<b>2010</b>					
Operating revenues	\$ 3,594	\$ 3,287	\$ 3,946	\$ 3,445	\$ 14,272
Operating income (loss)	761	(14)	1,033	681	2,461
Net income (loss) attributable to Duke Energy Corporation	445	(222)	670	427	1,320
Earnings (loss) per share:					
Basic <sup>(a)</sup>	\$ 0.34	\$ (0.17)	\$ 0.51	\$ 0.32	\$ 1.00
Diluted <sup>(a)</sup>	\$ 0.34	\$ (0.17)	\$ 0.51	\$ 0.32	\$ 1.00

(a) Quarterly EPS amounts are meant to be stand-alone calculations and are not always additive to full-year amount due to rounding.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
Notes to Financial Statements			

The following table includes unusual or infrequently occurring items recorded by Duke Energy in each quarter during the two most recently completed fiscal years. All amounts discussed below are pre-tax unless otherwise noted.

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>2011</b>				
Edwardsport IGCC impairment (see Note 4)	\$ -	\$ -	\$ (222)	\$ -
Emission Allowance impairment (see Note 12)	-	-	(79)	-
Energy efficiency revenue adjustment <sup>(a)</sup>	-	-	-	59
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (301)</u>	<u>\$ (59)</u>
<b>2010</b>				
Voluntary severance program expenses (see Note 19)	\$ (68)	\$ (76)	\$ (20)	\$ (8)
Commercial Power non-regulated Midwest generation goodwill impairment (see Note 12)	-	(500)	-	-
Midwest generation asset and emission allowance impairment (see Note 12)	-	(160)	-	-
Edwardsport IGCC impairment (see Note 4)	-	-	(44)	-
Gain on sale of investment in Q-Comm (see Note 13)	-	-	-	109
Gain on sale of DukeNet (see Note 3)	-	-	-	139
Total	<u>\$ (68)</u>	<u>\$ (736)</u>	<u>\$ (64)</u>	<u>\$ 240</u>

- (a) In the fourth quarter of 2011, Duke Energy recorded \$59 million of previously deferred revenue resulting from the receipt of an order from the NCUC which allowed the recognition of revenue in excess of amounts billed to customers.

#### Duke Energy Carolinas

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<b>2011</b>					
Operating revenues	\$ 1,552	\$ 1,607	\$ 1,868	\$ 1,466	\$ 6,493
Operating income	363	331	541	245	1,480
Net income	205	193	311	125	834
<b>2010</b>					
Operating revenues	\$ 1,545	\$ 1,513	\$ 1,877	\$ 1,489	\$ 6,424
Operating income	347	313	521	264	1,445
Net income	192	202	315	129	838

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Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

The following table includes unusual or infrequently occurring items recorded by Duke Energy Carolinas in each quarter during 2011 and 2010. All amounts discussed below are pre-tax unless otherwise noted.

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>2011</b>				
Energy efficiency revenue adjustment <sup>(a)</sup>				\$ 59
<b>2010</b>				
Voluntary severance program expenses (see Note 19)	\$ (42)	\$ (43)	\$ (13)	\$ (1)

- (a) In the fourth quarter of 2011, Duke Energy Carolinas recorded \$59 million of previously deferred revenue resulting from the receipt of an order from the NCUC which allowed the recognition of revenue in excess of amounts billed to customers.

#### Duke Energy Ohio

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<b>2011</b>					
Operating revenues	\$ 879	\$ 694	\$ 838	\$ 770	\$ 3,181
Operating income	135	59	116	65	375
Net income	73	33	51	37	194
<b>2010</b>					
Operating revenues	\$ 977	\$ 649	\$ 923	\$ 780	\$ 3,329
Operating income (loss)	222	(781)	279	55	(225)
Net income (loss)	130	(759)	176	12	(441)

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Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

The following table includes unusual or infrequently occurring items recorded by Duke Energy Ohio in each quarter during the two most recently completed fiscal years. All amounts discussed below are pre-tax unless otherwise noted.

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>2011</b>				
Emission Allowance impairment (see Note 12)	\$ -	\$ -	\$ (79)	\$ -
<b>2010</b>				
Voluntary severance program expenses (see Note 19)	\$ (11)	\$ (10)	\$ (2)	\$ (1)
Commercial Power non-regulated Midwest generation goodwill impairment (see Note 12)	-	(461)	-	-
FE&G Ohio T&D goodwill impairment (see Note 12)	-	(216)	-	-
Midwest generation asset and emission allowance impairment (see Note 12)	-	(160)	-	-
Disallowance of previously deferred storm costs	-	-	-	(17)
Total	\$ (11)	\$ (847)	\$ (2)	\$ (18)

#### Duke Energy Indiana

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<b>2011</b>					
Operating revenues	\$ 659	\$ 620	\$ 718	\$ 625	\$ 2,622
Operating income (loss)	130	109	(42)	85	282
Net income (loss)	76	68	(31)	55	168
<b>2010</b>					
Operating revenues	\$ 610	\$ 579	\$ 694	\$ 637	\$ 2,520
Operating income	121	109	149	127	506
Net income	70	57	92	66	285

The following table includes unusual or infrequently occurring items recorded by Duke Energy Indiana in each quarter during the two most recently completed fiscal years. All amounts discussed below are pre-tax unless otherwise noted.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
Notes to Financial Statements			

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>2011</b>				
Edwardsport IGCC impairment (see Note 4)	\$ -	\$ -	\$ (222)	\$ -
<b>2010</b>				
Voluntary severance program expenses (see Note 19)	\$ (10)	\$ (16)	\$ (3)	\$ (4)
Edwardsport IGCC impairment (see Note 4)	-	-	(44)	-
Total	<u>\$ (10)</u>	<u>\$ (16)</u>	<u>\$ (47)</u>	<u>\$ (4)</u>



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**Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion**

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	6,632,785,549
4	Property Under Capital Leases	98,610,602
5	Plant Purchased or Sold	
6	Completed Construction not Classified	1,201,461,628
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	7,932,857,779
9	Leased to Others	
10	Held for Future Use	4,714,585
11	Construction Work in Progress	205,967,460
12	Acquisition Adjustments	269,453,622
13	TOTAL Utility Plant (Total of lines 8 thru 12)	8,412,993,446
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	2,863,162,819
15	Net Utility Plant (Total of lines 13 and 14)	5,549,830,627
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	2,550,661,360
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	198,908,184
22	TOTAL In Service (Total of lines 18 thru 21)	2,749,569,544
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	132,987
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	132,987
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	113,460,288
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	2,863,162,819

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**Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)**

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3	5,310,528,442	1,076,203,065		246,054,042
4	54,696,283	38,641,042		5,273,277
5				
6	717,461,322	437,077,469		46,922,837
7				
8	6,082,686,047	1,551,921,576		298,250,156
9				
10	4,714,585			
11	163,812,990	9,893,858		32,260,612
12	269,453,622			
13	6,520,667,244	1,561,815,434		330,510,768
14	2,299,627,635	419,718,643		143,816,541
15	4,221,039,609	1,142,096,791		186,694,227
16				
17				
18	2,112,366,097	405,483,451		32,811,812
19				
20				
21	73,313,181	14,235,192		111,359,811
22	2,185,679,278	419,718,643		144,171,623
23				
24				
25				
26				
27				
28	132,987			
29				
30	132,987			
31				
32	113,815,370			( 355,082)
33	2,299,627,635	419,718,643		143,816,541

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**Gas Plant in Service (Accounts 101, 102, 103, and 106)**

- Report below the original cost of gas plant in service according to the prescribed accounts.
- In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
- Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
- Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	10,553,795	6,349,610
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	10,553,795	6,349,610
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Clearing Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

Including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4				16,903,405
5				16,903,405
6				
7				
8				
9				
10				
11				
12				
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	11,066,341	291,103
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	11,066,341	291,103
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land		
45	350.2 Rights-of-Way		
46	351 Structures and Improvements		
47	352 Wells		
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs		
50	352.3 Non-recoverable Natural Gas		
51	353 Lines		
52	354 Compressor Station Equipment		
53	355 Other Equipment		
54	356 Purification Equipment		
55	357 Other Equipment		
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru		
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminating and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminating and		

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**Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)**

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40	57,717			11,299,727
41	57,717			11,299,727
42				
43				
44				
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Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
<b>Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,			
82	TRANSMISSION PLANT			
83	365.1 Land and Land Rights			
84	365.2 Rights-of-Way			
85	366 Structures and Improvements			
86	367 Mains			
87	368 Compressor Station Equipment			
88	369 Measuring and Regulating Station Equipment			
89	370 Communication Equipment			
90	371 Other Equipment			
91	372 Asset Retirement Costs for Transmission Plant			
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)			
93	DISTRIBUTION PLANT			
94	374 Land and Land Rights	9,110,301	6,979	
95	375 Structures and Improvements	1,561,071	( 56,392)	
96	376 Mains	887,515,106	57,452,835	
97	377 Compressor Station Equipment			
98	378 Measuring and Regulating Station Equipment-General	25,079,907	522,885	
99	379 Measuring and Regulating Station Equipment-City Gate	263,232		
100	380 Services	355,975,468	36,186,766	
101	381 Meters	52,471,309	13,574,783	
102	382 Meter Installations	27,937,061	414,466	
103	383 House Regulators	21,621,618	926,445	
104	384 House Regulator Installations	16,275,334	531,881	
105	385 Industrial Measuring and Regulating Station Equipment	3,505,830	25,601	
106	386 Other Property on Customers' Premises			
107	387 Other Equipment	976,132		
108	388 Asset Retirement Costs for Distribution Plant	5,455,697	( 1,197,781)	
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	1,407,748,066	108,388,468	
110	GENERAL PLANT			
111	389 Land and Land Rights			
112	390 Structures and Improvements	2,075,044	( 9,798)	
113	391 Office Furniture and Equipment	1,209,398	789,334	
114	392 Transportation Equipment	617,319	203,539	
115	393 Stores Equipment			
116	394 Tools, Shop, and Garage Equipment	8,302,396	171,593	
117	395 Laboratory Equipment	234,057		
118	396 Power Operated Equipment	118,621		
119	397 Communication Equipment	509,995	230,416	
120	398 Miscellaneous Equipment			
121	Subtotal (Enter Total of lines 111 thru 120)	13,066,830	1,385,084	
122	399 Other Tangible Property			
123	399.1 Asset Retirement Costs for General Plant			
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	13,066,830	1,385,084	
125	TOTAL (Accounts 101 and 106)	1,442,435,032	116,414,265	
126	Gas Plant Purchased (See Instruction 8)			
127	(Less) Gas Plant Sold (See Instruction 8)			
128	Experimental Gas Plant Unclassified			
129	TOTAL Gas Plant in Service (Enter Total of lines 125 thru 128)	1,442,435,032	116,414,265	

Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)					
Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94				9,117,280	
95				1,504,679	
96	2,484,872		6,923	942,489,992	
97					
98				25,602,792	
99				263,232	
100	3,780,548		( 6,923)	388,374,763	
101	516,775		200,978	65,730,295	
102	318,598			28,032,929	
103				22,548,063	
104				16,807,215	
105				3,531,431	
106					
107	10,822			965,310	
108	( 487,126)			4,745,042	
109	6,624,489		200,978	1,509,713,023	
110					
111					
112				2,065,246	
113	86,922			1,911,810	
114	51,661			769,197	
115					
116	307,910			8,166,079	
117				234,057	
118				118,621	
119				740,411	
120					
121	446,493			14,005,421	
122					
123					
124	446,493			14,005,421	
125	7,128,699		200,978	1,551,921,576	
126					
127					
128					
129	7,128,699		200,978	1,551,921,576	



Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Gas Property and Capacity Leased from Others**

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.  
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments for Current Year (d)
1	2002 Bank of America Leasing & Capital		meters	1,680,580
2	2003 Bank of America Leasing & Capital		meters	950,493
3	2004 Bank of America Leasing & Capital		meters	1,051,198
4	2005 Bank of America Leasing & Capital		meters	964,591
5	2006 Bank of America Leasing & Capital		meters	1,044,628
6	2007 Bank of America Leasing & Capital		meters	1,055,662
7	2009 Bank of America Leasing & Capital		meters	1,192,822
8	2010 Bank of America Leasing & Capital		meters	732,798
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
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44				
45	Total			8,672,772

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Construction Work in Progress-Gas (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Cast Iron Bare Steel Replacement Tracker	1,188,191	
2	Projects Less than \$1,000,000	8,705,667	
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
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44			
45	Total	9,893,858	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. CONSTRUCTION OVERHEAD COSTS INCLUDE ENGINEERING AND SUPERVISORY SALARIES, ADMINISTRATIVE AND GENERAL SALARIES AND ASSOCIATED PAYROLL TAXES AND BENEFITS AND EMPLOYEE EXPENSES.

IN GENERAL, IF ENGINEERS, SUPERVISORS, AND CLERICAL EMPLOYEES DEVOTE ALL OR SUBSTANTIALLY ALL OF THEIR TIME TO CAPITAL CONSTRUCTION PROJECTS, THE SALARIES, AND RELATED EXPENSES ARE CHARGED DIRECTLY TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS.

FOR POWER DELIVERY, CONSTRUCTION OVERHEAD COSTS ARE CHARGED TO THE ALLOCATION POOLS AND FROM THERE ARE TRANSFERRED TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS WHERE THE LABOR (INTERNAL AND CONTRACT) WAS CHARGED DURING THE MONTH.

2. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) IS APPLIED TO THE TOTAL CONSTRUCTION EXPENDITURES, LESS CERTAIN EXCLUSIONS, ON JOBS UNDER CONSTRUCTION. EFFECTIVE JULY 1, 1982, THE RESPONDENT ADOPTED THE PRACTICE OF UPDATING THE AFUDC RATE MONTHLY, AS AUTHORIZED BY THE FEDERAL ENERGY REGULATORY COMMISSION IN A LETTER DATED MAY 27, 1982. THE AVERAGE AFUDC RATE FOR 2011 WAS 8.25%. THE MONTHLY RATE DOES NOT INCLUDE A REDUCTION FOR THE INCOME TAX EFFECT ON THE COST OF DEBT.

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**General Description of Construction Overhead Procedure (continued)**

**COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES**

- For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
- Identify, in a footnote, the specific entity used as the source for the capital structure figures.
- Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

**1. Components of Formula (Derived from actual book balances and actual cost rates):**

Line No.	Title (a)	Amount (b)	Capitalization Ratio (percent) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S		
(2)	Short-Term Interest			s
(3)	Long-Term Debt	D		d
(4)	Preferred Stock	P		p
(5)	Common Equity	C		c
(6)	Total Capitalization			
(7)	Average Construction Work In Progress Balance	W		

**2. Gross Rate for Borrowed Funds**  $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$

**3. Rate for Other Funds**  $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$

**4. Weighted Average Rate Actually Used for the Year:**

- Rate for Borrowed Funds -
- Rate for Other Funds -

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	End of <u>2011/Q4</u>

Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	381,071,769	381,071,769		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	33,651,979	33,651,979		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	26,479	26,479		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	( 225,380)	( 225,380)		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	33,453,078	33,453,078		
11	Net Charges for Plant Retired;				
12	Book Cost of Plant Retired	( 6,733,866)	( 6,733,866)		
13	Cost of Removal	( 1,590,421)	( 1,590,421)		
14	Salvage (Credit)	( 24,635)	( 24,635)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	( 8,299,652)	( 8,299,652)		
16	Other Debit or Credit Items (Describe) (footnote details):	( 741,744)	( 741,744)		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	405,483,451	405,483,451		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	8,321,232	8,321,232		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage				
25	Other Storage Plant				
26	Base Load LNG Terminalling and Processing Plant				
27	Transmission				
28	Distribution	395,901,800	395,901,800		
29	General	1,260,419	1,260,419		
30	TOTAL (Total of lines 21 thru 29)	405,483,451	405,483,451		

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Duke Energy Ohio, Inc.			2011/Q4
FOOTNOTE DATA			

**Schedule Page: 219 Line No.: 8 Column: c**

ARO's \$(225,380)

**Schedule Page: 219 Line No.: 16 Column: c**

Common Utility Plant Provision	\$(1,967,161)
Deferral of Smartgrid projects	1,225,971
Transfers and Adjustments	(554)
Total	\$(741,744)

Name of Respondent Duke Energy Ohio, Inc.		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2011/Q4			
Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)									
1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited. 2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts. 3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).									
Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of					46,557,537			46,557,537
2	Gas Delivered to Storage					46,315,877			46,315,877
3	Gas Withdrawn from					40,604,421			40,604,421
4	Other Debits and Credits					( 52,268,993)			( 52,268,993)
5	Balance at End of Year					0			
6	Dth								
7	Amount Per Dth								

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
FOOTNOTE DATA			

**Schedule Page: 220 Line No.: 5 Column: f**

Stored gas inventory was reclassified from account 164.1 to account 174.273 during November, 2011. Gas inventory is now stored and managed by Duke Energy's new Asset Manager.



Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Investments (Account 123, 124, and 136)**

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:
- (a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
- (b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	123 NONE			
2				
3	124 CINCINNATI NEW MARKETS FUND		2,201,120	1,000,000
4	DATE ACQUIRED: 04/20/05	*		
5	DATE OF MATURITY			
6				
7	136 TEMPORARY CASH INVESTMENTS		176,400,000	1,006,700,000
8	DATE ACQUIRED: VARIOUS			
9	DATE OF MATURITY			
10				
11				
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Investments (Account 123, 124, and 136) (continued)**

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2					
3			3,201,120		
4					
5					
6					
7	1,133,100,000		50,000,000		
8					
9					
10					
11					
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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### Investments In Subsidiary Companies (Account 123.1)

- Report below investments in Account 123.1, Investments in Subsidiary Companies.
- Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
  - Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
  - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	MIAMI POWER CORPORATION	09/30/1945		
2	INVESTMENT AT COST			40,980
3	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			60,986
4	PURCHASE ACCOUNTING GOODWILL ALLOCATION			6,553
5	ADVANCES-OPEN ACCOUNT			6,090
6	SUBTOTAL			114,609
7				
8	DUKE ENERGY KENTUCKY, INC.	09/30/1945		
9	INVESTMENT AT COST			27,397,284
10	DUKE ENERGY KENTUCKY, INC & PURCH ACCTG UNAPPROPRIATED			292,046,953
11	PURCHASE ACCOUNTING GOODWILL ALLOCATION			172,312,903
12	CLEARING OF PURCHASE ACCOUNTING I&D & WORKERS COMP			48,089
13	DUKE ENERGY KENTUCKY, INC AND PURCH ACCTG ADOPTION OF SFAS			( 164,697)
14	DEFERRED TAX RECONCILIATION ADJUSTMENTS			880,824
15	TRANSFER OF GENERATION PLANTS (CALEB)			140,061,362
16	ADVANCES-OPEN ACCOUNT			3,183,706
17	CONTRIBUTION FROM PARENT TO FUND PENSION CONTRIBUTION			3,150,000
18	KENTUCKY DIVIDEND TO PARENT			
19	SUBTOTAL			638,916,424
20				
21	TRI-STATE IMPROVEMENT COMPANY	01/14/1964		
22	INVESTMENT AT COST			25,000
23	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			( 3,158,824)
24	PURCHASE ACCOUNTING ADJUSTMENTS			2,690,629
25	PURCHASE ACCOUNTING GOODWILL ALLOCATION			( 168,780)
26	ADVANCES-OPEN ACCOUNT			360,924
27	SUBTOTAL			( 251,051)
28				
29	KO TRANSMISSION COMPANY	04/11/1994		
30	INVESTMENT AT COST			10
31	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			4,096,500
32	DEFERRED TAX RECONCILIATION ADJUSTMENTS			43,869
33	ADVANCES-OPEN ACCOUNT			617,865
34	SUBTOTAL			4,758,244
35				
36	DUKE ENERGY COMMERCIAL ASSET MANAGEMENT			
37	INVESTMENT AT COST (FAYETTE, LEE, WASHINGTON, & HANGING ROCK)	04/01/2011		
38	INVESTMENT AT COST (VERMILLION)	05/01/2011		
39	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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**Investments in Subsidiary Companies (Account 123.1) (continued)**

4. Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1				
2			40,980	
3	14,361		75,347	
4			6,553	
5			6,090	
6	14,361		128,970	
7				
8				
9			27,397,284	
10	24,386,893		316,433,846	
11			172,312,903	
12			48,089	
13			( 164,697)	
14			880,824	
15			140,061,362	
16			3,183,706	
17			3,150,000	
18		135,000,000	( 135,000,000)	
19	24,386,893	135,000,000	528,303,317	
20				
21				
22			25,000	
23	435,139		( 2,723,685)	
24			2,690,629	
25			( 168,780)	
26			360,924	
27	435,139		184,088	
28				
29				
30			10	
31	705,794		4,802,294	
32			43,869	
33			617,865	
34	705,794		5,464,038	
35				
36				
37		( 1,032,299,496)	1,032,299,496	
38		( 138,400,465)	138,400,465	
39	92,609,785		92,609,785	

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Investments in Subsidiary Companies (Account 123.1) (continued)**

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	ADVANCES-OPEN ACCOUNT			
2	SUBTOTAL			
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40	TOTAL Cost of Account 123.1 \$	1,797,817,121	TOTAL	643,538,226

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Investments in Subsidiary Companies (Account 123.1) (continued)**

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1		( 426,962)	426,962	
2	92,609,785	( 1,171,126,923)	1,263,736,708	
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40	118,151,972	( 1,036,126,923)	1,797,817,121	

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

**Schedule Page: 224 Line No.: 37 Column: f**  
 Transfer authorized by 126 FERC ¶ 61,146

**Schedule Page: 224 Line No.: 38 Column: f**  
 Transfer authorized by 126 FERC ¶ 61,146

Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)					
<b>PREPAYMENTS (ACCOUNT 165)</b>					
1. Report below the particulars (details) on each prepayment.					
Line No.	Nature of Payment (a)				Balance at End of Year (in dollars) (b)
1	Prepaid Insurance				1,321,774
2	Prepaid Rents				
3	Prepaid Taxes				41,430,277
4	Prepaid Interest				
5	Miscellaneous Prepayments				16,433,944
6	TOTAL				59,185,995



Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2011/Q4	
<b>Other Regulatory Assets (Account 182.3)</b>							
<p>1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).</p> <p>2. For regulatory assets being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.</p> <p>5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Income Taxes	82,055,460		Various	326,321		81,729,139
2							
3	Regulatory Transition Charges	2,933,309		407.3	2,933,309		
4	(Amortized 120 months, Jan.2001 - Jan.2011)						
5							
6	Deferred PIP Uncollectible -- Gas	736,110	22,823,968	904	19,224,209		4,335,867
7	(Amortized in accordance with Rate per MCF billed)						
8							
9	Bad Debt to be Recovered	4,443,358	870,524	407.3	5,313,882		
10	(Amortized in accordance with rider revenue)						
11							
12	Capital Related Distribution Costs	1,561,945		407.4	1,561,945		
13	(Amortized in accordance with rider revenue)						
14							
15	Gas ARO Other Regulatory Asset	13,356,621	907,242	108	225,429		14,038,434
16							
17	Interest Rate Hedges	2,703,783		427	839,519		1,864,264
18	(Amortized over lives of various instruments)						
19							
20	Accrued Pension Post Retire Purch Acctg	56,580,081		926	5,428,836		51,151,245
21	(Amortization varies based on actuarial projections)						
22							
23	Pension Post Retire Purchase Acctg -- FAS87 NQ	448,236		926	64,440		383,796
24							
25	Pension Post Retire Purchase Acctg -- FAS106	27,265,175		926	1,908,612		25,356,563
26							
27	2007 DEO Gas Rate Case (Amortized 60 months, beginning June 2008)	234,417		928	97,000		137,417
28							
29	Deferred DSM Costs (Amortized in accordance with rider revenue)		29,130	Various	29,130		
30							
31	Hurricane Ike Regulatory Asset (Amortized in accordance with rider revenue)	15,999,927	258,692	407.3/	3,566,064		12,692,555
32				407.4			
33	Midwest ISO Exit Fees		73,736,857				73,736,857
34	ARO Other Regulatory Asset	471,708	21,328	108	14,691		478,345
35	SmartGrid	28,166,533	30,639,212	Various	18,184,409		40,621,336
36	Manufactured Gas Plant Reg Asset	59,897,550	32,574,413	Various	23,331,096		69,140,867
37	Accelerated Gas Main Replacement Program	10,874,043	1,759,344	407.3	347,066		12,286,321
38	Camera Costs AMRP - Reg Asset	3,137,186	1,170,822	Various	436,304		3,871,704
39	DEO Economic Development	1,000,000	500,000	908	1,500,000		

40	Total	311,865,442	165,291,530		85,332,262	0	391,824,710
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Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

**Schedule Page: 232 Line No.: 37 Column: a**

Accelerated Gas Main Replacement Program Post In service Carrying Costs (Amortized 600 months, beginning June 2002)	291,737
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning June 2002)	50,177
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2003)	237,848
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2003)	561,717
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2003)	98,393
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2004)	334,725
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2004)	518,876
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2004)	140,039
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2005)	242,681
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2005)	647,490
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2005)	129,220
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2006)	50,092
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2006)	874,068

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
FOOTNOTE DATA			

Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2006)	151,798
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2007)	127,326
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2007)	1,092,824
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2007)	113,767
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2008)	168,756
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2008)	1,433,006
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2008)	128,320
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2009)	111,134
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2009)	627,667
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2009)	175,509
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2009)	14,672
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2010)	27,696
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2010)	957,083
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2010)	151,972

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
FOOTNOTE DATA			

Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2010)	159,627
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2011)	19,814
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2011)	1,021,761
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2011)	480,270
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2011)	456,705
Accelerated Gas Main Replacement Program Post In Service Carrying Costs	<u>689,551</u>
Total	12,286,321

**Schedule Page: 232 Line No.: 35 Column: a**

SmartGrid Deferred Costs	22,659,987
SmartGrid 2008 PISCC	402,526
SmartGrid 2008 Deferred Depreciation	0
SmartGrid 2009 PISCC	1,692,534
SmartGrid 2009 Deferred Depreciation	358,879
SmartGrid 2010 PISCC	2,949,914
SmartGrid 2010 Deferred Depreciation	3,203,011
SmartGrid 2011 PISCC	4,959,449
SmartGrid 2011 Deferred Depreciation	<u>4,395,036</u>
Total	40,621,336





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**Accumulated Deferred Income Taxes (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	57,096,235	11,090,168	9,139,588
3	Gas	5,292,226	14,913,702	6,018,977
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	62,388,461	26,003,870	15,158,565
6	Other (Specify) (footnote details)	22,506,783	15,718,208	37,330,506
7	TOTAL Account 190 (Total of lines 5 thru 6)	84,895,244	41,722,078	52,489,071
8	Classification of TOTAL			
9	Federal Income Tax	78,119,233	40,962,736	51,533,770
10	State Income Tax	6,776,011	759,342	955,301
11	Local Income Tax			



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**Accumulated Deferred Income Taxes (Account 190) (continued)**

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits	Debits	Credits	Credits	
	(e)	(f)	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)	(k)
1							
2	1,081,946	687,543	282 & 283	1,136,068			53,615,184
3					282 & 283	55,524,869	51,922,370
4							
5	1,081,946	687,543		1,136,068		55,524,869	105,537,554
6	376,601				282 & 283	5,116,017	48,858,497
7	1,458,547	687,543		1,136,068		60,640,886	154,396,051
8							
9	1,432,001	675,030		1,115,392		64,768,139	151,586,043
10	26,546	12,513		20,676		( 4,127,253)	2,810,008
11							

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 6 Column: b

	Beginning Balance
Mark To Market	15,188,818
Uncertain Tax Positions - State	3,631,281
Manufactured Gas Plant Sites	2,204,308
Tax Interest Accrual	381,952
Property Tax Reserves	( 851)
Equity In Partnerships	( 3,844)
Other	<u>1,105,119</u>
	22,506,783

Schedule Page: 234 Line No.: 6 Column: k

	Ending Balance
Emission Allowance Expense	36,398,482
Property Tax Reserves	14,450,964
Pension	2,749,400
Asset Retirement Obligation	1,821,556
Accrued Vacation	1,468,226
Other Post-Employment Benefits	1,357,171
Unamortized Debt	( 1,053,767)
Mark To Market	( 3,551,708)
Retirement Plan Expense	( 7,977,650)
Other	<u>3,195,823</u>
	48,858,497

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Capital Stock (Accounts 201 and 204)**

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	COMMON STOCK	120,000,000	8.50	
2				
3	TOTAL COMMON STOCK (ACCOUNT 201)	120,000,000		
4				
5	PREFERRED STOCK			
6				
7	TOTAL PREFERRED STOCK (ACCOUNT 204)			
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Capital Stock (Accounts 201 and 204)**

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.  
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.  
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	89,663,086	762,136,231				
2						
3	89,663,086	762,136,231				
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
FOOTNOTE DATA			

**Schedule Page: 250 Line No.: 1 Column: b**

The respondent's Common Stock is not listed on a national stock exchange.

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Other Paid-In Capital (Accounts 208-211)**

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.  
 (b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.  
 (c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.  
 (d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Donations Received From Stockholders (Account 208)	
2	Balance: Beginning of Year	1,506,928,418
3		
4		
5		
6		
7	Subtotal Balance: End of Year	1,506,928,418
8		
9	Reduction in Par or Stated Value of Capital Stock (Account 209)	
10		
11	Gain on Resale or Cancellation of Reacquired Capital Stock (Acct 210)	
12		
13	Balance: Beginning of Year	4,063,004,739
14	Miscellaneous Paid-In Capital (Account 211)	
15	Dividend from Duke Energy Ohio to Cinergy Corporation	( 485,000,000)
16		
17		
18	Subtotal Balance: End of Year	3,578,004,739
19		
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40	Total	5,084,933,157

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
Securities Issued or Assumed and Securities Refunded or Retired During the Year			

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.
3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

In 2011, no securities were refinanced, issued, assumed, retired, or refunded.

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Long-Term Debt (Accounts 221, 222, 223, and 224)**

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	Ohio Air Quality Development 1995 Series A	09/01/1995	09/01/2030	42,000,000
2	Ohio Air Quality Development 1995 Series B	09/01/1995	09/01/2030	42,000,000
3	Ohio Air Quality Development 2002 Series A	09/10/2002	09/01/2037	42,000,000
4	Ohio Air Quality Development 2002 Series B	09/10/2002	09/01/2037	42,000,000
5	Ohio Air Quality Development 2007 Series A	10/11/2007	01/01/2024	25,300,000
6	Ohio Water Development 2007 Series A	10/11/2007	01/01/2024	21,400,000
7	5.45% First Mortgage Bonds Due in 2019	03/23/2009	04/01/2019	450,000,000
8	2.10% First Mortgage Bonds Due in 2013	12/14/2009	06/15/2013	250,000,000
9	Ohio Air Quality Development 2004 Series A	11/10/2004	11/01/2039	47,000,000
10	Ohio Air Quality Development 2004 Series B	11/10/2004	11/01/2039	47,000,000
11				
12	SUBTOTAL ACCOUNT 221			1,008,700,000
13				
14	SUBTOTAL ACCOUNT 222			
15				
16	SUBTOTAL ACCOUNT 223			
17				
18	6.90% Unsecured Debentures Due 2028	06/01/1995	06/01/2025	150,000,000
19	5.70% Debentures Due in 2012	09/23/2002	09/15/2012	500,000,000
20	5.40% Debentures Due in 2033	06/16/2003	06/15/2033	200,000,000
21	5.375% Debentures Due in 2033	06/16/2003	06/15/2033	200,000,000
22	Ohio Air Quality Development 2007 Series A	11/29/2007	12/01/2041	70,000,000
23	Ohio Air Quality Development 2007 Series B	11/29/2007	12/01/2041	70,000,000
24	Todhunter Sale of Gas Storage Facility to TEPPCO	09/01/2007	08/31/2027	7,270,887
25	Other Long Term Debt			6,658,855
26				
27	SUBTOTAL ACCOUNT 224			1,203,929,742
28				
29	SEE FOOTNOTE			
30				
31	OCI Amortization			
32				
33				
34				
35				
36				
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39				
40	TOTAL			2,212,629,742



Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Long-Term Debt (Accounts 221, 222, 223, and 224)**

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1	0.339	233,577			100.00
2	0.305	196,640			100.00
3	0.524	541,327			100.00
4	0.562	352,671			100.00
5	0.540	202,042			100.00
6	0.210	164,155			100.00
7	5.450	24,525,000			0.40
8	2.100	5,250,000			0.15
9	0.540	547,953			100.00
10	0.540	547,032			100.00
11					
12		32,660,397			
13					
14					
15					
16					
17					
18	6.900	10,350,000			0.00
19	5.700	28,500,000			0.25
20	5.400	10,800,000			0.20
21	5.375	10,750,000			0.20
22	0.563	639,925			100.00
23	0.563	573,425			100.00
24	4.770				
25					
26					
27		61,613,350			
28					
29	0.000				
30					
31		839,518			
32					
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39					
40		95,013,265			

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

**Schedule Page: 256 Line No.: 24 Column: a**

In July 2007, Duke Energy Ohio sold a cavern storage facility to TEPPCO. Under the rules of FAS 66, this transaction could not be accounted for as a sale and as such the consideration received has been recorded as long term debt on the Respondent's books.

**Schedule Page: 256 Line No.: 28 Column: a**

On September 29, 2010, Duke Energy Corporation filed a Form S-3 Shelf Registration Statement providing for the registration for the issuance of public securities. The Registration Statement includes Duke Energy Ohio, Inc., has no limitation as to the amount of public securities to be offered. The Registration Statement was effective as of the filing date and is expected to remain effective for approximately 3 years.

On May 19, 2011, the long-term financing authority, PUCO Case No. 11-1919-GE-AIS, was approved to issue securities in the form of Secured and Unsecured notes, Tax Exempt notes, and Capital leases, and it expires on April 30, 2012. The order provides the authorization to issue up to \$500M of first mortgage bonds, senior and junior unsecured Debentures, or other forms of unsecured indebtedness. Additionally, the application provides for the issuance of up to \$400M of tax-exempt private activity bonds through the Ohio Air Quality Development Authority or other Authority and \$100M of capital leases.

**Schedule Page: 256 Line No.: 29 Column: e**

The interest rate for each variable rate bond is the December 2011 average rate.

**Schedule Page: 256 Line No.: 7 Column: i**

Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in column i and is shown as basis points. The calculated Redemption Price can never be less than \$100.

**Schedule Page: 256 Line No.: 8 Column: i**

Refer to footnote for Page: 256, Line No. 7, Column i

**Schedule Page: 256 Line No.: 18 Column: i**

Refer to footnote for Page: 256, Line No. 7, Column i

**Schedule Page: 256 Line No.: 19 Column: i**

Refer to footnote for Page: 256, Line No. 7, Column i

**Schedule Page: 256 Line No.: 20 Column: i**

Refer to footnote for Page: 256, Line No. 7, Column i

**Schedule Page: 256 Line No.: 21 Column: i**

Refer to footnote for Page: 256, Line No. 7, Column i

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)**

- Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
- Show premium amounts by enclosing the figures in parentheses.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1					
2	UNAMORTIZED EXPENSE				
3	6.9% UNSECURED DEBENTURES DUE 6/01/25	150,000,000	2,871,122	06/01/1995	06/01/2025
4	OHIO AIR QUALITY DEV. 1995 SERIES A	42,000,000	272,300	09/01/1995	09/01/2030
5	OHIO AIR QUALITY DEV. 1995 SERIES B	42,000,000	272,300	09/01/1995	09/01/2030
6	5.45% FIRST MORTG BONDS DUE 4/1/19	450,000,000	2,174,657	03/23/2009	04/01/2019
7	2.10% FIRST MORTG BONDS DUE 6/15/13	250,000,000	687,500	12/17/2009	06/15/2013
8					
9	5.70% DEBENTURES DUE 9/15/12	500,000,000	2,126,966	09/23/2002	09/15/2012
10	OHIO AIR QUALITY DEV. 2002 SERIES A	42,000,000	437,702	09/10/2002	09/01/2037
11	INSURANCE EXPENSE - OHIO AIR QUALITY DEV. 2002 SERIES A	42,000,000	807,465	09/10/2002	09/01/2037
12	OHIO AIR QUALITY DEV. 2002 SERIES B	42,000,000	437,702	09/10/2002	09/01/2037
13	INSURANCE EXPENSE - OHIO AIR QUALITY DEV. 2002 SERIES B	42,000,000	807,465	09/10/2002	09/01/2037
14	5.40% DEBENTURES DUE 6/15/33	200,000,000	1,295,647	06/16/2003	06/15/2033
15	5.375% DEBENTURES DUE 6/15/33	200,000,000	840,299	06/16/2003	06/15/2033
16	REOFF OHIO AIR QUALITY DEV. 1995B	42,000,000	150,000	08/01/2003	09/01/2030
17	MASTER CREDIT FACILITY			11/18/2011	11/18/2016
18	REOFF OHIO AIR QUALITY DEV. 1995A	42,000,000	150,000	08/01/2003	08/01/2030
19	OHIO AIR QUALITY DEV. 2004 SERIES A	47,000,000	799,672	11/18/2004	11/01/2039
20	OHIO AIR QUALITY DEV. 2004 SERIES B	47,000,000	799,672	11/18/2004	11/01/2039
21	2007 REVOLVER		167,362	06/28/2007	06/29/2012
22	OHIO AIR QUALITY DEV. REVENUE REFUNDING 2007 SERIES A	25,300,000	298,823	10/11/2007	01/01/2024
23	OHIO WATER DEV. REVENUE REFUNDING 2007 SERIES A	21,400,000	327,212	10/11/2007	01/01/2024
24	OHIO AIR QUALITY DEV. 2007 REVENUE SERIES A	70,000,000	495,000	12/01/2007	12/01/2041
25	OHIO AIR QUALITY DEV. 2007 REVENUE SERIES B	70,000,000	495,000	12/01/2007	12/01/2041
26	SUBTOTAL ACCOUNT 181				
27					
28					
29	UNAMORTIZED PREMIUM				
30	PURCH ACCTG - 5.40% DEBENTURES DUE 6/15/33	200,000,000	( 2,590,117)	04/01/2006	06/15/2033
31	PURCH ACCTG - 6.90% UNSECURED DEBENTURES DUE 6/1/25	150,000,000	( 6,459,047)	04/01/2006	06/01/2025
32	SUBTOTAL ACCOUNT 225				
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)**

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2				
3	797,134		55,292	741,842
4	107,203		5,451	101,752
5	112,667		5,729	106,938
6	1,845,571		223,705	1,621,866
7	583,819		237,549	346,270
8				
9	219,580		128,744	90,836
10	334,070		12,527	321,543
11	615,584		23,084	592,500
12	334,070		12,528	321,542
13	615,584		23,084	592,500
14	622,681		27,730	594,951
15	536,300		23,883	512,417
16	62,952		3,201	59,751
17		3,178,661	75,935	3,102,726
18	61,363		3,120	58,243
19	659,982		22,890	637,092
20	659,982		22,890	637,092
21	95,438		63,862	31,576
22	355,017		27,309	327,708
23	190,323		14,640	175,683
24	1,077,998		34,868	1,043,130
25	1,077,998		34,868	1,043,130
26	10,965,316	3,178,661	1,082,889	13,061,088
27				
28				
29				
30	( 2,134,604)	95,059		( 2,039,545)
31	( 4,861,188)	337,193		( 4,523,995)
32	( 6,995,792)	432,252		( 6,563,540)
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Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226) (continued)**

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1					
2	UNAMORTIZED DISCOUNT				
3	6.9% UNSECURED DEBENTURES DUE 2025	150,000,000	975,000	06/01/1995	06/01/2025
4	5.45% DEBENTURES DUE 4/1/19	450,000,000	180,000	03/23/2009	04/01/2019
5	2.10% DEBENTURES DUE 6/15/13	250,000,000	42,500	12/17/2009	06/15/2013
6	OHIO AIR QUALITY DEV. 1995 SERIES A	42,000,000	149,265	09/01/1995	09/01/2030
7	OHIO AIR QUALITY DEV. 1995 SERIES B	42,000,000	149,265	09/01/1995	09/01/2030
8	5.70% DEBENTURES DUE 9/15/12	500,000,000	2,294,803	09/23/2002	09/15/2012
9	5.40% DEBENTURES DUE 6/15/33	200,000,000	35,366,184	06/16/2003	06/15/2033
10	5.375% DEBENTURES DUE 6/15/33	200,000,000	17,312,591	06/16/2003	06/15/2033
11	SUBTOTAL ACCOUNT 226				
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226) (continued)**

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
3	468,975		32,535	436,440
4	148,162		17,960	130,202
5	29,862		12,162	17,700
6	83,826		4,263	79,563
7	83,850		4,263	79,587
8	590,954		346,481	244,473
9	26,478,931		1,179,171	25,299,760
10	14,198,937		632,313	13,566,624
11	42,083,497		2,229,148	39,854,349
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
FOOTNOTE DATA			

**Schedule Page: 258 Line No.: 17 Column: a**

In November 2011, Duke Energy entered into a new five-year master credit facility. The Duke Energy Registrants each have borrowing capacity under the master credit facility up to specified sub limits for each borrower. Duke Energy Ohio has a \$700 million borrowing limit as of December 31, 2011. The amount available under the master credit facility has been reduced by the use of the master credit facility to backstop the issuances of commercial paper, letters of credit and certain tax-exempt bonds.

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Unamortized Loss and Gain on Recquired Debt (Accounts 189, 257)**

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Recquired Debt, or credited to Account 429.1, Amortization of Gain on Recquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1						
2						
3	FIRST MORTGAGE BONDS - 9.70%, 10-1/8%	11/11/1995	200,000,000	( 3,724,487)	477,417	423,750
4	POLLUTION CONTROL BONDS - 10-1/8% DATED DECEMBER 1, 1985 DUE DECEMBER 1, 2015	11/11/1995	84,000,000	( 3,554,482)	305,888	243,674
5	FIRST MORTGAGE BONDS - 10.20% DATED DECEMBER 1, 1990 DUE DECEMBER 1, 2020	10/30/1995	4,000,000	( 1,950,399)	270,142	242,901
6	FIRST MORTGAGE BONDS - 8.95% SERIES	03/03/1997	100,000,000	( 1,480,555)	229,665	208,707
7	FIRST MORTGAGE BONDS - 8-1/2%	03/30/1998	100,000,000	( 987,703)	165,179	151,021
8	FIRST MORTGAGE BONDS - 7.20%	07/14/1999	34,500,000	( 316,026)	58,155	53,594
9	OAQD BONDS 1985 A SERIES	10/01/2002	42,000,000	( 300,358)	39,256	31,272
10	OAQD BONDS 1985 B SERIES	10/01/2002	42,000,000	( 299,568)	39,152	31,189
11	DEBENTURES - 8.28% JR SB	06/30/2003	100,000,000	( 3,158,778)	1,502,418	1,398,803
12	FIRST MORTGAGE BONDS - 7.20%	10/01/2003	265,500,000	( 5,485,728)	2,523,718	2,325,779
13	OAQD BONDS 2001 A SERIES	09/01/2010	12,100,000	( 534,966)	527,185	503,840
14						
15	TOTAL ACCOUNT 189		984,100,000	( 21,793,050)	6,138,176	5,614,530
16						
17	FIRST MORTGAGE BONDS - 7.20%	07/14/1999	34,500,000	1,006,250	( 528,921)	( 487,437)
18						
19	TOTAL ACCOUNT 257		34,500,000	1,006,250	( 528,921)	( 487,437)
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Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
<b>Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes</b>				
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.</p>				
Line No.	Details (a)	Amount (b)		
1	Net Income for the Year (Page 116)	194,332,094		
2	Reconciling Items for the Year			
3				
4	Taxable Income Not Reported on Books			
5	Contributions in Aid of Construction	1,650,537		
6				
7				
8	TOTAL	1,650,537		
9	Deductions Recorded on Books Not Deducted for Return			
10	See footnote for details	270,160,833		
11				
12				
13	TOTAL	270,160,833		
14	Income Recorded on Books Not Included in Return			
15	Equity in Earnings of Subsidiary	118,151,972		
16	Allowance for Funds Used During Construction	4,038,651		
17	Past In-Service Carrying Costs	2,146,794		
18	TOTAL	124,337,417		
19	Deductions on Return Not Charged Against Book Income			
20	See footnote for details	657,441,050		
21				
22				
23				
24				
25				
26	TOTAL	657,441,050		
27	Federal Tax Net Income	( 315,635,003)		
28	Show Computation of Tax:			
29	Tax at 35% of Federal Tax Net Income of -315,635,003	( 110,472,251)		
30	Less: Prior Period Adjustments	26,927,111		
31	Less: Known Tax Reserve Adjustments	3,685,186		
32	Less: R&D Credits	242,450		
33	Less: Fuel Tax Credits	14,707		
34				
35	Tax of Respondent	( 141,341,705)		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Ohio, Inc.			
FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 10 Column: b**

Federal Income Tax Expense	27,707,206
State Income Tax Expense	-8,423,687
Emission Allowance Trading	79,575,518
Mark To Market - Short-Term	25,444,735
Property Tax	24,296,004
Joint Owner Pension Receivable - NC	13,803,473
Emission Allowance Expense	13,550,851
Non-Cash Overhead Basis Adjustment	12,868,872
Regulatory Asset/Liability - Deferred Revenue	11,596,000
RSP Costs Capitalization	9,316,945
Regulatory Asset - Pension - Post-Retirement	7,337,448
Executive Life Insurance	7,097,345
Deferred Ohio Smart Grid Costs	5,244,949
Tax Interest Capitalized	4,368,905
Tax Interest Accrual - Current Asset	3,417,542
Regulatory Asset - Hurricane Ike Storm Damage	3,307,372
RTC Amortization	2,933,308
Duke Merger - Permanent	2,409,724
Uncollectible Accounts Provision Adjustment	2,166,065
Inventory And Contract Write-Up	2,134,102
Post-Employment Benefits - FAS 112	2,018,459
Annual Incentive Plan Compensation	1,593,516
Regulatory Asset - Accrued Pension - FAS 158	1,527,903
Offsite Gas Storage Costs	1,497,204
Merger Costs	1,239,966
Deferred Fuel Cost - P.G.A.	1,189,040
Surplus Materials Write-Off	1,175,072
Leased Meters - Current	1,092,508
Regulatory Asset - DEO Economic Development	1,000,000
Amortization Of Loss On Reacquired Debt	946,433
Regulatory Asset - Cash Flow Hedge	839,519
Business Meals	620,989
Regulatory Asset - Asset Retirement Obligation	523,512
Rate Case - Deferred Costs	517,929
Lobbying Expenses	515,986
Other	3,710,120
	270,160,833

**Schedule Page: 261 Line No.: 20 Column: b**

Depreciation Deducted In Excess Of Amount Booked	418,218,131
Gain On Sale Of Lattice Towers	73,736,857
Retirement Plan Expense And Funding	31,142,051
Equipment Repairs	22,798,527
Manufactured Gas Plant Sites	21,379,948
Qualified Pension Plan	10,897,197
Regulatory Asset - Manufactured Gas Plant Costs	9,243,317
Unbilled Revenue - Fuel	7,954,120
Leased Meters - Electric & Gas	6,884,836
Regulatory Asset - Pension - Post-Retirement	6,841,948

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Duke Energy Ohio, Inc.			2011/Q4
FOOTNOTE DATA			

Mark To Market - Long-Term	5,385,404
263A Adjustment	4,752,000
Regulatory Asset - Smart Grid - PISCC	4,548,670
Regulatory Asset - Smart Grid - Deferred Depreciation	3,795,383
Uncollectible Provision - PIP Adjustment	3,599,758
Regulatory Asset - Smart Grid - Deferred Other O&M	3,568,011
Tax Interest Accrual - Non-Current Liability	3,084,188
Post-Retirement Benefits - Health Care	2,717,252
Other Post-Employment Benefits - OCI - FAS 106	2,617,186
Demand Side Management Costs	2,106,255
Non-Qualified Pension Plan	2,045,484
Book Capitalized Interest - FAS 34	1,909,530
Vacation Pay Accruals	1,309,823
Regulatory Asset - Accrued Pension - FAS 158	1,216,611
Loss On ACRS	1,214,553
Leased Meters - Book Capital	1,152,706
Self-Developed Software	619,223
Regulatory Asset - Electric Rate Case Expense	605,451
Regulatory Asset/Liability - Save-A-Watt	547,080
Regulatory Asset - Smart Grid - Gas Furnace	542,740
Deferred Pipeline Installation Costs	500,608
Other	506,202
	<u>657,441,050</u>

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)**

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5)  (a)	Balance at Beg. of Year  Taxes Accrued (b)	Balance at Beg. of Year  Prepaid Taxes (c)
1			
2	FEDERAL TAXES		
3	INCOME	9,947,760	
4	FEDERAL INSURANCE	886	
5	UNEMPLOYMENT	329	
6	HIGHWAY & FUEL		
7			
8			
9			
10	STATE TAXES		
11	INCOME	( 2,206,642)	
12	UNEMPLOYMENT	476	
13	SALES & USE	380,086	
14	PROPERTY	402,291	
15	EXCISE	12,332,351	
16			
17			
18			
19	OTHER TAXES		
20	LOCAL PROPERTY	127,699,150	
21	CINCINNATI FRANCHISE	330,563	
22	OHIO COMMERCIAL	1,395,529	
23			
24			
25			
26			
27			
28			
29			
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39			
TOTAL		150,282,779	

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)**  
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3	( 141,341,705)	( 130,921,610)	31,316,241	4,717,473	36,506,049
4	12,770,281	12,571,290		199,877	
5	94,421	53,044		41,706	
6	29,389	29,389			
7					
8					
9					
10					
11	( 4,177,194)	1,816,876	( 6,976,201)	( 1,224,511)	4,924,229
12	92,611	60,645		32,442	
13	1,627,243	1,369,475		637,854	
14	129,069	94,993		436,367	
15	101,223,135	102,015,595		11,539,891	
16					
17					
18					
19					
20	120,872,536	95,121,610		153,450,076	
21	1,275,617	1,353,523		252,657	
22	4,970,439	4,977,939		1,388,029	
23					
24					
25					
26					
27					
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36					
37					
38					
39					
<b>TOTAL</b>	<b>97,565,842</b>	<b>88,542,769</b>	<b>24,340,040</b>	<b>171,471,861</b>	<b>41,430,278</b>

Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
<b>Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)</b>				
<p>1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>				
<b>DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)</b>				
Line No.	Electric (Account 408.1, 409.1)  (i)	Gas (Account 408.1, 409.1)  (j)	Other Utility Dept. (Account 408.1, 409.1)  (k)	Other Income and Deductions (Account 408.2, 409.2)  (l)
1				
2				
3	( 67,876,811)	( 35,918,033)		( 37,546,861)
4	9,613,239	2,429,720		727,322
5	71,299	23,122		
6	24,684	4,705		
7				
8				
9				
10				
11	( 1,376,973)	( 691,346)		( 2,108,875)
12	70,008	22,603		
13	1,627,243			
14	108,277	20,792		
15	71,919,288	29,303,847		
16				
17				
18				
19				
20	101,360,737	19,464,098		47,701
21	1,264,089	11,528		
22	4,970,328	111		
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
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39				
<b>TOTAL</b>	121,775,408	14,671,147		( 38,880,713)

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)**  
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

**DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)**

Line No.	Extraordinary Items (Account 409.3)  (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6					
7					
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10					
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12					
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39					
<b>TOTAL</b>					

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

**Schedule Page: 262 Line No.: 3 Column: f**

Federal Payable Debit Balance Reclass Adjustments	35,001,427
Known Tax Reserve Adjustments	( 3,685,186)
Total Federal Income Tax Adjustment	31,316,241

**Schedule Page: 262 Line No.: 11 Column: f**

State Payable Debit Balances Reclass Adjustments	(3,311,447)
Known Tax Reserve Adjustments	(2,054,970)
State Refunds	(1,609,784)
Total State Income Tax Adjustments	(6,976,201)



Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
Miscellaneous Current and Accrued Liabilities (Account 242)				
1. Describe and report the amount of other current and accrued liabilities at the end of year. 2. Minor items (less than \$250,000) may be grouped under appropriate title.				
Line No.	Item (a)	Balance at End of Year (b)		
1	Vacation Entitlement Reserve	8,452,510		
2	Deferred Revenue - Unbilled Fuel	401,000		
3	Retirement Bank Accrual	4,388,497		
4	Provision for Incentive Benefits Program	2,619,498		
5	FAS 158 Liabilities	3,470,609		
6	Accrued Liabilities - DENA	94,990		
7	Wages Payable Accrual	1,556,125		
8	Accrued Liabilities	2,395,122		
9	Deferred Revenue Payable - Other	163,479		
10	Regulatory Commission Fees	244,680		
11	Severance Reserve/Accrual	( 55,036)		
12	Collateral Liabilities	74,109		
13	Employee Other Insurance Deductions	41,741		
14	Accrued Liabilities - MW Joint Owner	18,493,612		
15	Regulatory Liabilities arising from Mark to Market	1,887,293		
16	Contract Retentions	143,929		
17	Other	( 22,660)		
18				
19				
20				
21				
22				
23				
24				
25				
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31				
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44				
45	Total	44,349,498		

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Other Deferred Credits (Account 253)**

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Customer Choice Program - Deposit	200,000	131	50,000	150,000	300,000
2						
3	Gas Refund and Recon. Adj.					
4	- Due Customers	272,751	191,805	329,298	474,273	417,726
5						
6	Other Non Current Liability					
7	- Power Trading Purch. Acctg.	4,241,178	447	4,241,148		30
8						
9	Employee Postretirement Benefit					
10	Cost - DP&L	2,918,220	146,165	5,145	751,013	3,664,088
11						
12	Postretirement Benefits Health					
13	Care DP&L/CSP Share	( 9,642,027)	various	806,082	1,101,616	( 9,346,493)
14						
15	Pension Cost Adj.					
16	- DP&L/CSP Share	30,090,372	various	20,071,258	11,686,312	21,705,426
17						
18	Bankruptcy Settlement Reserve	3,900,169	various	2,057,117	400,000	2,243,052
19						
20	Midwest ISO Exit Fees				76,277,107	76,277,107
21						
22	Pension Cost Adj. - FAS 106	16,871,383	182,219	3,568,543	2,351,932	15,654,772
23			228			
24						
25	SmartGrid Reserve		903,935	374,642	5,619,591	5,244,949
26						
27	Deferred Credit Affiliate					
28	- Gain on Sale of I/C Inventory		411	13,700	1,485,984	1,472,284
29						
30	Misc. Deferred Credits	( 67,236)	107,514	139,381	113,878	( 92,739)
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	<b>Total</b>	<b>48,784,810</b>		<b>31,656,314</b>	<b>100,411,706</b>	<b>117,540,202</b>

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Accumulated Deferred Income Taxes-Other Property (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.  
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	1,168,225,104	107,199,208	55,226,224
3	Gas	179,100,774	101,218,657	17,794,456
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	1,347,325,878	208,417,865	73,020,680
6	Other (Specify) (footnote details)	786,927	107,422,217	105,573,617
7	TOTAL Account 282 (Enter Total of lines 5 thr	1,348,112,805	315,840,082	178,594,297
8	Classification of TOTAL			
9	Federal Income Tax	1,321,206,686	310,123,377	175,361,740
10	State Income Tax	26,906,119	5,716,705	3,232,557
11	Local Income Tax			

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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**Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)**

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	8,828,294	23,514			Footnote	748,941,395	480,061,473
3	3,790	29,739	190	129,403			262,628,429
4							
5	8,832,084	53,253		129,403		748,941,395	742,689,902
6	10,376,192	1,863	Footnote	537,106,003			550,115,858
7	19,208,276	55,116		537,235,406		748,941,395	1,292,805,761
8							
9	18,860,606	54,118		527,511,445		732,880,279	1,269,405,977
10	347,670	998		9,723,961		16,061,116	23,399,784
11							

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 6 Column: b

	Beginning Balance
Book Capitalized Interest - FAS 34	821,616
Depreciation	( 33,776)
Other	( 913)
	786,927

Schedule Page: 274 Line No.: 6 Column: k

	Ending Balance
Property, Plant & Equipment - ARAM	411,441,618
Property, Plant & Equipment - Repairs	96,317,072
Property, Plant & Equipment - DTL	72,391,628
Depreciation	24,908,653
Book Capitalized Interest - FAS 34	5,472,458
Casualty Loss	3,525,213
Self-Developed Software	2,609,750
263A Adjustment	1,555,714
Tax Interest Capitalized	( 6,400,248)
Impairment Of Plant Assets	( 57,601,570)
Other	( 4,104,429)
	550,115,859

Schedule Page: 274 Line No.: 6 Column: h

Adjustments between Duke Energy Ohio - Electric Regulatory and Duke Energy Ohio - Electric Non-Regulatory.

Schedule Page: 274 Line No.: 2 Column: j

Adjustments between Duke Energy Ohio - Electric Regulatory and Duke Energy Ohio - Electric Non-Regulatory and with account groups 190 and 283.

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Accumulated Deferred Income Taxes-Other (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.  
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	214,513,307	18,624,231	39,873,900
3	Gas	7,640,506	17,663,455	2,289,952
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	222,153,813	36,287,686	42,163,852
6	Other (Specify) (footnote details)	( 48,040,448)	36,139,601	36,107,461
7	TOTAL Account 283 (Total of lines 5 thru 6)	174,113,365	72,427,287	78,271,313
8	Classification of TOTAL			
9	Federal Income Tax	167,562,107	70,377,595	76,056,235
10	State Income Tax	6,551,258	2,049,692	2,215,078
11	Local Income Tax			

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Accumulated Deferred Income Taxes-Other (Account 283) (continued)**

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2	280,129	1,350,126			Footnote	93,924,100	98,269,541
3			190	41,742,564			64,756,573
4							
5	280,129	1,350,126		41,742,564		93,924,100	163,026,114
6			Footnote	141,605,179			93,596,871
7	280,129	1,350,126		183,347,743		93,924,100	256,622,985
8							
9	272,201	1,311,917		178,159,002		89,642,198	249,360,555
10	7,928	38,209		5,188,741		4,281,902	7,262,430
11							

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Duke Energy Ohio, Inc.			2011/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 6 Column: b

	Beginning Balance
Impairment Of Plant Assets	(49,291,348)
Tax Interest Accrual	654,501
Other	596,399
	(48,040,448)

Schedule Page: 276 Line No.: 6 Column: k

	Ending Balance
Emission Allowance Trading	43,641,559
RSP Costs Capitalization	39,143,238
Deferred Revenue	3,007,946
Deferred Pipeline Installation Costs	2,959,479
Other	4,844,649
	93,596,871

Schedule Page: 276 Line No.: 6 Column: h

Adjustments between Duke Energy Ohio - Electric Regulatory and Duke Energy Ohio - Electric Non-Regulatory and with account group 282.

Schedule Page: 276 Line No.: 2 Column: j

Adjustments between Duke Energy Ohio - Electric Regulatory and Duke Energy Ohio - Electric Non-Regulatory.



Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Other Regulatory Liabilities (Account 254)**

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Income Taxes	3,741,465	Various	1,429,986		912,601	3,224,080
2							
3	DSM Energy Efficiency	2,106,255	407.3	2,106,255			
4							
5	Save-A-Watt Regulatory Liability	11,344,480	456	4,064,456		3,517,376	10,797,400
6							
7	Bad Debt Expense Over Collection	7,130,067	407.3	11,660,550		10,714,548	6,184,065
8							
9							
10							
11							
12							
13							
14							
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44							
45	Total	24,322,267		19,261,247	0	15,144,525	20,205,545

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Monthly Quantity & Revenue Data by Rate Schedule**

- Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
- Total Quantities and Revenues in whole numbers
- Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
- Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
- Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
1	Total Sales (480-488)	1,307,602			19,978,147	19,978,147
2	Transportation of Gas for Others (489.2 and 489.3)					
3	Rate - Case #PRO8-27				10,563	10,563
4	Rate FT	1,469,528			9,639,724	9,639,724
5	Rate IT	1,606,553			1,191,943	1,191,943
6						
7						
8						
9						
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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### Monthly Quantity & Revenue Data by Rate Schedule

- Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
- Total Quantities and Revenues in whole numbers
- Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
- Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
- Enter footnotes as appropriate.

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1	2,161,074			23,562,593	23,562,593	4,101,285			37,596,591	37,596,591
2										
3				7,310	7,310				9,070	9,070
4	2,271,156			9,746,835	9,746,835	3,684,275			13,231,946	13,231,946
5	1,706,995			1,272,509	1,272,509	1,850,641			1,362,718	1,362,718
6										
7										
8										
9										
10										
11										
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	3,076,081			10,842,230	10,842,230
64	Storage (489.4)					
65						
66						
67						
68						
69						
70						
71						
72						
73						
74						
75						
76						
77						
78						
79						
80						
81						
82						
83						
84						
85						
86						
87						
88						
89						
90	Total Storage					
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)				175,298	175,298
98	Other Gas Revenues (495)				1,955	1,955
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				177,253	177,253

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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63	3,978,151			11,026,654	11,026,654	5,534,916			14,603,734	14,603,734
64										
65										
66										
67										
68										
69										
70										
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90										
91										
92										
93										
94										
95										
96										
97				1,330,726	1,330,726				( 822,343)	( 822,343)
98				129	129				62,646	62,646
99										
100				1,330,855	1,330,855				( 759,697)	( 759,697)

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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Item	Month 1 Quantity	Month 1 Revenue Costs and Take-or-Pay	Month 1 Revenue (GRI & ACA)	Month 1 Revenue (Other)	Month 1 Revenue (Total)
	(a)	(b)	(c)	(d)	(e)	(f)
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	4,383,683			30,997,630	30,997,630

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Monthly Quantity & Revenue Data by Rate Schedule (continued)**

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
101	6,139,225			35,920,102	35,920,102	9,536,201			51,440,628	51,440,628

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### Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay  Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay  Amount for Previous Year (c)	Revenues for GRI and ACA  Amount for Current Year (d)	Revenues for GRI and ACA  Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				



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### Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.  
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.  
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues  Amount for Current Year (f)	Other Revenues  Amount for Previous Year (g)	Total Operating Revenues  Amount for Current Year (h)	Total Operating Revenues  Amount for Previous Year (i)	Dekatherm of Natural Gas  Amount for Current Year (j)	Dekatherm of Natural Gas  Amount for Previous Year (k)
1	226,541,132	259,895,039	226,541,132	259,895,039	19,028,759	21,825,872
2	80,438,529	96,275,603	80,438,529	96,275,603	7,654,356	9,044,272
3	4,727,269	5,872,306	4,727,269	5,872,306	496,531	599,398
4						
5	392,512	460,459	392,512	460,459	80,953	78,426
6						
7		2,086		2,086		
8	304,948	276,508	304,948	276,508		
9						
10						
11	130,892,234	116,260,014	130,892,234	116,260,014	43,393,897	42,430,824
12						
13						
14						
15						
16	2,279,067	2,361,158	2,279,067	2,361,158		
17						
18	78,899	17,296	78,899	17,296		
19	445,654,590	481,420,469	445,654,590	481,420,469		
20						
21	445,654,590	481,420,469	445,654,590	481,420,469		



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<b>Gas Operation and Maintenance Expenses</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Manufactured Gas Production (Submit Supplemental Statement)	1,679,784	1,753,403	
4	B. Natural Gas Production			
5	B1. Natural Gas Production and Gathering			
6	Operation			
7	750 Operation Supervision and Engineering	0	0	
8	751 Production Maps and Records	0	0	
9	752 Gas Well Expenses	0	0	
10	753 Field Lines Expenses	0	0	
11	754 Field Compressor Station Expenses	0	0	
12	755 Field Compressor Station Fuel and Power	0	0	
13	756 Field Measuring and Regulating Station Expenses	0	0	
14	757 Purification Expenses	0	0	
15	758 Gas Well Royalties	0	0	
16	759 Other Expenses	0	0	
17	760 Rents	0	0	
18	TOTAL Operation (Total of lines 7 thru 17)	0	0	
19	Maintenance			
20	761 Maintenance Supervision and Engineering	0	0	
21	762 Maintenance of Structures and Improvements	0	0	
22	763 Maintenance of Producing Gas Wells	0	0	
23	764 Maintenance of Field Lines	0	0	
24	765 Maintenance of Field Compressor Station Equipment	0	0	
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0	
26	767 Maintenance of Purification Equipment	0	0	
27	768 Maintenance of Drilling and Cleaning Equipment	0	0	
28	769 Maintenance of Other Equipment	0	0	
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0	
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0	







Name of Respondent Duke Energy Ohio, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	0	0	
117	831 Maintenance of Structures and Improvements	0	0	
118	832 Maintenance of Reservoirs and Wells	0	0	
119	833 Maintenance of Lines	0	0	
120	834 Maintenance of Compressor Station Equipment	0	0	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0	
122	836 Maintenance of Purification Equipment	0	0	
123	837 Maintenance of Other Equipment	0	0	
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	0	0	
129	841 Operation Labor and Expenses	0	0	
130	842 Rents	0	0	
131	842.1 Fuel	0	0	
132	842.2 Power	0	0	
133	842.3 Gas Losses	0	0	
134	TOTAL Operation (Total of lines 128 thru 133)	0	0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	0	0	
137	843.2 Maintenance of Structures	0	0	
138	843.3 Maintenance of Gas Holders	0	0	
139	843.4 Maintenance of Purification Equipment	0	0	
140	843.5 Maintenance of Liquefaction Equipment	0	0	
141	843.6 Maintenance of Vaporizing Equipment	0	0	
142	843.7 Maintenance of Compressor Equipment	0	0	
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0	
144	843.9 Maintenance of Other Equipment	0	0	
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0	

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Gas Operation and Maintenance Expenses(continued)					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
147	C. Liquefied Natural Gas Terminating and Processing Expenses				
148	Operation				
149	844.1 Operation Supervision and Engineering	0	0		
150	844.2 LNG Processing Terminal Labor and Expenses	0	0		
151	844.3 Liquefaction Processing Labor and Expenses	0	0		
152	844.4 Liquefaction Transportation Labor and Expenses	0	0		
153	844.5 Measuring and Regulating Labor and Expenses	0	0		
154	844.6 Compressor Station Labor and Expenses	0	0		
155	844.7 Communication System Expenses	0	0		
156	844.8 System Control and Load Dispatching	0	0		
157	845.1 Fuel	0	0		
158	845.2 Power	0	0		
159	845.3 Rents	0	0		
160	845.4 Demurrage Charges	0	0		
161	(less) 845.5 Wharfage Receipts-Credit	0	0		
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0		
163	846.1 Gas Losses	0	0		
164	846.2 Other Expenses	0	0		
165	TOTAL Operation (Total of lines 149 thru 164)	0	0		
166	Maintenance				
167	847.1 Maintenance Supervision and Engineering	0	0		
168	847.2 Maintenance of Structures and Improvements	0	0		
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0		
170	847.4 Maintenance of LNG Transportation Equipment	0	0		
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0		
172	847.6 Maintenance of Compressor Station Equipment	0	0		
173	847.7 Maintenance of Communication Equipment	0	0		
174	847.8 Maintenance of Other Equipment	0	0		
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0		
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175)	0	0		
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0		





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<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	8,092,269	4,502,372	
209	875 Measuring and Regulating Station Expenses-General	115,387	143,918	
210	876 Measuring and Regulating Station Expenses-Industrial	107,159	184,276	
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0	
212	878 Meter and House Regulator Expenses	2,060,071	861,639	
213	879 Customer Installations Expenses	5,975,290	6,427,892	
214	880 Other Expenses	2,724,475	2,491,541	
215	881 Rents	14,240	34,176	
216	TOTAL Operation (Total of lines 204 thru 215)	19,762,368	15,444,929	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	163,514	235,965	
219	886 Maintenance of Structures and Improvements	0	0	
220	887 Maintenance of Mains	3,914,267	3,863,899	
221	888 Maintenance of Compressor Station Equipment	0	0	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	235,538	98,321	
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	13,278	8,730	
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0	
225	892 Maintenance of Services	282,902	271,279	
226	893 Maintenance of Meters and House Regulators	836,573	717,934	
227	894 Maintenance of Other Equipment	136,056	223,283	
228	TOTAL Maintenance (Total of lines 218 thru 227)	5,582,128	5,419,411	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	25,344,496	20,864,340	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	1,247	2,528	
233	902 Meter Reading Expenses	2,858,069	3,392,579	
234	903 Customer Records and Collection Expenses	15,253,164	15,632,172	

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<b>Gas Operation and Maintenance Expenses(continued)</b>				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	26,940,511	15,692,386	
236	905 Miscellaneous Customer Accounts Expenses	0	0	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	45,052,991	34,719,665	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	520,617	394,161	
242	909 Informational and Instructional Expenses	11,698	5,550	
243	910 Miscellaneous Customer Service and Informational Expenses	8,588,318	6,497,366	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	9,120,633	6,897,077	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	10,248	1	
248	912 Demonstrating and Selling Expenses	107	354	
249	913 Advertising Expenses	220,496	86,674	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	230,851	87,029	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	7,372,764	12,585,547	
255	921 Office Supplies and Expenses	6,549,295	7,025,258	
256	(Less) 922 Administrative Expenses Transferred-Credit	( 433)	( 44)	
257	923 Outside Services Employed	4,987,137	5,043,858	
258	924 Property Insurance	297,642	383,852	
259	925 Injuries and Damages	1,553,257	1,063,151	
260	926 Employee Pensions and Benefits	9,985,942	9,688,588	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	828,572	1,067,854	
263	(Less) 929 Duplicate Charges-Credit	515,008	133,842	
264	930.1General Advertising Expenses	16,946	25,733	
265	930.2Miscellaneous General Expenses	2,009,536	1,538,265	
266	931 Rents	2,982,141	1,977,931	
267	TOTAL Operation (Total of lines 254 thru 266)	36,068,657	40,266,239	
268	Maintenance			
269	932 Maintenance of General Plant	841,498	405,776	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	36,910,155	40,672,015	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	275,135,569	308,966,155	

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FOOTNOTE DATA			

Schedule Page: 317 Line No.: 3 Column: b

<b>OPERATION:</b>	<b>2011</b>
711 Gas Boiler Labor	\$ 17,812
712 Other Power Expenses	14,781
717 Liquified Petroleum Gas Expense	365,996
728 Liquified Petroleum Gas	181,266
735 Misc. Production Expense	109,560
736 Gas Raw Material - Rents	614,092
Total Operation	<b>\$1,303,507</b>
<b>Maintenance:</b>	
742 Production Equipment	376,277
Total Maintenance	<b>376,277</b>
<b>Total Manufactured Gas Production</b>	<b>\$1,679,784</b>

Schedule Page: 317 Line No.: 3 Column: c

<b>OPERATION:</b>	<b>2010</b>
711 Gas Boiler Labor	\$ 18,173
712 Other Power Expenses	18,589
717 Liquified Petroleum Gas Expense	634,352
728 Liquified Petroleum Gas	267,317
735 Misc. Production Expense	123,577
736 Gas Raw Material - Rents	614,092
Total Operation	<b>\$1,676,100</b>
<b>Maintenance:</b>	
742 Production Equipment	77,303
Total Maintenance	<b>77,303</b>
<b>Total Manufactured Gas Production</b>	<b>\$1,753,403</b>



Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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**Miscellaneous General Expenses (Account 930.2)**

1. Provide the information requested below on miscellaneous general expenses.  
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	608
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Other expenses	
5	Business and Service Company Support	1,718,525
6	Dues and Subscriptions to Various Organizations	185,340
7	Director's Fees and Expenses	65,392
8	Shareholder's Communications/Systems	37,411
9	Corporate Sponsorships	1,572
10	Account Analysis Reconciliation Adjustments	688
11		
12		
13		
14		
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21		
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23		
24		
25	<b>Total</b>	<b>2,009,536</b>

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)**

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.  
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

**Section A. Summary of Depreciation, Depletion, and Amortization Charges**

Line No.	Functional Classification  (a)	Depreciation Expense (Account 403)  (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				
2	Production plant, manufactured gas	259,921			
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	32,173,527			
10	General plant	178,243			
11	Common plant-gas	1,040,288			
12	TOTAL	33,651,979			

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)**

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

**Section A. Summary of Depreciation, Depletion, and Amortization Charges**

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3)  (f)	Amortization of Other Gas Plant (Account 405)  (g)	Total (b to g)  (h)	Functional Classification  (a)
1	3,063,029		3,063,029	Intangible plant
2			259,921	Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5				Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			32,173,527	Distribution plant
10	540,440		718,683	General plant
11	1,524,960		2,565,248	Common plant-gas
12	5,128,429		38,780,408	TOTAL