

May 31, 2007

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

RECEIVED-DOCKETING DIV  
2007 JUN -1 AM 10:17  
PUCO

RE: In the Matter of The Application of Duke Energy )  
Ohio to Modify its Fuel, Economy Purchased ) Case No. 06-1068-EL-UNC  
Power Component of Its Market-Based Standard )  
Service Offer for the Summary Report Period of )  
June 29, 2007 to September 27, 2007 )

Docketing Division:

On May 30, 2007, the Company filed its quarterly update related to its Fuel and Purchased Power tracker ("Rider FPP") for the period June-September 2007. Since that time, it was discovered that the amount shown on Schedule 1 for "Includable Fuel Cost" inadvertently included an amount not eligible for recovery via the Rider FPP. Although only pages 1 and 4 of Schedule 1 are different from the initial filing, we are re-filing all of the schedules that were filed on May 30, 2007, to reflect the correction.

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

Very truly yours,



Lisa D. Steinkuhl

Enclosures

Tariff memos/PUCO FPP filing/doc

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## ATTACHMENT I

### STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES

Duke Energy's ("Company") Commercial Asset Management Service (CAM) group is responsible for managing the power, fuel and emission allowance positions for the Company's operating units, including the Company's Ohio generation portfolio to achieve economical power supply for the Ohio customers.

CAMS is responsible for establishing and implementing the multi-commodity risk management strategy for power, fuel and emission allowances. CAMS reviews the optimal contract mix on an ongoing basis as market conditions change; the optimal contract mix varies as market and operating conditions change during the time horizon being evaluated. Fuel purchases are made through a combination of long-term and spot market purchases.

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

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

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

- Effective management of market price risk
- Assurance of adequate supply from reliable suppliers
- Competitive pricing
- Market intelligence
- Continuing evaluation of suppliers
- Flexibility in responding to changing market or economic conditions
- Efficient delivery of shipments.

CAMS makes every effort to purchase according to the operating requirements for the power generation equipment for which it purchases fuel. Further, the cost of complying with environmental regulations regarding emissions is factored into purchasing decisions.

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

## **ATTACHMENT I**

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

For longer term commitments, suppliers are generally evaluated on the basis of delivered cost, busbar evaluation of coal quality, uncommitted proven reserves, reputation, credit strength, proximity to transportation, and willingness to extend commercial terms. Additional evaluation is done, as needed, concerning by-product handling, disposal, and various environmental limits at the station sites. For short-term purchases, the evaluation focuses primarily on evaluated cost relative to the market.

## **ATTACHMENT II**

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

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

Pursuant to the Commission's Entry on Rehearing in Case No. 03-93-EL-ATA issued on November 23, 2004, Duke has calculated a proposed Quarterly Fuel, Economy Purchased Power and Emission Allowance Component (FPP Component) of its market-based standard service offer for the three-month projected period of July through September 2007.

The proposed FPP Rates are segregated into three types of customers, Residential, Non-Residential and Voltage Reduction customers. Depending on the type of customer, the appropriate rate will be applied to all bills, excluding consumers taking generation service from Certified Retail Electric Service providers, rendered on and after June 29, 2007, and will coincide with the billing of Cycle 1 of the July 2007 revenue month and remain in effect through September 2007.

The methodology for calculating the proposed FPP Component of 2.2196 cents per kilowatt-hour for Residential, 2.1900 cents per kilowatt-hour for Non-Residential and 2.1717 cents per kilowatt-hour for Voltage Reduction type customers is consistent with the Commission's Entry on Rehearing and is composed of the following components:

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

The base period of July through September 2007 was utilized to calculate the proposed fuel and economy purchased power component (FC). The proposed FC is composed of three months projected includable fuel cost and economy purchased power data. The total FC calculated portion of the FPP Component is 3.0388 cents per kilowatt-hour for all types of customers. From this number, the Company has subtracted a baseline rate of 1.2327 cents per kilowatt-hour that is already included in rates as established in Case No. 99-103-EL-EFC. Based upon this information, the proposed FC should be established at 1.8061 cents per kilowatt-hour for all customers subject to the FPP. This proposed FC is supported by the attached calculations on Page 1 of 5 of Schedule 1.

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

The base period of July through September 2007 was utilized to calculate the emission allowance component (EA) for all types of customers. The proposed EA is composed of three months projected includable emission allowance data. The total EA calculated portion of the FPP Component is 0.1266 cents per kilowatt-hour for all types of customers. From this number, the Company has subtracted a baseline rate of 0.0126 cents per kilowatt-hour that is already included in rates as established in Case No. 99-103-EL-EFC. Based upon this information, the proposed EA should be established at 0.1140 cents per kilowatt-hour. This proposed EA is supported by the attached calculations on Page 2 of 5 of Schedule 1.

## ATTACHMENT II

### ENVIRONMENTAL REAGENT (ER)

In accordance with PUCO Order in Case No. 05-806-EL-UNC, the Environmental Reagent (ER) component of Rider FPP should be eliminated from the calculation of the FPP Rate. It was also ordered that any monies collected under the ER component to date should be refunded. As of June 2006 all the monies collected have been refunded.

### RECONCILIATION ADJUSTMENT (RA)

The proposed RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, and system loss adjustment to the FPP Component revenues for the three month period ending March 2007. The RA amount for the three month period ending March 2007 included in this filing is \$3,726,943.42 for Residential type customers and \$3,650,346.79 for Non-Residential type customers and \$1,456,435.41 for Voltage Reduction type customers. In addition to these RA amounts is \$200,323.33 for Residential type customers and \$297,423.82 for Non-Residential type customers and \$114,819.30 for Voltage Reduction type customers which represents an updated adjustment to the 4<sup>th</sup> quarter 2006 RA amount filed in the 2<sup>nd</sup> Quarter 2007 filing and is supported by the attached calculations on Page 5AA thru AF of 5 of Schedule 1. In addition to these RA amounts is \$2,959.65 for Residential type customers and \$4,871.23 for Non-Residential type customers and \$1,721.73 for Voltage Reduction type customers which represents an updated adjustment to the 2<sup>nd</sup> quarter 2006 RA amount filed in the 4th Quarter 2006 filing and is supported by the attached calculations on Page 5O thru T of 5 of Schedule 1. In addition to these RA amounts is \$3,622.62 for Residential type customers and \$10,666.47 for Non-Residential type customers and \$3,855.32 for Voltage Reduction type customers which represents an updated adjustment to the 1<sup>st</sup> quarter 2006 RA amount filed in the 3<sup>rd</sup> Quarter 2006 filing and is supported by the attached calculations on Page 5I thru N of 5 of Schedule 1. The total RA, including the previous quarter adjustments, reflects the refund adjustment for the monies collected through the ER component for 2005 and the 1<sup>st</sup> and 2<sup>nd</sup> quarter 2006 as ordered by PUCO in Case No. 05-806-EL-UNC. With all of these adjustments, the RA component for Residential customers is 0.1851 cents per kilowatt-hour, the RA component for the Non-Residential customers is 0.1555 cents per kilowatt-hour and the RA component for Voltage Reduction customers is 0.1931 cents per kilowatt-hour. The total proposed RA is supported by the attached calculations on Page 3 of 5 of Schedule 1.

### SYSTEM LOSS ADJUSTMENT (SLA)

The proposed SLA Component is based on the estimated system loss fuel cost to be incurred during the three month period ending September 2007. The total SLA calculated portion of the FPP Component is 0.2081 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0952 cents per kilowatt-hour for Voltage Reduction type customers. From the number for Residential and Non-Residential type customers, the Company has subtracted a baseline rate of 0.1051 cents per kilowatt-hour

## ATTACHMENT II

that is already included in rates. From the number for Voltage Reduction type customers, the Company has subtracted a baseline rate of 0.0481 cents per kilowatt-hour that is already included in rates. Both rates are increased by 0.0114 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.1144 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0585 cents per kilowatt-hour for Voltage Reduction type customers. The proposed SLA is supported by the attached calculations on Page 4 of 5 of Schedule 1.

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

Based on the aforementioned projected includable fuel and economy purchased power cost data (FC) summarized on Page 1 of Schedule 1, the Emission Allowance Component (EA) on Page 2 of Schedule 1, the Reconciliation Adjustment (RA) on Page 3 of Schedule 1, and the System Loss Adjustment (SLA) on Page 4 of Schedule 1, the Company proposes that a FPP Component of 2.2196 cents per kilowatt-hour be established for Residential type customers, 2.1900 cents per kilowatt-hour be established for Non-Residential type customers and 2.1717 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after June 29, 2007, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the July 2007 revenue month.

**Duke Energy Americas  
Non-Regulated Generation  
Duke Energy Ohio FPP  
Q3 2007 Workpapers**

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
July 2007 through September 2007

Line	Description	(A) Includable Fuel Cost \$	(B) Other Includable MISO Costs From Page 1A \$	(C) Total Includable Costs \$	(D) Includable Energy (kWh)	(E) FPP Rate Components (Col. C + Col. D)														
<u>Fuel &amp; Economy Purchased Power Cost Expense (FC) - by Month (Projected)</u>																				
1	July 2007	\$ 74,749,825.15	\$ (927,531.00)	\$ 73,822,294.15	2,406,038,591															
2	August 2007	\$ 85,096,105.12	\$ (975,199.00)	\$ 84,120,906.12	2,408,089,269															
3	September 2007	\$ 48,099,461.96	\$ (256,255.00)	\$ 47,843,206.96	1,957,925,412															
4	Total Fuel & Economy Purchased Power Cost Expense	\$ 207,945,392.23	\$ (2,158,985.00)	\$ 205,786,407.23	6,772,053,272	3.0388 ¢/kWh														
5	Less: Baseline EFC Rate from Case No. 99-103-EL-EFC <sup>(a)</sup>					1.2327 ¢/kWh														
6	Total FC Portion to be Included in FPP					1.8061 ¢/kWh														
7	Emission Allowances Adjustment (EA) From Page 2					0.1140 ¢/kWh														
8	Total FPP Rate before RA and SLA					1.9201 ¢/kWh														
<table> <tr> <th colspan="3">FPP Rate</th><th colspan="4"></th></tr> <tr> <th>Residential</th><th>Non-Residential</th><th>Voltage Reduction <sup>(b)</sup></th><th colspan="4"></th></tr> </table>							FPP Rate							Residential	Non-Residential	Voltage Reduction <sup>(b)</sup>				
FPP Rate																				
Residential	Non-Residential	Voltage Reduction <sup>(b)</sup>																		
9	Total FPP Rate before RA and SLA (Line 8)	1.9201	1.9201	1.9201	¢/kWh															
10	Reconciliation Adjustment (RA) From Page 3	0.1851	0.1555	0.1931	¢/kWh															
11	System Loss Adjustment (SLA) From Page 4	0.1144	0.1144	0.0585	¢/kWh															
12	Total FPP Rate	2.2196	2.1900	2.1717	¢/kWh															

Notes: <sup>(a)</sup> Reflects only the FC component and excludes EA costs.

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



**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing During  
July 2007 through September 2007**

Other Includable MISO Costs	July 2007	August 2007	September 2007	Total For Period
(a)	(b)	(c)	(d)	(e)
FTR (Hourly, Monthly, Yearly, Transaction)	\$ (927,531)	\$ (975,199)	\$ (256,255)	\$ (2,158,985)
Financial				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Physical (DA, RT, Index)	\$ -	\$ -	\$ -	\$ -
Congestion				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Losses				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Revenue Sufficiency Guarantee (MKWHL)				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Total Other Includable MISO Costs	<u>\$ (927,531)</u>	<u>\$ (975,199)</u>	<u>\$ (256,255)</u>	<u>\$ (2,158,985)</u>

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Emission Allowances Component for Billing During  
July 2007 through September 2007

Line	Description	(1) Includable Emission Allowances \$	(2) Includable Energy (kWh)	(3) EA Rate Components (Col. 1 ÷ Col. 2)
<u>Emission Allowances (EA) - by Month (Projected)</u>				
1	July 2007	\$ 2,596,414.70	2,028,222,473	
2	August 2007	\$ 2,573,321.63	2,002,707,786	
3	September 2007	\$ 2,048,366.20	1,668,356,642	
4	EA Auction Proceeds Credits	\$ -		
5	Total Emission Allowance Expense	<u>\$ 7,218,102.53</u>	<u>5,699,286,901</u>	0.1266 ¢/kWh
6	Less: Baseline EA Rate from Case No. 99-103-EL-EFC <sup>(c)</sup>			<u>0.0126 ¢/kWh</u>
7	Quarterly Emission Allowance Rate (Rate will never be less than -0-) To Page 1 Line 7			<u>0.1140 ¢/kWh</u>

Notes: <sup>(c)</sup> Reflects only the EA costs.

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Fuel and Economy Purchased Power Component for Billing  
Reconciliation Adjustment  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary  
July 2007 through September 2007**

Line	Reconciliation Adjustment (RA)	Total	Residential	Non-Residential	Voltage Reduction	
1	January 2007 (See Page 3A Line 33)	\$ 938,060.04	\$ 531,665.05	\$ 276,165.07	\$ 130,229.92	
2	February 2007 (See Page 3B Line 33)	\$ 1,039,098.48	\$ 383,449.38	\$ 419,280.15	\$ 236,368.95	
3	March 2007 (See Page 3C Line 33)	\$ 6,858,567.10	\$ 2,811,828.99	\$ 2,954,901.57	\$ 1,089,836.54	
4	January 2006 (See Page 5J Line 39)	\$ 18,144.42	\$ 3,622.62	\$ 10,666.47	\$ 3,855.32	
5	February 2006 (See Page 5L Line 39)	\$ -	\$ -	\$ -	\$ -	
6	March 2006 (See Page 5N Line 39)	\$ -	\$ -	\$ -	\$ -	
7	April 2006 (See Page 5P Line 34)	\$ -	\$ -	\$ -	\$ -	
8	May 2006 (See Page 5R Line 34)	\$ 2,446.62	\$ 686.13	\$ 1,277.20	\$ 483.29	
9	June 2006 (See Page 5T Line 34)	\$ 7,105.99	\$ 2,273.52	\$ 3,594.03	\$ 1,238.44	
10	July 2006 (See Page 5V Line 34)	\$ -	\$ -	\$ -	\$ -	
11	August 2006 (See Page 5X Line 34)	\$ -	\$ -	\$ -	\$ -	
12	September 2006 (See Page 5Z Line 34)	\$ -	\$ -	\$ -	\$ -	
13	October 2006 (See Page 5AB Line 34)	\$ -	\$ -	\$ -	\$ -	
14	November 2006 (See Page 5AD Line 34)	\$ 584,388.53	\$ 191,409.20	\$ 284,851.70	\$ 108,127.63	
15	December 2006 (See Page 5AF Line 34)	\$ 28,177.92	\$ 8,914.13	\$ 12,572.12	\$ 6,691.67	
16	Total 2007 and 2006 Adjustments (Line 1 through Line 15)	\$ 9,473,989.10	\$ 3,933,849.02	\$ 3,963,308.31	\$ 1,576,831.76	
17	Projected Retail Energy (kWh)	5,469,899,000	2,124,990,000	2,548,245,000	818,884,000	
18	2006 Adjustments RA Rate (Line 16/Line 17)		<u>0.1851</u>	<u>0.1555</u>	<u>0.1931</u>	¢/kWh
19	1st Quarter 2005 Adjustments (See Page 5B)	\$ -				
20	2nd Quarter 2005 Adjustments (See Page 5D)	\$ -				
21	3rd Quarter 2005 Adjustments (See Page 5F)	\$ -				
22	4th Quarter 2005 Adjustments (See Page 5H)	\$ -				
23	Total 2005 Adjustments to Be Recovered (Line 19 through Line 22)	\$ -				
24	Projected Retail Energy excluding residential (kWh)	3,364,909,000				
25	2005 Adjustments RA Rate (Line 20/Line 21)	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	¢/kWh
26	Total RA Rate (Line 18 + Line 25) To Page 1 Line 10		<u>0.1851</u>	<u>0.1555</u>	<u>0.1931</u>	¢/kWh

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	January 2007	Residential January 2007	Non-Residential January 2007	Voltage Reduction January 2007
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 41,201,174.82	\$ 41,201,174.82	\$ 41,201,174.82	\$ 41,201,174.82
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 38,685,142.68	\$ 38,685,142.68	\$ 38,685,142.68	\$ 38,685,142.68
5	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,476,214.00	\$ 2,476,214.00	\$ 2,476,214.00	\$ 2,476,214.00
6	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,273,811.36)	\$ (1,273,811.36)	\$ (1,273,811.36)	\$ (1,273,811.36)
7	Net Fuel Cost (Line 3 + Line 4 + Line 5 + Line 6)	\$ 39,887,545.32	\$ 39,887,545.32	\$ 39,887,545.32	\$ 39,887,545.32
8	Total Generation and Purchase Power (per books)	1,914,656,840	1,914,656,840	1,914,656,840	1,914,656,840
9	Losses (kWh) (1-Line 2)*(Line 8)	116,922,349	116,922,349	116,922,349	116,922,349
10	Total Generation After Losses (kWh) (Line 8-Line 9)	1,797,734,491	1,797,734,491	1,797,734,491	1,797,734,491
11	kWh Subject to FPP	1,799,421,453	686,741,003	812,140,084	300,540,366
12	Ratio of FPP Sales to Total Generation (Line 11/Line 10)	100.09%	38.20%	45.17%	16.72%
13	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 22,181,468.25	\$ 8,465,456.34	\$ 10,011,250.82	\$ 3,704,761.09
14	Amount Recovered via FPP (per books)	\$ 12,955,394.21	\$ 4,958,379.37	\$ 5,858,358.87	\$ 2,138,655.97
15	Total Fuel Costs Recovered (Line 13 + Line 14)	\$ 35,136,862.46	\$ 13,423,835.71	\$ 15,869,609.69	\$ 5,843,417.06
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 7 x Line 12)	\$ 39,923,444.11	\$ 15,237,042.31	\$ 18,017,204.22	\$ 6,669,197.58
17	Under/(Over) Recovery of Fuel Costs (Line 16 - Line 15)	\$ 4,786,581.65	\$ 1,813,206.60	\$ 2,147,594.53	\$ 825,780.52
<b>Emissions Allowance Component (EA)</b>					
18	kWh Subject to FPP (Line 11)	1,799,421,453	686,741,003	812,140,084	300,540,366
19	EA Expense Allocated to FPP	\$ 2,408,327.01	\$ 919,127.03	\$ 1,086,959.87	\$ 402,240.11
20	EA Sales Margin Allocated to FPP	\$ (3,917,392.00)	\$ (1,495,054.81)	\$ (1,768,052.21)	\$ (654,284.98)
21	Net EA Cost (Line 19 + Line 20)	\$ (1,509,064.99)	\$ (575,927.78)	\$ (681,092.34)	\$ (252,044.87)
22	EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)	\$ 226,727.10	\$ 86,529.36	\$ 102,329.65	\$ 37,868.09
23	EA Revenue in FPP (per books)	\$ 1,808,974.57	\$ 692,382.47	\$ 817,919.09	\$ 298,673.01
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (3,544,766.56)	\$ (1,354,839.61)	\$ (1,601,341.08)	\$ (588,585.97)
<b>Reconciliation Adjustment Amortization (RA)</b>					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 7,352,602.61	\$ 2,674,343.89	\$ 3,446,248.24	\$ 1,230,010.48
26	Actual RA recovery through FPP	\$ 7,885,298.06	\$ 2,656,975.09	\$ 3,784,081.76	\$ 1,444,241.21
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ (532,695.45)	\$ 17,368.80	\$ (335,833.52)	\$ (214,230.73)
<b>System Loss Component (SLA)</b>					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 11 x Line 28)	\$ 1,762,458.80	\$ 686,054.26	\$ 811,327.94	\$ 265,076.60
30	Actual SLA recovery through FPP	\$ 626,897.27	\$ 219,140.76	\$ 259,418.64	\$ 48,337.87
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 12))	\$ 2,518,296.57	\$ 961,124.28	\$ 1,136,491.72	\$ 420,680.57
32	Under/(Over) Recovery of Losses (Line 31 - Line 29 - Line 30)	\$ 228,940.50	\$ 55,929.26	\$ 65,745.14	\$ 107,266.10
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 938,060.04	\$ 531,865.05	\$ 276,165.07	\$ 130,229.92

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	February 2007	Residential February 2007	Non-Residential February 2007	Voltage Reduction February 2007
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 43,230,393.30	\$ 43,230,393.30	\$ 43,230,393.30	\$ 43,230,393.30
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 40,590,442.87	\$ 40,590,442.87	\$ 40,590,442.87	\$ 40,590,442.87
5	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,305,185.00	\$ 2,305,185.00	\$ 2,305,185.00	\$ 2,305,185.00
6	RSG Make Whole Payments & Secondary MISO Costs	\$ (2,342,147.24)	\$ (2,342,147.24)	\$ (2,342,147.24)	\$ (2,342,147.24)
7	Net Fuel Cost (Line 3 + Line 4 + Line 5 + Line 6)	\$ 40,553,480.63	\$ 40,553,480.63	\$ 40,553,480.63	\$ 40,553,480.63
8	Total Generation and Purchase Power (per books)	1,910,112,859	1,910,112,859	1,910,112,859	1,910,112,859
9	Losses (kWh) (1-Line 2)*(Line 8)	116,644,862	116,644,862	116,644,862	116,644,862
10	Total Generation After Losses (kWh) (Line 8-Line 9)	1,793,467,997	1,793,467,997	1,793,467,997	1,793,467,997
11	kWh Subject to FPP	1,813,888,033	755,941,337	793,543,324	264,403,372
12	Ratio of FPP Sales to Total Generation (Line 11/Line 10)	101.14%	42.15%	44.25%	14.74%
13	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 22,359,797.78	\$ 9,318,488.86	\$ 9,782,008.55	\$ 3,259,300.37
14	Amount Recovered via FPP (per books)	\$ 13,084,686.49	\$ 5,454,847.89	\$ 5,723,407.27	\$ 1,906,431.33
15	Total Fuel Costs Recovered (Line 13 + Line 14)	\$ 35,444,484.27	\$ 14,773,336.75	\$ 15,505,415.82	\$ 5,165,731.70
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 7 x Line 12)	\$ 41,015,790.31	\$ 17,093,292.09	\$ 17,944,915.18	\$ 5,977,583.04
17	Under/(Over) Recovery of Fuel Costs (Line 16 - Line 15)	\$ 5,571,306.04	\$ 2,319,955.34	\$ 2,439,499.36	\$ 811,851.34
<b>Emissions Allowance Component (EA)</b>					
18	kWh Subject to FPP (Line 11)	1,813,888,033	755,941,337	793,543,324	264,403,372
19	EA Expense Allocated to FPP	\$ 2,566,946.00	\$ 1,069,779.70	\$ 1,122,992.61	\$ 374,173.69
20	EA Sales Margin Allocated to FPP	\$ (4,840,128.00)	\$ (2,017,132.68)	\$ (2,117,468.77)	\$ (705,526.55)
21	Net EA Cost (Line 19 + Line 20)	\$ (2,273,182.00)	\$ (947,352.98)	\$ (994,476.16)	\$ (331,352.86)
22	EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)	\$ 228,549.89	\$ 95,248.61	\$ 99,986.46	\$ 33,314.82
23	EA Revenue in FPP (per books)	\$ 1,827,028.28	\$ 781,708.77	\$ 799,077.72	\$ 266,241.79
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (4,328,760.17)	\$ (1,804,310.36)	\$ (1,893,640.34)	\$ (630,909.47)
<b>Reconciliation Adjustment Amortization (RA)</b>					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 7,352,602.61	\$ 2,674,343.89	\$ 3,448,248.24	\$ 1,230,010.48
26	Actual RA recovery through FPP	\$ 7,907,342.33	\$ 2,923,010.49	\$ 3,698,912.66	\$ 1,287,419.18
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ (554,739.72)	\$ (248,666.60)	\$ (248,664.42)	\$ (57,408.70)
<b>System Loss Component (SLA)</b>					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 11 x Line 28)	\$ 1,781,138.95	\$ 755,185.40	\$ 792,749.78	\$ 233,203.77
30	Actual SLA recovery through FPP	\$ 537,614.58	\$ 241,082.70	\$ 253,442.74	\$ 43,089.14
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 12))	\$ 2,670,045.86	\$ 1,112,739.10	\$ 1,168,178.07	\$ 389,128.69
32	Under/(Over) Recovery of Losses (Line 31 - Line 29 - Line 30)	\$ 351,292.33	\$ 116,471.00	\$ 121,985.55	\$ 112,835.78
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 1,039,098.48	\$ 383,449.38	\$ 419,280.15	\$ 236,368.95

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	March 2007	Residential March 2007	Non-Residential March 2007	Voltage Reduction March 2007
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 40,231,784.46	\$ 40,231,784.46	\$ 40,231,784.46	\$ 40,231,784.46
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 37,774,950.08	\$ 37,774,950.08	\$ 37,774,950.08	\$ 37,774,950.08
5	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,508,283.00	\$ 2,508,283.00	\$ 2,508,283.00	\$ 2,508,283.00
6	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,335,917.69)	\$ (1,335,917.69)	\$ (1,335,917.69)	\$ (1,335,917.69)
7	Net Fuel Cost (Line 3 + Line 4 + Line 5 + Line 6)	\$ 38,947,315.39	\$ 38,947,315.39	\$ 38,947,315.39	\$ 38,947,315.39
8	Total Generation and Purchase Power (per books)	1,764,211,884	1,764,211,884	1,764,211,884	1,764,211,884
9	Losses (kWh) (1-Line 2)*(Line 8)	107,735,127	107,735,127	107,735,127	107,735,127
10	Total Generation After Losses (kWh) (Line 8-Line 9)	1,656,476,757	1,656,476,757	1,656,476,757	1,656,476,757
11	kWh Subject to FPP	1,681,163,172	644,395,636	764,485,095	272,282,441
12	Ratio of FPP Sales to Total Generation (Line 11/Line 10)	101.49%	38.90%	46.15%	16.44%
13	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 20,723,698.42	\$ 7,943,465.00	\$ 9,423,807.77	\$ 3,358,425.65
14	Amount Recovered via FPP (per books)	\$ 12,159,604.63	\$ 4,650,575.79	\$ 5,544,065.45	\$ 1,964,963.39
15	Total Fuel Costs Recovered (Line 13 + Line 14)	\$ 32,883,303.05	\$ 12,594,040.79	\$ 14,967,873.22	\$ 5,321,389.04
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 7 x Line 12)	\$ 39,527,630.38	\$ 15,150,505.68	\$ 17,974,186.05	\$ 6,402,938.65
17	Under/(Over) Recovery of Fuel Costs (Line 16 - Line 15)	\$ 6,644,327.33	\$ 2,556,464.89	\$ 3,006,312.83	\$ 1,081,549.61
<b>Emissions Allowance Component (EA)</b>					
18	kWh Subject to FPP (Line 11)	1,681,163,172	644,395,636	764,485,095	272,282,441
19	EA Expense Allocated to FPP	\$ 1,985,618.25	\$ 761,094.32	\$ 902,931.72	\$ 321,592.21
20	EA Sales Margin Allocated to FPP	\$ (166,611.00)	\$ (83,862.57)	\$ (75,763.99)	\$ (26,984.44)
21	Net EA Cost (Line 19 + Line 20)	\$ 1,819,007.25	\$ 897,231.75	\$ 827,167.73	\$ 294,607.77
22	EA Expense Recovered in Base Rates (Line 18 x 0.0126 ¢/kWh)	\$ 211,826.56	\$ 81,193.85	\$ 96,325.12	\$ 34,307.59
23	EA Revenue in FPP (per books)	\$ 1,697,855.97	\$ 649,401.13	\$ 774,038.78	\$ 274,416.06
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (90,675.28)	\$ (33,363.23)	\$ (43,196.17)	\$ (14,115.88)
<b>Reconciliation Adjustment Amortization (RA)</b>					
25	RA Amount from 1st Quarter Filing (spread evenly)	\$ 7,352,602.61	\$ 2,674,343.89	\$ 3,448,248.24	\$ 1,230,010.48
26	Actual RA recovery through FPP	\$ 7,400,053.52	\$ 2,492,036.83	\$ 3,581,070.63	\$ 1,328,948.06
27	Under/(Over) Recovery of RA (Line 25 - Line 26)	\$ (47,450.91)	\$ 182,307.06	\$ (132,822.39)	\$ (96,935.58)
<b>System Loss Component (SLA)</b>					
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
29	Total Losses Recovered in Base Rates (Line 11 x Line 28)	\$ 1,647,824.96	\$ 643,751.24	\$ 763,720.61	\$ 240,153.11
30	Actual SLA recovery through FPP	\$ 495,450.29	\$ 205,537.06	\$ 245,501.16	\$ 44,412.07
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 12))	\$ 2,493,441.21	\$ 955,708.57	\$ 1,133,829.07	\$ 403,903.57
32	Under/(Over) Recovery of Losses (Line 31 - Line 29 - Line 30)	\$ 350,365.96	\$ 106,420.27	\$ 124,607.30	\$ 119,338.39
33	Net Under/(Over) Recovery of FPP Costs (Line 17+Line 24+Line 27+Line 32)	\$ 6,856,567.10	\$ 2,811,828.99	\$ 2,954,901.57	\$ 1,089,838.54

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Voltage-Adjusted System Loss Adjustment  
July 2007 through September 2007

				Total Losses	
Line	Description	Distribution	Transmission	Voltage Adjusted Methodology	No Voltage Adjustment
		(A)	(B)	(C)	(D)
<b>Calculation of Base Rate Recovery of Losses</b>					
1	FC Rate Basis for SLA (\$/kWh)	1.5353	1.5353	1.5353	1.5353
2	Energy Loss Factors from 92-1464-EL-AIR	6.847%	3.134%	5.743%	6.504%
3	Losses in MBSSO (\$/kWh) (Line 1 * Line 2)	0.1051	0.0481	0.0882	0.0999
4	Current FC Rate (\$/kWh) (Per Filing)	3.0388	3.0388	3.0388	3.0388
5	Projected Sales at Meter (kWh) <sup>(e)</sup>	4,673,235,000	816,664,000	5,489,899,000	5,489,899,000
6	Energy Loss Factors from 92-1464-EL-AIR (Line 2)	6.847%	3.134%	5.743%	6.504%
7	Energy Sales at the Busbar (kWh) (Line 5 * (1 + Line 6))	4,993,200,114	842,254,312	5,805,181,018	5,846,955,001
8	Energy Losses (kWh) (Line 7 - Line 5)	319,965,114	25,590,312	315,282,018	357,056,001
9	Value of Losses (Line 8 * Line 4)	9,723,099.88	777,638.40	9,580,789.96	10,850,217.76
10	Average Losses Rate (\$/kWh) (Line 9 + Line 5)	0.2081	0.0952	0.1745	0.1976
11	Losses in MBSSO (\$/kWh) (Line 3)	0.1051	0.0481	0.0882	0.0999
12	System Loss Adjustment (\$/kWh) (Line 10 - Line 11)	0.1030	0.0471	0.0863	0.0977
13	Synchronization Adj. (\$/kWh) (L 12, Column D - Column C)	0.0114	0.0114	0.0114	-
14	Adjusted SLA (\$/kWh) (Line 12 + Line 13)	0.1144	0.0585	0.0977	0.0977
<b>Total SLA Rate (Line 14, Columns A &amp; B) To Page 1 Line 11</b>					

Notes: <sup>(e)</sup> Projected Sales at Meter for 3rd quarter 2007 were provided by the Load Forecasting Department.

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA) (As Updated)	(A) January 2005	(B) February 2005	(C) March 2005
<b><u>Fuel Component (FC)</u></b>				
1	Net Includable Fuel	\$ 40,291,703.44	\$ 36,266,961.36	\$ 39,783,551.55
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 37,831,209.99	\$ 34,052,246.83	\$ 37,354,089.41
4	Coal Sales Credits (per books)	\$ -	\$ 719,378.36	\$ 941,611.76
5	Net Fuel Cost (Line 3 - Line 4)	\$ 37,831,209.99	\$ 33,332,868.47	\$ 36,412,477.65
6	Total Generation and Purchase Power (per books)	2,320,459,996	1,971,872,000	2,060,368,999
7	Losses (kWh) (1 - Line 2) x (Line 6)	141,703,531	120,416,307	125,820,554
8	Total Generation After Losses (kWh) (Line 6-Line 7)	2,178,756,465	1,851,455,693	1,934,548,445
9	kWh Billed @ meter per books	970,427,454	871,926,259	860,614,768
10	Ratio of FPP Sales to Total Generation (Line 9/Line 8)	44.54%	47.09%	44.49%
11	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 9)	\$ 11,962,459.23	\$ 10,748,234.99	\$ 10,608,798.25
12	Amount Recovered via FPP (per books)	\$ 1,325,772.37	\$ 2,219,695.99	\$ 2,194,326.87
13	Total Fuel Costs Recovered (Line 11 + Line 12)	\$ 13,288,231.60	\$ 12,967,930.98	\$ 12,803,125.12
14	Total Actual Fuel Costs Attributable to FPP Sales (Line 5 x Line 10)	\$ 16,850,020.93	\$ 15,696,447.76	\$ 16,199,911.31
15	Under/(Over) Recovery of Fuel Costs (Line 14 - Line 13)	\$ 3,561,789.33	\$ 2,728,516.78	\$ 3,396,786.19
<b><u>Emissions Allowance Component (EA)</u></b>				
16	kWh Subject to FPP (Line 9)	970,427,454	871,926,259	860,614,768
17	EA Expense Allocated to FPP	\$ (48,447.61)	\$ 506,612.81	\$ 2,292,745.96
18	EA Expense Recovered in Base Rates (Line 16 x 0.0126 ¢/kWh)	\$ 122,273.86	\$ 109,862.71	\$ 108,437.46
19	EA Revenue in FPP (per books)	\$ 475,793.56	\$ 796,605.13	\$ 787,500.65
20	Under/(Over) Recovery of EA Costs (Line 17 - Line 18 - Line 19)	\$ (646,515.03)	\$ (399,855.03)	\$ 1,396,807.85
<b><u>Environmental Reagent Component (ER)</u></b>				
21	Amount Recovered in Base Rates (0.0330 ¢/kWh)	\$ -	\$ -	\$ -
22	ER Revenue in FPP (per books)	\$ -	\$ -	\$ -
23	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -
24	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -
25	Total Actual ER Costs for Quarter (per books)(Line 23+ Line 24)	\$ -	\$ -	\$ -
26	Total Actual ER Costs Allocated to FPP Sales (Line 10 x Line 25)	\$ -	\$ -	\$ -
27	Under/(Over) Recovery of ER Costs (Line 26 - Line 21 - Line 22)	\$ -	\$ -	\$ -
<b><u>System Loss Component (SLA)</u></b>				
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
29	Total Losses Recovered in Base Rates (Line 9 x Line 28)	\$ 969,457.03	\$ 871,054.33	\$ 859,754.15
30	Actual Losses on FPP Sales (Line 1 - Line 3) x (line 10)	\$ 1,095,903.78	\$ 1,042,909.07	\$ 1,080,867.71
31	Under/(Over) Recovery of Losses (Line 30 - Line 29)	\$ 126,446.75	\$ 171,854.74	\$ 221,113.56
32	Net Under/(Over) Recovery of FPP Costs (Line 15 + Line 20 + Line 27 + Line 31))	\$ 3,041,721.05	\$ 2,500,516.49	\$ 5,014,707.60



Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	(A) January 2005	(B) February 2005	(C) March 2005
<b>Fuel Component (FC)</b>				
1	Net Includable Fuel	\$ 40,291,703.44	\$ 36,266,961.36	\$ 39,783,551.55
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 37,831,209.99	\$ 34,052,246.83	\$ 37,354,089.41
4	Coal Sales Credits (per books)	\$ -	\$ 719,378.36	\$ 941,611.76
5	Net Fuel Cost (Line 3 - Line 4)	\$ 37,831,209.99	\$ 33,332,868.47	\$ 36,412,477.65
6	Total Generation and Purchase Power (per books)	2,320,459,996	1,971,872,000	2,060,368,999
7	Losses (kWh) (1 - Line 2) x (Line 6)	141,703,531	120,416,307	125,820,554
8	Total Generation After Losses (kWh) (Line 6-Line 7)	2,178,756,465	1,851,455,693	1,934,548,445
9	kWh Billed @ meter per books	970,427,454	871,926,259	860,614,768
10	Ratio of FPP Sales to Total Generation (Line 9/Line 8)	44.54%	47.09%	44.49%
11	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 9)	\$ 11,962,459.23	\$ 10,748,234.99	\$ 10,608,798.25
12	Amount Recovered via FPP (per books)	\$ 1,325,772.37	\$ 2,219,695.99	\$ 2,194,326.87
13	Total Fuel Costs Recovered (Line 11 + Line 12)	\$ 13,288,231.60	\$ 12,967,930.98	\$ 12,803,125.12
14	Total Actual Fuel Costs Attributable to FPP Sales (Line 5 x Line 10)	\$ 16,850,020.93	\$ 15,696,447.76	\$ 16,199,911.31
15	Under/(Over) Recovery of Fuel Costs (Line 14 - Line 13)	\$ 3,561,789.33	\$ 2,728,516.78	\$ 3,396,786.19
<b>Emissions Allowance Component (EA)</b>				
16	kWh Subject to FPP (Line 9)	970,427,454	871,926,259	860,614,768
17	EA Expense Allocated to FPP	\$ (48,447.61)	\$ 506,612.81	\$ 2,292,745.96
18	EA Expense Recovered in Base Rates (Line 16 x 0.0126 ¢/kWh)	\$ 122,273.86	\$ 109,862.71	\$ 108,437.46
19	EA Revenue in FPP (per books)	\$ 475,793.56	\$ 796,605.13	\$ 787,500.65
20	Under/(Over) Recovery of EA Costs (Line 17 - Line 18 - Line 19)	\$ (646,515.03)	\$ (399,855.03)	\$ 1,396,807.85
<b>Environmental Reagent Component (ER)</b>				
21	Amount Recovered in Base Rates (0.0330 ¢/kWh)	\$ -	\$ -	\$ -
22	ER Revenue in FPP (per books)	\$ -	\$ -	\$ -
23	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -
24	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -
25	Total Actual ER Costs for Quarter (per books)(Line 23+ Line 24)	\$ -	\$ -	\$ -
26	Total Actual ER Costs Allocated to FPP Sales (Line 10 x Line 25)	\$ -	\$ -	\$ -
27	Under/(Over) Recovery of ER Costs (Line 26 - Line 21 - Line 22)	\$ -	\$ -	\$ -
<b>System Loss Component (SLA)</b>				
28	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
29	Total Losses Recovered in Base Rates (Line 9 x Line 28)	\$ 969,457.03	\$ 871,054.33	\$ 859,754.15
30	Actual Losses on FPP Sales (Line 1 - Line 3) x (line 10)	\$ 1,095,903.78	\$ 1,042,909.07	\$ 1,080,867.71
31	Under/(Over) Recovery of Losses (Line 30 - Line 29)	\$ 126,446.75	\$ 171,854.74	\$ 221,113.56
32	Net Under/(Over) Recovery of FPP Costs (Line 15 + Line 20 + Line 27 + Line 31)	\$ 3,041,721.05	\$ 2,500,516.49	\$ 5,014,707.60
33	Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 32)	\$ 3,041,721.05	\$ 2,500,516.49	\$ 5,014,707.60
34	Net Adjustment for 1st Quarter 2005 (Line 32 - Line 33)	\$ -	\$ -	\$ -
35	Net Adjustment (Line 34, Column A + B + C) To Page 3 Line 19	\$ -	\$ -	\$ -

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA) (As Updated)	(A) April 2005	(B) May 2005	(C) June 2005
<b><u>Fuel Component (FC)</u></b>				
1	Fuel Component (FC)	\$34,802,205.83	\$32,281,356.61	\$38,993,678.99
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$32,676,939.53	\$30,310,031.01	\$36,612,452.00
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (596,979.51)	\$ 458,527.23	\$ (81,257.45)
5	RSG Make Whole Payments	\$ (1,085,269.26)	\$ (2,155,065.85)	\$ (2,216,379.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$30,994,690.76	\$28,613,492.39	\$34,314,815.05
7	Total Generation and Purchase Power (per books)	1,700,124,331	1,785,444,048	2,264,497,089
8	Losses (kWh) (1-Line 2)*(Line 7)	103,821,493	109,031,712	138,286,044
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,596,302,838	1,676,412,336	2,126,211,045
10	kWh Subject to FPP	865,518,017	853,013,838	953,638,907
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	54.22%	50.88%	44.85%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$10,869,240.60	\$10,515,101.58	\$11,755,506.81
13	Amount Recovered via FPP (per books)	\$ 3,776,178.24	\$ 3,829,247.55	\$ 4,288,659.76
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$14,445,418.84	\$14,344,349.13	\$16,044,166.57
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$16,805,321.33	\$14,558,544.93	\$15,390,194.55
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 2,359,902.49	\$ 214,195.80	\$ (653,972.02)
<b><u>Emissions Allowance Component (EA)</u></b>				
17	kWh Subject to FPP (Line 10)	865,518,017	853,013,838	953,638,907
18	EA Expense Allocated to FPP	\$ 1,344,119.90	\$ 1,526,113.90	\$ 2,174,468.49
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 109,055.27	\$ 107,479.74	\$ 120,158.50
20	EA Revenue in FPP (per books)	\$ 816,943.46	\$ 828,424.55	\$ 927,814.41
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ 418,121.17	\$ 590,209.61	\$ 1,126,495.58
<b><u>Environmental Reagent Component (ER)</u></b>				
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)			
23	ER Revenue in FPP (per books)	\$ 131,826.04	\$ 133,678.69	\$ 149,716.73
24	Total Actual Lime Costs for Quarter (per books)			
25	Total Actual Ammonia Costs for Quarter (per books)			
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (131,826.04)	\$ (133,678.69)	\$ (149,716.73)
<b><u>System Loss Component (SLA)</u></b>				
29	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
30	Total Losses Recovered in Base Rates (Line 10 x Line 29)	\$ 864,652.50	\$ 852,160.82	\$ 952,685.27
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,152,319.39	\$ 1,003,010.47	\$ 1,067,980.31
32	Under/(Over) Recovery of Losses (Line 31 - Line 30)	\$ 287,666.89	\$ 150,849.65	\$ 115,295.04
33	Net Under/(Over) Recovery of FPP Costs (Line 16 +Line 21 + Line 28 + Line 32)	\$ 2,933,864.51	\$ 821,576.37	\$ 438,101.87

**Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA) (As Updated)	(A) April 2005	(B) May 2005	(C) June 2005
<b><u>Fuel Component (FC)</u></b>				
1	Fuel Component (FC)	\$ 34,802,205.83	\$ 32,281,356.61	\$ 38,993,678.99
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 32,676,939.53	\$ 30,310,031.01	\$ 36,612,452.00
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (596,979.51)	\$ 458,527.23	\$ (81,257.45)
5	RSG Make Whole Payments	\$ (1,085,269.26)	\$ (2,155,065.85)	\$ (2,216,379.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,994,690.76	\$ 28,613,492.39	\$ 34,314,815.05
7	Total Generation and Purchase Power (per books)	1,700,124,331	1,785,444,048	2,264,497,089
8	Losses (kWh) (1-Line 2)*(Line 7)	103,821,493	109,031,712	138,286,044
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,596,302,838	1,676,412,336	2,126,211,045
10	kWh Subject to FPP	865,518,017	853,013,838	953,638,907
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	54.22%	50.88%	44.85%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 10,689,240.60	\$ 10,515,101.58	\$ 11,755,506.81
13	Amount Recovered via FPP (per books)	\$ 3,776,178.24	\$ 3,829,247.55	\$ 4,288,659.76
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 14,445,418.84	\$ 14,344,349.13	\$ 16,044,166.57
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,805,321.33	\$ 14,558,544.93	\$ 15,390,194.55
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 2,359,902.49	\$ 214,195.80	\$ (653,972.02)
<b><u>Emissions Allowance Component (EA)</u></b>				
17	kWh Subject to FPP (Line 10)	865,518,017	853,013,838	953,638,907
18	EA Expense Allocated to FPP	\$ 1,344,119.90	\$ 1,526,113.90	\$ 2,174,468.49
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 109,055.27	\$ 107,479.74	\$ 120,158.50
20	EA Revenue in FPP (per books)	\$ 816,943.46	\$ 828,424.55	\$ 927,814.41
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ 418,121.17	\$ 590,209.61	\$ 1,126,495.58
<b><u>Environmental Reagent Component (ER)</u></b>				
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)			
23	ER Revenue in FPP (per books)	\$ 131,826.04	\$ 133,678.69	\$ 149,716.73
24	Total Actual Lime Costs for Quarter (per books)			
25	Total Actual Ammonia Costs for Quarter (per books)			
26	Total Actual ER Costs for Quarter (per books)( Line 24 + Line 25)	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (131,826.04)	\$ (133,678.69)	\$ (149,716.73)
<b><u>System Loss Component (SLA)</u></b>				
29	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
30	Total Losses Recovered in Base Rates (Line 10 x Line 29)	\$ 864,652.50	\$ 852,160.82	\$ 952,685.27
31	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,152,319.39	\$ 1,003,010.47	\$ 1,067,980.31
32	Under/(Over) Recovery of Losses (Line 31 - Line 30)	\$ 287,666.89	\$ 150,849.65	\$ 115,295.04
33	Net Under/(Over) Recovery of FPP Costs (Line 16 +Line 21 + Line 28 + Line 32)	\$ 2,933,864.51	\$ 821,576.37	\$ 438,101.87
34	Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 33)	\$ 2,933,864.51	\$ 821,576.37	\$ 438,101.87
35	Net Adjustment for 2nd Quarter 2005 (Line 33 - Line 34)	\$ -	\$ -	\$ -
36	Net Adjustment (Line 35, Column A + B + C) To Page 3 Line 20	\$ -		

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA) (As Updated)</b>	<b>(A) July 2005</b>	<b>(B) August 2005</b>	<b>(C) September 2005</b>
<b><u>Fuel Component (FC)</u></b>				
1	Fuel Component (FC)	\$ 51,123,629.01	\$ 56,654,269.49	\$ 44,412,135.83
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 48,001,662.36	\$ 53,194,563.22	\$ 41,700,019.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,221,662.54)	\$ (580,409.07)	\$ (1,656,693.82)
5	RSG Make Whole Payments	\$ (925,719.41)	\$ (1,402,900.46)	\$ (1,217,540.23)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 45,854,280.41	\$ 51,211,253.69	\$ 38,825,785.88
7	Total Generation and Purchase Power (per books)	2,444,566,065	2,496,526,049	2,053,534,051
8	Losses (kWh) (1-Line 2)*(Line 7)	149,282,316	152,455,356	125,403,164
9	Total Generation After Losses (kWh) (Line 7-Line 8)	2,295,283,749	2,344,070,693	1,928,130,887
10	kWh Subject to FPP	1,002,821,249	1,037,060,410	1,016,950,570
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	43.69%	44.24%	52.74%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 12,361,777.54	\$ 12,783,843.67	\$ 12,535,949.68
13	Amount Recovered via FPP (per books)	\$ 6,078,916.71	\$ 6,292,918.90	\$ 6,086,200.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 18,440,694.25	\$ 19,076,762.57	\$ 18,622,150.22
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 20,033,735.11	\$ 22,655,858.63	\$ 20,476,719.47
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 1,593,040.86	\$ 3,579,096.06	\$ 1,854,569.25
<b><u>Emissions Allowance Component (EA)</u></b>				
17	kWh Subject to FPP (Line 10)	1,002,821,249	1,037,060,410	1,016,950,570
18	EA Expense Allocated to FPP	\$ 2,031,142.71	\$ 2,472,719.24	\$ 2,025,527.12
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 126,355.48	\$ 130,669.61	\$ 128,135.77
20	EA Revenue in FPP (per books)	\$ 2,405,768.65	\$ 2,490,461.33	\$ 2,408,651.27
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (500,981.42)	\$ (148,411.70)	\$ (511,259.92)
<b><u>Environmental Reagent Component (ER)</u></b>				
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 77,803.58	\$ 80,542.58	\$ 77,896.81
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (77,803.58)	\$ (80,542.58)	\$ (77,896.81)
<b><u>Reconciliation Adjustment Amortization (RA)</u></b>				
29	RA Amount from 4th Quarter Filing (spread evenly)	\$ 1,407,789.33	\$ 1,407,789.33	\$ 1,407,789.34
30	Actual RA recovery through FPP	\$ 1,476,220.60	\$ 1,528,189.46	\$ 1,477,989.42
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ (68,431.27)	\$ (120,400.13)	\$ (70,200.08)
<b><u>System Loss Component (SLA)</u></b>				
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,001,818.43	\$ 1,036,023.35	\$ 1,015,933.62
34	Actual SLA recovery through FPP	\$ 198,603.88	\$ 205,595.53	\$ 198,841.85
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,363,987.23	\$ 1,530,574.05	\$ 1,430,369.93
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ 163,564.92	\$ 288,955.17	\$ 215,594.46
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ 1,109,389.51	\$ 3,518,696.82	\$ 1,410,806.90

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA) (As Updated)</b>	<b>(A) July 2005</b>	<b>(B) August 2005</b>	<b>(C) September 2005</b>
<b><u>Fuel Component (FC)</u></b>				
1	Fuel Component (FC)	\$ 51,123,629.01	\$ 56,654,269.49	\$ 44,412,135.83
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 48,001,662.36	\$ 53,194,563.22	\$ 41,700,019.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,221,662.54)	\$ (580,409.07)	\$ (1,656,693.82)
5	RSG Make Whole Payments	\$ (925,719.41)	\$ (1,402,900.46)	\$ (1,217,540.23)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 45,854,280.41	\$ 51,211,253.69	\$ 38,825,785.88
7	Total Generation and Purchase Power (per books)	2,444,566,065	2,496,526,049	2,053,534,051
8	Losses (kWh) (1-Line 2)*(Line 7)	149,282,316	152,455,356	125,403,164
9	Total Generation After Losses (kWh) (Line 7-Line 8)	2,295,283,749	2,344,070,693	1,928,130,887
10	kWh Subject to FPP	1,002,821,249	1,037,060,410	1,016,950,570
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	43.69%	44.24%	52.74%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 12,361,777.54	\$ 12,783,843.67	\$ 12,535,949.68
13	Amount Recovered via FPP (per books)	\$ 6,078,916.71	\$ 6,292,918.90	\$ 6,086,200.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 18,440,694.25	\$ 19,076,762.57	\$ 18,622,150.22
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 20,033,735.11	\$ 22,655,858.63	\$ 20,476,719.47
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 1,593,040.86	\$ 3,579,096.06	\$ 1,854,569.25
<b><u>Emissions Allowance Component (EA)</u></b>				
17	kWh Subject to FPP (Line 10)	1,002,821,249	1,037,060,410	1,016,950,570
18	EA Expense Allocated to FPP	\$ 2,031,142.71	\$ 2,472,719.24	\$ 2,025,527.12
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 126,355.48	\$ 130,669.61	\$ 128,135.77
20	EA Revenue in FPP (per books)	\$ 2,405,768.65	\$ 2,490,461.33	\$ 2,408,651.27
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (500,981.42)	\$ (148,411.70)	\$ (511,259.92)
<b><u>Environmental Reagent Component (ER)</u></b>				
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 77,803.58	\$ 80,542.58	\$ 77,896.81
24	Total Actual Line Costs for Quarter (per books)	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (77,803.58)	\$ (80,542.58)	\$ (77,896.81)
<b><u>Reconciliation Adjustment Amortization (RA)</u></b>				
29	RA Amount from 4th Quarter Filing (spread evenly)	\$ 1,407,789.33	\$ 1,407,789.33	\$ 1,407,789.34
30	Actual RA recovery through FPP	\$ 1,476,220.60	\$ 1,528,189.46	\$ 1,477,989.42
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ (68,431.27)	\$ (120,400.13)	\$ (70,200.08)
<b><u>System Loss Component (SLA)</u></b>				
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,001,818.43	\$ 1,036,023.35	\$ 1,015,933.62
34	Actual SLA recovery through FPP	\$ 198,603.88	\$ 205,595.53	\$ 198,841.85
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,363,987.23	\$ 1,530,574.05	\$ 1,430,369.93
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ 163,564.92	\$ 288,955.17	\$ 215,594.46
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ 1,109,389.51	\$ 3,518,696.82	\$ 1,410,806.90
38	Net Under/(Over) Recovery of FPP Costs (Page 5E, Line 37)	\$ 1,109,389.51	\$ 3,518,696.82	\$ 1,410,806.90
39	Net Adjustment for 2nd Quarter 2005 (Line 37 - Line 38)	\$ -	\$ -	\$ -
40	Net Adjustment (Line 39, Column A + B + C) To Page 3 Line 21	\$ -		

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	(A) October 2005	(B) November 2005	(C) December 2005
<b>Fuel Component (FC)</b>				
1	Fuel Component (FC)	\$ 35,229,075.36	\$ 33,909,947.86	\$ 45,550,340.01
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 33,077,741.41	\$ 31,839,169.07	\$ 42,768,717.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,768,507.65)	\$ (2,260,797.64)	\$ (3,109,443.54)
5	RSG Make Whole Payments	\$ (637,209.65)	\$ (753,920.81)	\$ (663,692.23)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,672,024.11	\$ 28,824,450.62	\$ 38,995,581.63
7	Total Generation and Purchase Power (per books)	1,802,350,251	1,813,538,577	2,216,872,481
8	Losses (kWh) (1-Line 2)*(Line 7)	110,064,123	110,747,360	136,377,752
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,692,286,128	1,702,791,217	2,081,494,729
10	kWh Subject to FPP	924,155,524	860,802,285	925,531,826
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	54.61%	50.55%	44.46%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))	\$ 11,392,065.14	\$ 10,611,109.77	\$ 11,409,030.82
13	Amount Recovered via FPP (per books)	\$ 5,356,769.18	\$ 5,012,134.16	\$ 5,367,275.33
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 16,748,834.32	\$ 15,623,243.93	\$ 16,776,306.15
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,749,992.37	\$ 14,570,759.79	\$ 17,337,435.59
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 1,158.05	\$ (1,052,484.14)	\$ 561,129.44
<b>Emissions Allowance Component (EA)</b>				
17	kWh Subject to FPP (Line 10)	924,155,524	860,802,285	925,531,826
18	EA Expense Allocated to FPP	\$ 1,833,408.57	\$ 1,846,811.20	\$ 2,099,013.70
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 116,443.60	\$ 108,461.09	\$ 116,617.01
20	EA Revenue in FPP (per books)	\$ 1,817,047.66	\$ 1,700,145.43	\$ 1,820,611.41
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (100,082.69)	\$ 38,204.68	\$ 161,785.28
<b>Environmental Reagent Component (ER)</b>				
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 140,856.41	\$ 131,794.22	\$ 141,132.67
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (140,856.41)	\$ (131,794.22)	\$ (141,132.67)
<b>Reconciliation Adjustment Amortization (RA)</b>				
29	RA Amount from 4th Quarter Filing (spread evenly)	\$ 5,379,812.38	\$ 5,379,812.38	\$ 5,379,812.39
30	Actual RA recovery through FPP	\$ 6,603,348.38	\$ 6,178,513.00	\$ 6,616,299.44
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ (1,223,536.00)	\$ (798,700.62)	\$ (1,236,487.05)
<b>System Loss Component (SLA)</b>				
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 923,231.37	\$ 859,941.48	\$ 924,606.29
34	Actual SLA recovery through FPP	\$ 167,619.12	\$ 156,835.12	\$ 167,947.87
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,174,843.47	\$ 1,046,778.68	\$ 1,236,709.41
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ 83,992.98	\$ 30,002.08	\$ 144,155.25
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (1,379,324.07)	\$ (1,914,772.22)	\$ (510,549.75)

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	(A) October 2005	(B) November 2005	(C) December 2005
<b>Fuel Component (FC)</b>				
1	Fuel Component (FC)	\$ 35,229,075.36	\$ 33,909,947.86	\$ 45,550,340.01
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 33,077,741.41	\$ 31,839,169.07	\$ 42,768,717.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,768,507.65)	\$ (2,260,797.64)	\$ (3,109,443.54)
5	RSG Make Whole Payments	\$ (637,209.65)	\$ (753,920.81)	\$ (663,692.23)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,672,024.11	\$ 28,824,450.62	\$ 38,995,581.63
7	Total Generation and Purchase Power (per books)	1,802,350,251	1,813,538,577	2,216,872,481
8	Losses (kWh) (1-Line 2)*(Line 7)	110,064,123	110,747,360	135,377,752
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,692,286,128	1,702,791,217	2,081,494,729
10	kWh Subject to FPP	924,155,524	860,802,285	925,531,826
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	54.61%	50.55%	44.46%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))	\$ 11,392,065.14	\$ 10,611,109.77	\$ 11,409,030.82
13	Amount Recovered via FPP (per books)	\$ 5,358,769.18	\$ 5,012,134.16	\$ 5,367,275.33
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 16,748,834.32	\$ 15,623,243.93	\$ 16,776,306.15
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,749,992.37	\$ 14,570,759.79	\$ 17,337,435.59
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 1,158.05	\$ (1,052,484.14)	\$ 561,129.44
<b>Emissions Allowance Component (EA)</b>				
17	kWh Subject to FPP (Line 10)	924,155,524	860,802,285	925,531,826
18	EA Expense Allocated to FPP	\$ 1,833,408.57	\$ 1,846,811.20	\$ 2,099,013.70
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 116,443.60	\$ 108,461.09	\$ 116,617.01
20	EA Revenue in FPP (per books)	\$ 1,817,047.66	\$ 1,700,145.43	\$ 1,820,611.41
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (100,082.69)	\$ 38,204.68	\$ 161,785.28
<b>Environmental Reagent Component (ER)</b>				
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 140,856.41	\$ 131,794.22	\$ 141,132.67
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books)( Line 24 + Line 25)	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (140,856.41)	\$ (131,794.22)	\$ (141,132.67)
<b>Reconciliation Adjustment Amortization (RA)</b>				
29	RA Amount from 4th Quarter Filing (spread evenly)	\$ 5,379,812.38	\$ 5,379,812.38	\$ 5,379,812.39
30	Actual RA recovery through FPP	\$ 6,603,348.38	\$ 6,178,513.00	\$ 6,616,299.44
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ (1,223,536.00)	\$ (798,700.62)	\$ (1,236,487.05)
<b>System Loss Component (SLA)</b>				
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999	0.0999	0.0999
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 923,231.37	\$ 859,941.48	\$ 924,606.29
34	Actual SLA recovery through FPP	\$ 167,619.12	\$ 156,835.12	\$ 167,947.87
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,174,843.47	\$ 1,046,778.68	\$ 1,236,709.41
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ 83,992.98	\$ 30,002.08	\$ 144,155.25
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (1,379,324.07)	\$ (1,914,772.22)	\$ (510,549.75)
38	Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 37)	\$ (1,379,324.07)	\$ (1,914,772.22)	\$ (510,549.75)
39	Net Adjustment for 2nd Quarter 2005 (Line 37 - Line 38)	\$ -	\$ -	\$ -
40	Net Adjustment (Line 39, Column A + B + C) To Page 3 Line 22	\$ -	\$ -	\$ -

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Schedule 1  
Page 51 of 5

Line	Reconciliation Adjustment (RA) (As Updated)	January 2006	Residential January 2006	Non-Residential January 2006	Voltage Reduction January 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 36,220,230.72	\$ 36,220,230.72	\$ 36,220,230.72	\$ 36,220,230.72
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 34,008,369.89	\$ 34,008,369.89	\$ 34,008,369.89	\$ 34,008,369.89
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 148,154.00	\$ 148,154.00	\$ 148,154.00	\$ 148,154.00
5	RSG Make Whole Payments	\$ (387,270.34)	\$ (387,270.34)	\$ (387,270.34)	\$ (387,270.34)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,769,253.55	\$ 33,769,253.55	\$ 33,769,253.55	\$ 33,769,253.55
7	Total Generation and Purchase Power (per books)	1,793,615,436	1,793,615,436	1,793,615,436	1,793,615,436
8	Losses (kWh) (1-Line 2)*(Line 7)	109,530,714	109,530,714	109,530,714	109,530,714
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,684,084,722	1,684,084,722	1,684,084,722	1,684,084,722
10	kWh Subject to FPP	1,365,589,013	272,638,491	802,789,257	280,161,265
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	81.09%	16.19%	47.67%	17.23%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 16,833,615.76	\$ 3,360,814.68	\$ 9,895,983.17	\$ 3,576,817.91
13	Amount Recovered via FPP (per books)	\$ 12,516,428.83	\$ 2,558,665.26	\$ 7,320,269.52	\$ 2,637,494.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,350,044.59	\$ 5,919,479.94	\$ 17,216,252.69	\$ 6,214,311.96
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 27,383,487.70	\$ 5,467,242.15	\$ 16,097,803.16	\$ 5,818,442.39
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (1,966,566.89)	\$ (452,237.79)	\$ (1,118,449.53)	\$ (395,869.57)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,365,589,013	272,638,491	802,789,257	280,161,265
18	EA Expense Allocated to FPP	\$ 1,279,804.37	\$ 255,511.67	\$ 752,359.01	\$ 271,933.69
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 172,064.22	\$ 34,352.45	\$ 101,151.45	\$ 35,560.32
20	EA Revenue in FPP (per books)	\$ 3,107,979.61	\$ 635,323.93	\$ 1,817,760.27	\$ 654,895.41
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (2,000,239.46)	\$ (414,164.71)	\$ (1,166,552.71)	\$ (419,522.04)
<b>Environmental Reagent Component (ER)</b>					
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 80,173.10	\$ 16,367.44	\$ 46,767.02	\$ 17,038.64
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (80,173.10)	\$ (16,367.44)	\$ (46,767.02)	\$ (17,038.64)
<b>Reconciliation Adjustment Amortization (RA)</b>					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,496,682.63	\$ -	\$ 2,588,244.48	\$ 908,438.15
30	Actual RA recovery through FPP	\$ 3,741,501.71	\$ -	\$ 2,750,639.27	\$ 990,862.44
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ (244,819.08)	\$ -	\$ (162,394.79)	\$ (82,424.29)
<b>System Loss Component (SLA)</b>					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,330,274.56	\$ 272,365.85	\$ 801,986.47	\$ 255,922.24
34	Actual SLA recovery through FPP	\$ 570,203.64	\$ 129,937.44	\$ 371,674.75	\$ 68,591.45
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,793,597.95	\$ 358,100.27	\$ 1,054,394.08	\$ 381,103.62
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (106,880.25)	\$ (44,203.02)	\$ (119,267.16)	\$ 56,589.93
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (4,398,668.78)	\$ (926,972.96)	\$ (2,613,431.21)	\$ (858,254.61)



**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA) (As Updated)	January 2006	Residential January 2006	Non-Residential January 2006	Voltage Reduction January 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 36,220,230.72	\$ 36,220,230.72	\$ 36,220,230.72	\$ 36,220,230.72
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 34,008,369.89	\$ 34,008,369.89	\$ 34,008,369.89	\$ 34,008,369.89
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 148,154.00	\$ 148,154.00	\$ 148,154.00	\$ 148,154.00
5	RSG Make Whole Payments	\$ (364,894.69)	\$ (364,894.69)	\$ (364,894.69)	\$ (364,894.69)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,791,629.20	\$ 33,791,629.20	\$ 33,791,629.20	\$ 33,791,629.20
7	Total Generation and Purchase Power (per books)	1,793,615,436	1,793,615,436	1,793,615,436	1,793,615,436
8	Losses (kWh) (1-Line 2)*(Line 7)	109,530,714	109,530,714	109,530,714	109,530,714
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,684,084,722	1,684,084,722	1,684,084,722	1,684,084,722
10	kWh Subject to FPP	1,365,589,013	272,638,491	802,789,257	290,161,265
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	81.09%	16.19%	47.67%	17.23%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 16,833,615.76	\$ 3,360,814.68	\$ 9,895,983.17	\$ 3,576,817.91
13	Amount Recovered via FPP (per books)	\$ 12,518,428.83	\$ 2,558,665.26	\$ 7,320,269.52	\$ 2,637,494.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,350,044.59	\$ 5,919,479.94	\$ 17,216,252.69	\$ 6,214,311.96
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 27,401,632.12	\$ 5,470,864.77	\$ 16,108,469.63	\$ 5,822,297.71
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (1,948,412.47)	\$ (448,615.17)	\$ (1,107,783.06)	\$ (392,014.25)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,365,589,013	272,638,491	802,789,257	290,161,265
18	EA Expense Allocated to FPP	\$ 1,279,804.37	\$ 255,511.67	\$ 752,359.01	\$ 271,933.69
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 172,064.22	\$ 34,352.45	\$ 101,151.45	\$ 36,560.32
20	EA Revenue in FPP (per books)	\$ 3,107,979.61	\$ 635,323.93	\$ 1,817,760.27	\$ 654,895.41
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (2,000,239.46)	\$ (414,164.71)	\$ (1,166,552.71)	\$ (419,522.04)
<b>Environmental Reagent Component (ER)</b>					
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 80,173.10	\$ 16,367.44	\$ 46,767.02	\$ 17,038.64
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books)( Line 24 + Line 25)	\$ -	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (80,173.10)	\$ (16,367.44)	\$ (46,767.02)	\$ (17,038.64)
<b>Reconciliation Adjustment Amortization (RA)</b>					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,496,682.63	\$ -	\$ 2,588,244.48	\$ 908,438.15
30	Actual RA recovery through FPP	\$ 3,741,501.71	\$ -	\$ 2,750,639.27	\$ 990,862.44
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ (244,819.08)	\$ -	\$ (162,394.79)	\$ (82,424.29)
<b>System Loss Component (SLA)</b>					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,330,274.56	\$ 272,385.85	\$ 801,986.47	\$ 255,922.24
34	Actual SLA recovery through FPP	\$ 570,203.64	\$ 129,937.44	\$ 371,674.75	\$ 68,591.45
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,793,597.95	\$ 358,100.27	\$ 1,054,394.06	\$ 381,103.62
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (106,880.25)	\$ (44,203.02)	\$ (119,267.16)	\$ 56,569.93
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (4,380,524.36)	\$ (923,350.34)	\$ (2,602,764.74)	\$ (854,409.29)
38	Net Under/(Over) Recovery of FPP Costs (Page 5I, Line 37)	\$ (4,398,668.78)	\$ (928,972.96)	\$ (2,613,431.21)	\$ (858,284.61)
39	Net Adjustment for January 2006 (Line 37 - Line 38) To Page 3 Line 4	\$ 18,144.42	\$ 3,622.62	\$ 10,666.47	\$ 3,855.32

Duke Energy Ohio  
Electric DepartmentCalculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007

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

Line	Reconciliation Adjustment (RA) (As Updated)	February 2006	Residential February 2006	Non-Residential February 2006	Voltage Reduction February 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 34,963,923.21	\$ 34,963,923.21	\$ 34,963,923.21	\$ 34,963,923.21
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 32,828,781.31	\$ 32,828,781.31	\$ 32,828,781.31	\$ 32,828,781.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 751,276.00	\$ 751,276.00	\$ 751,276.00	\$ 751,276.00
5	RSG Make Whole Payments	\$ (194,176.06)	\$ (194,176.06)	\$ (194,176.06)	\$ (194,176.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,385,881.25	\$ 33,385,881.25	\$ 33,385,881.25	\$ 33,385,881.25
7	Total Generation and Purchase Power (per books)	1,710,456,358	1,710,456,358	1,710,456,358	1,710,456,358
8	Losses (kWh) (1-Line 2)*(Line 7)	104,452,438	104,452,438	104,452,438	104,452,438
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,606,003,920	1,606,003,920	1,606,003,920	1,606,003,920
10	kWh Subject to FPP	1,591,500,486	595,983,694	744,482,064	251,034,728
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.10%	37.11%	46.36%	15.63%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 19,618,426.49	\$ 7,346,691.00	\$ 9,177,230.40	\$ 3,094,505.09
13	Amount Recovered via FPP (per books)	\$ 14,533,993.03	\$ 5,480,308.25	\$ 6,775,184.66	\$ 2,278,500.12
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,152,419.52	\$ 12,826,999.25	\$ 15,952,415.06	\$ 5,373,005.21
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,065,408.32	\$ 12,389,500.53	\$ 15,477,694.55	\$ 6,218,213.24
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (1,087,011.20)	\$ (437,498.72)	\$ (474,720.51)	\$ (154,791.97)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,591,500,486	595,983,694	744,482,064	251,034,728
18	EA Expense Allocated to FPP	\$ 3,365,291.00	\$ 1,260,231.20	\$ 1,574,236.90	\$ 530,822.90
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 200,529.06	\$ 75,093.95	\$ 93,804.74	\$ 31,630.37
20	EA Revenue in FPP (per books)	\$ 3,608,938.20	\$ 1,360,776.28	\$ 1,682,405.47	\$ 565,756.45
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (444,176.26)	\$ (175,639.03)	\$ (201,973.31)	\$ (68,563.92)
<b>Environmental Reagent Component (ER)</b>					
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 93,060.92	\$ 35,056.80	\$ 43,284.64	\$ 14,719.48
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (93,060.92)	\$ (35,056.80)	\$ (43,284.64)	\$ (14,719.48)
<b>Reconciliation Adjustment Amortization (RA)</b>					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,496,682.63	\$ -	\$ 2,588,244.48	\$ 908,438.15
30	Actual RA recovery through FPP	\$ 3,401,814.47	\$ -	\$ 2,545,820.06	\$ 855,994.41
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 94,868.16	\$ -	\$ 42,424.42	\$ 52,443.74
<b>System Loss Component (SLA)</b>					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,560,537.92	\$ 595,387.71	\$ 743,737.58	\$ 221,412.63
34	Actual SLA recovery through FPP	\$ 681,562.38	\$ 278,308.08	\$ 343,998.95	\$ 59,255.35
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,115,925.62	\$ 792,351.16	\$ 989,851.78	\$ 333,722.68
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (126,174.68)	\$ (81,344.63)	\$ (97,884.75)	\$ 53,054.70
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (1,635,554.90)	\$ (729,539.18)	\$ (775,438.79)	\$ (130,576.93)

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	February 2006	Residential February 2006	Non-Residential February 2006	Voltage Reduction February 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 34,963,923.21	\$ 34,963,923.21	\$ 34,963,923.21	\$ 34,963,923.21
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 32,828,781.31	\$ 32,828,781.31	\$ 32,828,781.31	\$ 32,828,781.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 751,276.00	\$ 751,276.00	\$ 751,276.00	\$ 751,276.00
5	RSG Make Whole Payments	\$ (194,176.06)	\$ (194,176.06)	\$ (194,176.06)	\$ (194,176.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,385,881.25	\$ 33,385,881.25	\$ 33,385,881.25	\$ 33,385,881.25
7	Total Generation and Purchase Power (per books)	1,710,456,358	1,710,456,358	1,710,456,358	1,710,456,358
8	Losses (kWh) (1-Line 2)*(Line 7)	104,452,438	104,452,438	104,452,438	104,452,438
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,606,003,920	1,606,003,920	1,606,003,920	1,606,003,920
10	kWh Subject to FPP	1,591,500,486	595,983,694	744,482,064	251,034,728
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.10%	37.11%	46.36%	15.63%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 19,618,426.49	\$ 7,346,691.00	\$ 9,177,230.40	\$ 3,094,505.09
13	Amount Recovered via FPP (per books)	\$ 14,533,993.03	\$ 5,480,308.25	\$ 6,775,184.66	\$ 2,278,500.12
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,152,419.52	\$ 12,826,999.25	\$ 15,952,415.06	\$ 5,373,005.21
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,085,408.32	\$ 12,389,500.53	\$ 15,477,694.55	\$ 5,218,213.24
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (1,067,011.20)	\$ (437,498.72)	\$ (474,720.51)	\$ (154,791.97)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,591,500,486	595,983,694	744,482,064	251,034,728
18	EA Expense Allocated to FPP	\$ 3,365,291.00	\$ 1,260,231.20	\$ 1,574,236.90	\$ 530,822.90
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 200,529.06	\$ 75,093.95	\$ 93,804.74	\$ 31,630.37
20	EA Revenue in FPP (per books)	\$ 3,608,938.20	\$ 1,360,776.28	\$ 1,682,405.47	\$ 565,756.45
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (444,176.26)	\$ (175,639.03)	\$ (201,973.31)	\$ (66,563.92)
<b>Environmental Reagent Component (ER)</b>					
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 93,060.92	\$ 35,056.80	\$ 43,284.64	\$ 14,719.48
24	Total Actual Line Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (93,060.92)	\$ (35,056.80)	\$ (43,284.64)	\$ (14,719.48)
<b>Reconciliation Adjustment Amortization (RA)</b>					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,496,682.63	\$ -	\$ 2,588,244.48	\$ 908,438.15
30	Actual RA recovery through FPP	\$ 3,401,814.47	\$ -	\$ 2,545,820.06	\$ 855,994.41
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 94,868.16	\$ -	\$ 42,424.42	\$ 52,443.74
<b>System Loss Component (SLA)</b>					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,580,537.92	\$ 595,387.71	\$ 743,737.58	\$ 221,412.63
34	Actual SLA recovery through FPP	\$ 881,562.38	\$ 278,308.08	\$ 343,998.95	\$ 59,255.35
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,115,925.62	\$ 792,351.16	\$ 989,851.78	\$ 333,722.68
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (126,174.68)	\$ (81,344.63)	\$ (97,884.75)	\$ 53,054.70
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (1,635,554.90)	\$ (729,539.18)	\$ (775,438.79)	\$ (130,576.93)
38	Net Under/(Over) Recovery of FPP Costs (Page 5K, Line 37)	\$ (1,635,554.90)	\$ (729,539.18)	\$ (775,438.79)	\$ (130,576.93)
39	Net Adjustment for February 2006 (Line 37 - Line 38) To Page 3 Line 5	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio  
Electric Department**  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	March 2006	Residential March 2006	Non-Residential March 2006	Voltage Reduction March 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 36,074,241.01	\$ 36,074,241.01	\$ 36,074,241.01	\$ 36,074,241.01
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 33,871,295.34	\$ 33,871,295.34	\$ 33,871,295.34	\$ 33,871,295.34
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,217,499.00)	\$ (1,217,499.00)	\$ (1,217,499.00)	\$ (1,217,499.00)
5	RSG Make Whole Payments	\$ (70,121.69)	\$ (70,121.69)	\$ (70,121.69)	\$ (70,121.69)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 32,583,674.65	\$ 32,583,674.65	\$ 32,583,674.65	\$ 32,583,674.65
7	Total Generation and Purchase Power (per books)	1,745,772,920	1,745,772,920	1,745,772,920	1,745,772,920
8	Losses (kWh) (1-Line 2)*(Line 7)	106,609,115	106,609,115	106,609,115	106,609,115
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,639,163,805	1,639,163,805	1,639,163,805	1,639,163,805
10	kWh Subject to FPP	1,597,586,441	578,924,095	752,413,690	266,248,656
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.46%	35.32%	45.90%	16.24%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 19,693,448.06	\$ 7,136,397.32	\$ 9,275,003.56	\$ 3,282,047.18
13	Amount Recovered via FPP (per books)	\$ 14,535,049.03	\$ 5,291,837.20	\$ 6,824,900.16	\$ 2,418,311.67
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,228,497.09	\$ 12,428,234.52	\$ 16,099,903.72	\$ 5,700,358.85
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,756,049.31	\$ 11,508,553.89	\$ 14,955,906.68	\$ 5,291,588.78
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (2,472,447.78)	\$ (919,680.63)	\$ (1,143,997.05)	\$ (408,770.09)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,597,586,441	578,924,095	752,413,690	266,248,656
18	EA Expense Allocated to FPP	\$ 3,617,323.55	\$ 1,310,824.70	\$ 1,703,647.26	\$ 602,851.59
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 201,295.89	\$ 72,944.44	\$ 94,804.12	\$ 33,547.33
20	EA Revenue in FPP (per books)	\$ 3,609,201.10	\$ 1,313,978.38	\$ 1,694,750.76	\$ 600,471.96
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (193,173.44)	\$ (76,098.12)	\$ (85,907.62)	\$ (31,167.70)
<b>Environmental Reagent Component (ER)</b>					
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 93,076.12	\$ 33,851.18	\$ 43,602.25	\$ 15,622.69
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (93,076.12)	\$ (33,851.18)	\$ (43,602.25)	\$ (15,622.69)
<b>Reconciliation Adjustment Amortization (RA)</b>					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,496,682.64	\$ -	\$ 2,588,244.49	\$ 908,438.15
30	Actual RA recovery through FPP	\$ 3,473,020.26	\$ -	\$ 2,584,500.98	\$ 908,519.28
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 23,662.38	\$ -	\$ 23,743.51	\$ (81.13)
<b>System Loss Component (SLA)</b>					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999/0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,584,837.76	\$ 578,345.17	\$ 751,661.28	\$ 234,831.31
34	Actual SLA recovery through FPP	\$ 678,151.41	\$ 268,738.90	\$ 346,523.18	\$ 62,891.33
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,146,990.85	\$ 778,080.41	\$ 1,011,152.06	\$ 357,758.38
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (95,998.32)	\$ (69,001.66)	\$ (87,032.40)	\$ 60,035.74
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (2,831,033.28)	\$ (1,098,631.59)	\$ (1,336,795.82)	\$ (395,605.87)

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	March 2006	Residential March 2006	Non-Residential March 2006	Voltage Reduction March 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 36,074,241.01	\$ 36,074,241.01	\$ 36,074,241.01	\$ 36,074,241.01
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 33,871,295.34	\$ 33,871,295.34	\$ 33,871,295.34	\$ 33,871,295.34
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,217,499.00)	\$ (1,217,499.00)	\$ (1,217,499.00)	\$ (1,217,499.00)
5	RSG Make Whole Payments	\$ (70,121.69)	\$ (70,121.69)	\$ (70,121.69)	\$ (70,121.69)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 32,583,674.65	\$ 32,583,674.65	\$ 32,583,674.65	\$ 32,583,674.65
7	Total Generation and Purchase Power (per books)	1,745,772,920	1,745,772,920	1,745,772,920	1,745,772,920
8	Losses (kWh) (1-Line 2)*(Line 7)	108,609,115	108,609,115	108,609,115	108,609,115
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,639,163,805	1,639,163,805	1,639,163,805	1,639,163,805
10	kWh Subject to FPP	1,597,586,441	578,924,095	752,413,690	266,248,656
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.46%	35.32%	45.90%	16.24%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 19,693,448.06	\$ 7,136,397.32	\$ 9,275,003.56	\$ 3,282,047.18
13	Amount Recovered via FPP (per books)	\$ 14,535,049.03	\$ 5,291,837.20	\$ 6,824,900.16	\$ 2,418,311.57
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,228,497.09	\$ 12,428,234.52	\$ 16,099,903.72	\$ 5,700,358.85
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,756,049.31	\$ 11,508,553.89	\$ 14,955,906.66	\$ 5,291,588.76
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (2,472,447.78)	\$ (919,680.63)	\$ (1,143,997.08)	\$ (408,770.09)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,597,586,441	578,924,095	752,413,690	266,248,656
18	EA Expense Allocated to FPP	\$ 3,617,323.55	\$ 1,310,824.70	\$ 1,703,647.26	\$ 602,851.59
19	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 201,295.89	\$ 72,944.44	\$ 94,804.12	\$ 33,547.33
20	EA Revenue in FPP (per books)	\$ 3,609,201.10	\$ 1,313,978.38	\$ 1,694,750.76	\$ 600,471.96
21	Under/(Over) Recovery of EA Costs (Line 18 - Line 19 - Line 20)	\$ (193,173.44)	\$ (76,098.12)	\$ (85,907.82)	\$ (31,167.70)
<b>Environmental Reagent Component (ER)</b>					
22	Amount Recovered in Base Rates (0.0330 ¢/kWh x Line 10)	\$ -	\$ -	\$ -	\$ -
23	ER Revenue in FPP (per books)	\$ 93,076.12	\$ 33,851.18	\$ 43,602.25	\$ 15,622.69
24	Total Actual Lime Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
25	Total Actual Ammonia Costs for Quarter (per books)	\$ -	\$ -	\$ -	\$ -
26	Total Actual ER Costs for Quarter (per books) (Line 24 + Line 25)	\$ -	\$ -	\$ -	\$ -
27	Total Actual ER Costs Allocated to FPP Sales (Line 11 x Line 26)	\$ -	\$ -	\$ -	\$ -
28	Under/(Over) Recovery of ER Costs (Line 27 - Line 22 - Line 23)	\$ (93,076.12)	\$ (33,851.18)	\$ (43,602.25)	\$ (15,622.69)
<b>Reconciliation Adjustment Amortization (RA)</b>					
29	RA Amount from 1st Quarter Filing (spread evenly)	\$ 3,496,682.64	\$ -	\$ 2,588,244.46	\$ 908,438.15
30	Actual RA recovery through FPP	\$ 3,473,020.26	\$ -	\$ 2,564,500.98	\$ 908,519.28
31	Under/(Over) Recovery of RA (Line 29 - Line 30)	\$ 23,662.38	\$ -	\$ 23,743.51	\$ (81.13)
<b>System Loss Component (SLA)</b>					
32	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999/0.0882	0.0999	0.0999	0.0882
33	Total Losses Recovered in Base Rates (Line 10 x Line 32)	\$ 1,564,837.76	\$ 578,345.17	\$ 751,661.28	\$ 234,831.31
34	Actual SLA recovery through FPP	\$ 678,151.41	\$ 268,736.90	\$ 346,523.18	\$ 62,891.33
35	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,146,990.85	\$ 778,080.41	\$ 1,011,152.08	\$ 357,758.38
36	Under/(Over) Recovery of Losses (Line 35 - Line 34 - Line 33)	\$ (95,998.32)	\$ (69,001.66)	\$ (87,032.40)	\$ 60,035.74
37	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 21+Line 28+Line 31+Line 36)	\$ (2,831,033.28)	\$ (1,088,631.59)	\$ (1,336,795.82)	\$ (395,605.87)
38	Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 37)	\$ (2,831,033.28)	\$ (1,088,631.59)	\$ (1,336,795.82)	\$ (395,605.87)
39	Net Adjustment for March 2006 (Line 37 - Line 38) To Page 3 Line 6	\$ -	\$ -	\$ -	\$ -

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	April 2006	Residential April 2006	Non-Residential April 2006	Voltage Reduction April 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 32,645,556.59	\$ 32,645,556.59	\$ 32,645,556.59	\$ 32,645,556.59
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 30,651,990.39	\$ 30,651,990.39	\$ 30,651,990.39	\$ 30,651,990.39
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (434,563.00)	\$ (434,563.00)	\$ (434,563.00)	\$ (434,563.00)
5	RSG Make Whole Payments	\$ (39,582.21)	\$ (39,582.21)	\$ (39,582.21)	\$ (39,582.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,177,845.18	\$ 30,177,845.18	\$ 30,177,845.18	\$ 30,177,845.18
7	Total Generation and Purchase Power (per books)	1,562,567,790	1,562,567,790	1,562,567,790	1,562,567,790
8	Losses (kWh) (1-Line 2)*(Line 7)	95,421,327	95,421,327	95,421,327	95,421,327
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,467,146,463	1,467,146,463	1,467,146,463	1,467,146,463
10	kWh Subject to FPP	1,480,495,968	488,706,185	727,236,189	264,553,594
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	100.91%	33.31%	49.57%	18.03%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 18,250,073.90	\$ 6,024,281.14	\$ 8,964,840.50	\$ 3,281,152.16
13	Amount Recovered via FPP (per books)	\$ 17,571,159.55	\$ 5,827,136.23	\$ 8,606,355.18	\$ 3,137,668.14
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,821,233.35	\$ 11,851,417.37	\$ 17,570,995.68	\$ 6,398,820.30
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 30,452,463.57	\$ 10,052,240.22	\$ 14,959,157.86	\$ 5,441,065.49
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (5,368,769.78)	\$ (1,799,177.15)	\$ (2,611,837.82)	\$ (957,754.81)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,480,495,968	488,706,185	727,236,189	264,553,594
18	EA Expense Allocated to FPP	\$ 4,003,888.54	\$ 1,321,668.64	\$ 1,966,754.86	\$ 715,465.04
19	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
20	Net EA Cost (Line 18 + Line 19)	\$ 4,003,888.54	\$ 1,321,668.64	\$ 1,966,754.86	\$ 715,465.04
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 186,542.49	\$ 61,576.98	\$ 91,631.76	\$ 33,333.75
22	EA Revenue in FPP (per books)	\$ 1,466,193.83	\$ 486,314.41	\$ 717,958.43	\$ 281,920.99
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ 2,351,152.22	\$ 773,777.25	\$ 1,157,164.67	\$ 420,210.30
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (3,124,965.00)	\$ -	\$ (2,364,348.52)	\$ (780,616.48)
25	Actual RA recovery through FPP	\$ (2,989,143.22)	\$ -	\$ (2,190,459.16)	\$ (798,684.06)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ (135,821.78)	\$ -	\$ (173,889.36)	\$ 38,067.58
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,448,062.70	\$ 488,217.48	\$ 726,508.95	\$ 233,336.27
29	Actual SLA recovery through FPP	\$ 908,959.73	\$ 330,188.89	\$ 487,784.92	\$ 90,985.92
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,011,707.66	\$ 664,056.90	\$ 988,210.77	\$ 359,439.99
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ (345,314.77)	\$ (154,349.47)	\$ (226,083.10)	\$ 35,117.80
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ (3,498,754.11)	\$ (1,179,749.37)	\$ (1,854,645.61)	\$ (464,359.13)

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA) (As Updated)</b>	<b>April 2006</b>	<b>Residential April 2006</b>	<b>Non-Residential April 2006</b>	<b>Voltage Reduction April 2006</b>
<b><u>Fuel Component (FC)</u></b>					
1	Net Includable Fuel	\$ 32,645,556.59	\$ 32,645,556.59	\$ 32,645,556.59	\$ 32,645,556.59
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 30,651,990.39	\$ 30,651,990.39	\$ 30,651,990.39	\$ 30,651,990.39
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (434,563.00)	\$ (434,563.00)	\$ (434,563.00)	\$ (434,563.00)
5	RSG Make Whole Payments	\$ (39,582.21)	\$ (39,582.21)	\$ (39,582.21)	\$ (39,582.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 30,177,845.18	\$ 30,177,845.18	\$ 30,177,845.18	\$ 30,177,845.18
7	Total Generation and Purchase Power (per books)	1,562,567,790	1,562,567,790	1,562,567,790	1,562,567,790
8	Losses (kWh) (1-Line 2)*(Line 7)	95,421,327	95,421,327	95,421,327	95,421,327
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,467,146,463	1,467,146,463	1,467,146,463	1,467,146,463
10	kWh Subject to FPP	1,480,495,968	488,706,185	727,236,189	264,553,594
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	100.91%	33.31%	49.57%	18.03%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 18,250,073.80	\$ 6,024,281.14	\$ 8,964,640.50	\$ 3,261,152.16
13	Amount Recovered via FPP (per books)	\$ 17,571,159.55	\$ 5,827,136.23	\$ 8,606,355.18	\$ 3,137,668.14
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,821,233.35	\$ 11,851,417.37	\$ 17,570,995.68	\$ 6,398,820.30
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 30,452,463.57	\$ 10,052,240.22	\$ 14,959,157.86	\$ 5,441,065.49
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (5,368,769.78)	\$ (1,799,177.15)	\$ (2,611,837.82)	\$ (957,754.81)
<b><u>Emissions Allowance Component (EA)</u></b>					
17	kWh Subject to FPP (Line 10)	1,480,495,968	488,706,185	727,236,189	264,553,594
18	EA Expense Allocated to FPP	\$ 4,003,888.54	\$ 1,321,668.64	\$ 1,966,754.86	\$ 715,465.04
19	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
20	Net EA Cost (Line 18 + Line 19)	\$ 4,003,888.54	\$ 1,321,668.64	\$ 1,966,754.86	\$ 715,465.04
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 186,542.49	\$ 61,576.99	\$ 91,631.76	\$ 33,333.75
22	EA Revenue in FPP (per books)	\$ 1,466,193.83	\$ 486,314.41	\$ 717,958.43	\$ 261,920.99
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ 2,351,152.22	\$ 773,777.25	\$ 1,157,164.67	\$ 420,210.30
<b><u>Reconciliation Adjustment Amortization (RA)</u></b>					
24	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (3,124,965.00)	\$ -	\$ (2,364,348.52)	\$ (760,616.48)
25	Actual RA recovery through FPP	\$ (2,989,143.22)	\$ -	\$ (2,190,459.18)	\$ (798,684.06)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ (135,821.78)	\$ -	\$ (173,889.36)	\$ 38,067.58
<b><u>System Loss Component (SLA)</u></b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,448,062.70	\$ 488,217.48	\$ 726,508.95	\$ 233,336.27
29	Actual SLA recovery through FPP	\$ 908,959.73	\$ 330,188.89	\$ 487,784.92	\$ 90,985.92
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,011,707.66	\$ 664,056.90	\$ 988,210.77	\$ 359,439.99
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ (345,314.77)	\$ (154,349.47)	\$ (228,083.10)	\$ 35,117.80
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ (3,498,754.11)	\$ (1,179,749.37)	\$ (1,854,645.61)	\$ (464,359.13)
33	Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 32)	\$ (3,498,754.11)	\$ (1,179,749.37)	\$ (1,854,645.61)	\$ (464,359.13)
34	Net Adjustment for April 2006 (Line 32 - Line 33) To Page 3 Line 7	\$ -	\$ -	\$ -	\$ -

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	May 2006	Residential May 2006	Non-Residential May 2006	Voltage Reduction May 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 42,165,798.87	\$ 42,165,798.87	\$ 42,165,798.87	\$ 42,165,798.87
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 39,590,860.03	\$ 39,590,860.03	\$ 39,590,860.03	\$ 39,590,860.03
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,549,996.83)	\$ (1,549,996.83)	\$ (1,549,996.83)	\$ (1,549,996.83)
5	RSG Make Whole Payments	\$ (18,888.55)	\$ (18,888.55)	\$ (18,888.55)	\$ (18,888.55)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 38,021,974.65	\$ 38,021,974.65	\$ 38,021,974.65	\$ 38,021,974.65
7	Total Generation and Purchase Power (per books)	1,705,181,251	1,705,181,251	1,705,181,251	1,705,181,251
8	Losses (kWh) (1-Line 2)*(Line 7)	104,130,303	104,130,303	104,130,303	104,130,303
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,601,050,948	1,601,050,948	1,601,050,948	1,601,050,948
10	kWh Subject to FPP	1,454,814,220	407,983,699	759,454,830	287,375,691
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.87%	25.48%	47.44%	17.95%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 17,933,494.89	\$ 5,029,215.06	\$ 9,361,799.69	\$ 3,542,480.14
13	Amount Recovered via FPP (per books)	\$ 17,255,920.47	\$ 4,859,304.97	\$ 9,002,912.84	\$ 3,393,702.68
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,189,415.36	\$ 9,888,520.03	\$ 18,364,712.53	\$ 6,936,182.80
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,550,568.36	\$ 9,687,999.14	\$ 18,037,624.78	\$ 6,824,944.44
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (638,847.00)	\$ (200,520.89)	\$ (327,087.75)	\$ (111,238.36)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,454,814,220	407,983,699	759,454,830	287,375,691
18	EA Expense Allocated to FPP	\$ 5,080,337.23	\$ 1,424,714.40	\$ 2,652,082.03	\$ 1,003,540.80
19	EA Sales Margin Allocated to FPP	\$ (140,211.00)	\$ (39,320.35)	\$ (73,194.17)	\$ (27,696.48)
20	Net EA Cost (Line 18 + Line 19)	\$ 4,940,126.23	\$ 1,385,394.05	\$ 2,578,887.86	\$ 975,844.32
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 183,306.60	\$ 51,405.95	\$ 95,691.31	\$ 36,209.34
22	EA Revenue in FPP (per books)	\$ 1,439,876.10	\$ 406,542.27	\$ 751,040.02	\$ 283,293.81
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ 3,316,943.53	\$ 928,445.83	\$ 1,732,156.53	\$ 656,341.17
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (3,124,965.00)	\$ -	\$ (2,364,348.52)	\$ (760,616.48)
25	Actual RA recovery through FPP	\$ (3,155,246.49)	\$ -	\$ (2,291,389.61)	\$ (863,856.88)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 30,281.49	\$ -	\$ (72,958.91)	\$ 103,240.40
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,419,736.46	\$ 407,575.72	\$ 758,695.38	\$ 253,465.36
29	Actual SLA recovery through FPP	\$ 884,018.81	\$ 275,347.69	\$ 510,260.73	\$ 98,410.39
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,339,846.92	\$ 656,094.42	\$ 1,221,550.99	\$ 462,201.51
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 36,091.65	\$ (28,828.99)	\$ (47,405.12)	\$ 110,325.76
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 2,744,469.67	\$ 701,095.95	\$ 1,284,704.75	\$ 758,668.97



Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA) (As Updated)	May 2006	Residential May 2006	Non-Residential May 2006	Voltage Reduction May 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 42,165,798.87	\$ 42,165,798.87	\$ 42,165,798.87	\$ 42,165,798.87
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 39,590,860.03	\$ 39,590,860.03	\$ 39,590,860.03	\$ 39,590,860.03
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (1,549,997.00)	\$ (1,549,997.00)	\$ (1,549,997.00)	\$ (1,549,997.00)
5	RSG Make Whole Payments	\$ (18,888.55)	\$ (18,888.55)	\$ (18,888.55)	\$ (18,888.55)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 38,021,974.48	\$ 38,021,974.48	\$ 38,021,974.48	\$ 38,021,974.48
7	Total Generation and Purchase Power (per books)	1,705,181,251	1,705,181,251	1,705,181,251	1,705,181,251
8	Losses (kWh) (1-Line 2)*(Line 7)	104,130,303	104,130,303	104,130,303	104,130,303
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,601,050,948	1,601,050,948	1,601,050,948	1,601,050,948
10	kWh Subject to FPP	1,454,814,220	407,983,699	759,454,830	287,375,691
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.87%	25.48%	47.44%	17.95%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 17,933,494.89	\$ 5,029,215.06	\$ 9,361,799.69	\$ 3,542,480.14
13	Amount Recovered via FPP (per books)	\$ 17,255,920.47	\$ 4,859,304.97	\$ 9,002,912.84	\$ 3,393,702.68
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,189,415.36	\$ 9,888,520.03	\$ 18,364,712.53	\$ 6,936,182.80
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,550,668.21	\$ 9,687,999.10	\$ 18,037,624.70	\$ 6,824,944.41
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (638,847.15)	\$ (200,520.93)	\$ (327,087.83)	\$ (111,238.39)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,454,814,220	407,983,699	759,454,830	287,375,691
18	EA Expense Allocated to FPP	\$ 5,082,784.00	\$ 1,425,400.57	\$ 2,653,359.31	\$ 1,004,024.12
19	EA Sales Margin Allocated to FPP	\$ (140,211.00)	\$ (39,320.35)	\$ (73,194.17)	\$ (27,696.48)
20	Net EA Cost (Line 18 + Line 19)	\$ 4,942,573.00	\$ 1,386,080.22	\$ 2,580,165.14	\$ 976,327.64
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 183,306.60	\$ 51,405.95	\$ 95,691.31	\$ 36,209.34
22	EA Revenue in FPP (per books)	\$ 1,439,876.10	\$ 405,642.27	\$ 751,040.02	\$ 283,293.81
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ 3,319,390.30	\$ 929,132.00	\$ 1,733,433.81	\$ 656,824.49
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (3,124,965.00)	\$ -	\$ (2,364,348.52)	\$ (760,616.48)
25	Actual RA recovery through FPP	\$ (3,155,246.49)	\$ -	\$ (2,291,389.61)	\$ (863,856.88)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 30,281.49	\$ -	\$ (72,958.91)	\$ 103,240.40
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,419,736.46	\$ 407,575.72	\$ 758,695.38	\$ 253,465.36
29	Actual SLA recovery through FPP	\$ 884,018.81	\$ 275,347.69	\$ 510,260.73	\$ 98,410.39
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,339,846.92	\$ 656,094.42	\$ 1,221,550.99	\$ 462,201.51
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 36,091.65	\$ (26,828.99)	\$ (47,405.12)	\$ 110,325.76
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 2,746,916.29	\$ 701,782.08	\$ 1,285,981.95	\$ 759,152.26
33	Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 32)	\$ 2,744,469.67	\$ 701,095.95	\$ 1,284,704.75	\$ 758,668.97
34	Net Adjustment for May 2006 (Line 32 - Line 33) To Page 3 Line 8	\$ 2,446.62	\$ 686.13	\$ 1,277.20	\$ 483.29

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA) (As Updated)	June 2006	Residential June 2006	Non-Residential June 2006	Voltage Reduction June 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 42,296,583.54	\$ 42,296,583.54	\$ 42,296,583.54	\$ 42,296,583.54
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 39,713,658.07	\$ 39,713,658.07	\$ 39,713,658.07	\$ 39,713,658.07
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 485,108.42	\$ 485,108.42	\$ 485,108.42	\$ 485,108.42
5	RSG Make Whole Payments	\$ -	\$ -	\$ -	\$ -
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 40,198,766.49	\$ 40,198,766.49	\$ 40,198,766.49	\$ 40,198,766.49
7	Total Generation and Purchase Power (per books)	1,890,717,495	1,890,717,495	1,890,717,495	1,890,717,495
8	Losses (kWh) (1-Line 2)*(Line 7)	115,460,445	115,460,445	115,460,445	115,460,445
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,775,257,050	1,775,257,050	1,775,257,050	1,775,257,050
10	kWh Subject to FPP	1,662,783,977	531,999,146	840,994,433	289,790,398
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	93.66%	29.97%	47.37%	16.32%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 20,497,138.09	\$ 8,557,953.47	\$ 10,366,938.38	\$ 3,572,246.24
13	Amount Recovered via FPP (per books)	\$ 19,744,808.34	\$ 6,320,677.23	\$ 9,952,080.33	\$ 3,472,050.78
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 40,241,946.43	\$ 12,878,630.70	\$ 20,319,018.71	\$ 7,044,297.02
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,650,164.70	\$ 12,047,570.32	\$ 19,042,155.69	\$ 6,560,438.69
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (2,591,781.73)	\$ (831,060.38)	\$ (1,276,863.02)	\$ (483,858.33)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,662,783,977	531,999,146	840,994,433	289,790,398
18	EA Expense Allocated to FPP	\$ 4,774,403.00	\$ 1,527,545.58	\$ 2,414,773.30	\$ 832,084.12
19	EA Sales Margin Allocated to FPP	\$ (4,306,665.00)	\$ (1,377,895.22)	\$ (2,176,203.15)	\$ (750,566.63)
20	Net EA Cost (Line 18 + Line 19)	\$ 467,738.01	\$ 149,650.37	\$ 238,570.15	\$ 81,517.49
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 209,510.78	\$ 67,031.89	\$ 105,965.30	\$ 36,513.59
22	EA Revenue in FPP (per books)	\$ 1,647,559.18	\$ 527,503.79	\$ 830,221.36	\$ 289,834.03
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (1,389,331.95)	\$ (444,885.31)	\$ (689,616.51)	\$ (244,830.13)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (3,124,964.99)	\$ -	\$ (2,364,348.51)	\$ (760,616.48)
25	Actual RA recovery through FPP	\$ (3,416,768.53)	\$ -	\$ (2,532,968.37)	\$ (883,800.16)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 291,803.54	\$ -	\$ 168,619.86	\$ 123,183.66
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,627,215.72	\$ 531,467.15	\$ 840,153.44	\$ 255,595.13
29	Actual SLA recovery through FPP	\$ 1,022,894.20	\$ 358,154.90	\$ 564,056.98	\$ 100,682.32
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,419,168.00	\$ 774,102.76	\$ 1,223,531.80	\$ 421,533.44
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ (230,941.92)	\$ (115,519.29)	\$ (180,678.62)	\$ 65,255.99
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ (3,920,252.06)	\$ (1,391,464.98)	\$ (1,988,538.29)	\$ (540,248.79)

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA) (As Updated)</b>	<b>June 2006</b>	<b>Residential June 2006</b>	<b>Non-Residential June 2006</b>	<b>Voltage Reduction June 2006</b>
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 42,296,583.54	\$ 42,296,583.54	\$ 42,296,583.54	\$ 42,296,583.54
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 39,713,658.07	\$ 39,713,658.07	\$ 39,713,658.07	\$ 39,713,658.07
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 485,108.42	\$ 485,108.42	\$ 485,108.42	\$ 485,108.42
5	RSG Make Whole Payments	\$ -	\$ -	\$ -	\$ -
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 40,198,766.49	\$ 40,198,766.49	\$ 40,198,766.49	\$ 40,198,766.49
7	Total Generation and Purchase Power (per books)	1,890,717,495	1,890,717,495	1,890,717,495	1,890,717,495
8	Losses (kWh) (1-Line 2)*(Line 7)	115,460,445	115,460,445	115,460,445	115,460,445
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,775,257,050	1,775,257,050	1,775,257,050	1,775,257,050
10	kWh Subject to FPP	1,662,783,977	531,999,146	840,994,433	289,790,398
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	93.66%	29.97%	47.37%	16.32%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 20,497,138.09	\$ 6,557,953.47	\$ 10,366,938.38	\$ 3,572,246.24
13	Amount Recovered via FPP (per books)	\$ 19,744,808.34	\$ 6,320,877.23	\$ 9,952,080.33	\$ 3,472,050.78
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 40,241,946.43	\$ 12,878,830.70	\$ 20,319,018.71	\$ 7,044,297.02
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,650,164.70	\$ 12,047,570.32	\$ 19,042,155.69	\$ 6,580,438.69
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ (2,591,781.73)	\$ (831,050.38)	\$ (1,276,863.02)	\$ (483,858.33)
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,662,783,977	531,999,146	840,994,433	289,790,398
18	EA Expense Allocated to FPP	\$ 4,781,509.00	\$ 1,529,819.11	\$ 2,418,367.33	\$ 833,322.56
19	EA Sales Margin Allocated to FPP	\$ (4,306,895.00)	\$ (1,377,895.22)	\$ (2,178,203.15)	\$ (750,566.63)
20	Net EA Cost (Line 18 + Line 19)	\$ 474,614.00	\$ 151,923.89	\$ 240,164.18	\$ 82,755.93
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 209,510.78	\$ 67,031.89	\$ 105,965.30	\$ 36,513.59
22	EA Revenue in FPP (per books)	\$ 1,847,559.18	\$ 527,503.79	\$ 830,221.36	\$ 289,834.09
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (1,382,225.96)	\$ (442,611.79)	\$ (696,022.48)	\$ (243,591.69)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 2nd Quarter Filing (spread evenly)	\$ (3,124,964.99)	\$ -	\$ (2,364,348.51)	\$ (760,616.48)
25	Actual RA recovery through FPP	\$ (3,416,768.53)	\$ -	\$ (2,532,968.37)	\$ (883,800.16)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 291,803.54	\$ -	\$ 168,619.86	\$ 123,183.68
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,627,215.72	\$ 531,467.15	\$ 840,153.44	\$ 255,595.13
29	Actual SLA recovery through FPP	\$ 1,022,894.20	\$ 358,154.90	\$ 564,056.98	\$ 100,682.32
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,419,188.00	\$ 774,102.76	\$ 1,223,531.80	\$ 421,533.44
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ (230,941.92)	\$ (115,519.29)	\$ (180,678.62)	\$ 65,255.99
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ (3,913,146.07)	\$ (1,389,191.48)	\$ (1,984,944.26)	\$ (539,010.35)
33	Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 32)	\$ (3,920,252.06)	\$ (1,391,464.98)	\$ (1,988,538.29)	\$ (540,248.79)
34	Net Adjustment for June 2006 (Line 32 - Line 33) To Page 3 Line 9	\$ 7,105.99	\$ 2,273.52	\$ 3,594.03	\$ 1,238.44

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	July 2006	Residential July 2006	Non-Residential July 2006	Voltage Reduction July 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 51,649,238.45	\$ 51,649,238.45	\$ 51,649,238.45	\$ 51,649,238.45
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 48,495,174.41	\$ 48,495,174.41	\$ 48,495,174.41	\$ 48,495,174.41
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,641,739.93	\$ 1,641,739.93	\$ 1,641,739.93	\$ 1,641,739.93
5	RSG Make Whole Payments	\$ (118,657.35)	\$ (118,657.35)	\$ (118,657.35)	\$ (118,657.35)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 50,018,256.99	\$ 50,018,256.99	\$ 50,018,256.99	\$ 50,018,256.99
7	Total Generation and Purchase Power (per books)	2,218,086,754	2,218,086,754	2,218,086,754	2,218,086,754
8	Losses (kWh) (1-Line 2)*(Line 7)	135,451,904	135,451,904	135,451,904	135,451,904
9	Total Generation After Losses (kWh) (Line 7-Line 8)	2,082,634,850	2,082,634,850	2,082,634,850	2,082,634,850
10	kWh Subject to FPP	1,883,912,023	688,272,057	897,494,407	298,145,559
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.46%	33.05%	43.09%	14.32%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))	\$ 23,222,983.51	\$ 8,484,329.84	\$ 11,063,413.55	\$ 3,875,240.32
13	Amount Recovered via FPP (per books)	\$ 13,088,275.34	\$ 4,782,126.84	\$ 6,214,152.97	\$ 2,071,995.73
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,291,258.85	\$ 13,266,456.68	\$ 17,277,566.52	\$ 5,747,236.05
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 45,246,515.27	\$ 16,531,033.93	\$ 21,552,866.94	\$ 7,162,614.40
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 8,955,256.42	\$ 3,264,677.65	\$ 4,275,300.42	\$ 1,415,378.35
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,883,912,023	688,272,057	897,494,407	298,145,559
18	EA Expense Allocated to FPP	\$ 6,251,291.00	\$ 2,283,858.73	\$ 2,978,110.78	\$ 989,321.49
19	EA Sales Margin Allocated to FPP	\$ (5,043,470.00)	\$ (1,842,591.07)	\$ (2,402,705.68)	\$ (798,173.25)
20	Net EA Cost (Line 18 + Line 19)	\$ 1,207,821.00	\$ 441,267.66	\$ 575,405.10	\$ 191,148.24
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 237,372.91	\$ 86,722.28	\$ 113,084.29	\$ 37,666.34
22	EA Revenue in FPP (per books)	\$ 5,138,905.16	\$ 1,880,455.05	\$ 2,443,688.68	\$ 814,761.45
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (4,168,457.07)	\$ (1,525,909.67)	\$ (1,981,367.85)	\$ (681,179.55)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (6,076,665.92)	\$ (1,079,894.22)	\$ (3,764,048.63)	\$ (1,212,723.07)
25	Actual RA recovery through FPP	\$ (6,231,669.59)	\$ (1,062,436.78)	\$ (3,880,440.39)	\$ (1,298,792.52)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 155,003.77	\$ (17,457.44)	\$ 96,391.76	\$ 76,069.45
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,847,145.07	\$ 687,583.78	\$ 896,596.91	\$ 262,964.38
29	Actual SLA recovery through FPP	\$ 518,587.31	\$ 205,620.57	\$ 267,373.04	\$ 45,693.70
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,853,166.33	\$ 1,042,418.17	\$ 1,359,086.19	\$ 451,661.97
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 487,433.95	\$ 149,313.82	\$ 195,116.24	\$ 143,003.89
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 5,429,237.07	\$ 1,870,524.36	\$ 2,585,440.57	\$ 973,272.14

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA)</b>	<b>July 2006</b>	<b>Residential July 2006</b>	<b>Non-Residential July 2006</b>	<b>Voltage Reduction July 2006</b>
<b><u>Fuel Component (FC)</u></b>					
1	Net Includable Fuel	\$ 51,649,238.45	\$ 51,649,238.45	\$ 51,649,238.45	\$ 51,649,238.45
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 48,495,174.41	\$ 48,495,174.41	\$ 48,495,174.41	\$ 48,495,174.41
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,841,739.93	\$ 1,841,739.93	\$ 1,841,739.93	\$ 1,841,739.93
5	RSG Make Whole Payments	\$ (118,657.35)	\$ (118,657.35)	\$ (118,657.35)	\$ (118,657.35)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 50,018,256.99	\$ 50,018,256.99	\$ 50,018,256.99	\$ 50,018,256.99
7	Total Generation and Purchase Power (per books)	2,218,086,754	2,218,086,754	2,218,086,754	2,218,086,754
8	Losses (kWh) (1-Line 2)*(Line 7)	135,451,904	135,451,904	135,451,904	135,451,904
9	Total Generation After Losses (kWh) (Line 7-Line 8)	2,082,634,850	2,082,634,850	2,082,634,850	2,082,634,850
10	kWh Subject to FPP	1,883,912,023	688,272,057	897,494,407	298,145,559
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.46%	33.05%	43.09%	14.32%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))	\$ 23,222,983.51	\$ 8,484,329.84	\$ 11,063,413.55	\$ 3,675,240.32
13	Amount Recovered via FPP (per books)	\$ 13,068,275.34	\$ 4,782,126.64	\$ 6,214,152.97	\$ 2,071,995.73
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 36,291,258.85	\$ 13,266,456.48	\$ 17,277,566.52	\$ 5,747,236.05
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 45,246,515.27	\$ 16,531,033.93	\$ 21,552,866.94	\$ 7,162,614.40
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 8,955,256.42	\$ 3,264,577.65	\$ 4,275,300.42	\$ 1,415,378.35
<b><u>Emissions Allowance Component (EA)</u></b>					
17	kWh Subject to FPP (Line 10)	1,883,912,023	688,272,057	897,494,407	298,145,559
18	EA Expense Allocated to FPP	\$ 6,251,291.00	\$ 2,283,858.73	\$ 2,978,110.78	\$ 989,321.49
19	EA Sales Margin Allocated to FPP	\$ (5,043,470.00)	\$ (1,842,691.07)	\$ (2,402,705.68)	\$ (798,173.25)
20	Net EA Cost (Line 18 + Line 19)	\$ 1,207,821.00	\$ 441,267.66	\$ 575,405.10	\$ 191,148.24
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 237,372.91	\$ 86,722.28	\$ 113,084.29	\$ 37,566.34
22	EA Revenue in FPP (per books)	\$ 5,138,905.16	\$ 1,880,455.05	\$ 2,443,688.66	\$ 814,761.45
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (4,168,457.07)	\$ (1,525,909.87)	\$ (1,981,367.85)	\$ (681,179.55)
<b><u>Reconciliation Adjustment Amortization (RA)</u></b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (6,076,665.92)	\$ (1,079,894.22)	\$ (3,784,048.63)	\$ (1,212,723.07)
25	Actual RA recovery through FPP	\$ (6,231,669.69)	\$ (1,082,436.78)	\$ (3,880,440.39)	\$ (1,288,792.52)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 155,003.77	\$ (17,467.44)	\$ 96,391.76	\$ 76,069.45
<b><u>System Loss Component (SLA)</u></b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,847,145.07	\$ 687,583.78	\$ 896,596.91	\$ 262,964.38
29	Actual SLA recovery through FPP	\$ 518,587.31	\$ 205,520.57	\$ 267,373.04	\$ 45,693.70
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,853,168.33	\$ 1,042,418.17	\$ 1,359,086.19	\$ 451,661.97
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 487,433.95	\$ 149,313.82	\$ 195,116.24	\$ 143,003.89
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 5,429,237.07	\$ 1,870,524.36	\$ 2,585,440.57	\$ 973,272.14
33	Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 32)	\$ 5,429,237.07	\$ 1,870,524.36	\$ 2,585,440.57	\$ 973,272.14
34	Net Adjustment for July 2006 (Line 32 - Line 33) To Page 3 Line 10	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA)</b>	<b>August 2006</b>	<b>Residential August 2006</b>	<b>Non-Residential August 2006</b>	<b>Voltage Reduction August 2006</b>
<b><u>Fuel Component (FC)</u></b>					
1	Net Includable Fuel	\$ 58,528,867.28	\$ 58,528,867.28	\$ 58,528,867.28	\$ 58,528,867.28
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 54,954,684.94	\$ 54,954,684.94	\$ 54,954,684.94	\$ 54,954,684.94
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (514,132.00)	\$ (514,132.00)	\$ (514,132.00)	\$ (514,132.00)
5	RSG Make Whole Payments	\$ (524,371.27)	\$ (524,371.27)	\$ (524,371.27)	\$ (524,371.27)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 53,916,181.67	\$ 53,916,181.67	\$ 53,916,181.67	\$ 53,916,181.67
7	Total Generation and Purchase Power (per books)	2,273,704,955	2,273,704,955	2,273,704,955	2,273,704,955
8	Losses (kWh) (1-Line 2)*(Line 7)	138,848,340	138,848,340	138,848,340	138,848,340
9	Total Generation After Losses (kWh) (Line 7-Line 8)	2,134,856,615	2,134,856,615	2,134,856,615	2,134,856,615
10	kWh Subject to FPP	2,053,855,886	806,512,070	940,773,834	306,569,982
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.21%	37.78%	44.07%	14.36%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 25,317,881.51	\$ 9,941,874.29	\$ 11,596,919.05	\$ 3,779,088.17
13	Amount Recovered via FPP (per books)	\$ 14,201,031.06	\$ 5,605,194.87	\$ 6,503,153.21	\$ 2,092,682.68
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 39,518,912.57	\$ 15,547,069.16	\$ 18,100,072.26	\$ 5,871,771.15
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 51,872,758.38	\$ 20,369,533.43	\$ 23,760,861.28	\$ 7,742,383.69
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 12,353,845.81	\$ 4,822,464.27	\$ 5,660,789.00	\$ 1,870,592.54
<b><u>Emissions Allowance Component (EA)</u></b>					
17	kWh Subject to FPP (Line 10)	2,053,855,886	806,512,070	940,773,834	306,569,982
18	EA Expense Allocated to FPP	\$ 6,665,009.00	\$ 2,617,228.52	\$ 3,052,924.07	\$ 994,856.41
19	EA Sales Margin Allocated to FPP	\$ (2,488,410.00)	\$ (977,153.61)	\$ (1,139,822.43)	\$ (371,433.96)
20	Net EA Cost (Line 18 + Line 19)	\$ 4,176,599.00	\$ 1,640,074.91	\$ 1,913,101.64	\$ 623,422.45
21	EA Expense Recovered in Base Rates (Line 17 x 0.0125 ¢/kWh)	\$ 258,785.85	\$ 101,620.52	\$ 118,537.50	\$ 38,627.83
22	EA Revenue in FPP (per books)	\$ 5,584,339.57	\$ 2,204,106.61	\$ 2,557,336.76	\$ 822,896.20
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (1,666,526.42)	\$ (665,652.22)	\$ (762,772.62)	\$ (238,101.68)
<b><u>Reconciliation Adjustment Amortization (RA)</u></b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (6,076,665.92)	\$ (1,079,894.22)	\$ (3,784,048.63)	\$ (1,212,723.07)
25	Actual RA recovery through FPP	\$ (6,607,863.69)	\$ (1,245,296.42)	\$ (4,060,907.17)	\$ (1,301,660.10)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 531,197.77	\$ 165,402.20	\$ 276,856.54	\$ 88,937.03
<b><u>System Loss Component (SLA)</u></b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 2,015,933.34	\$ 805,705.56	\$ 939,833.06	\$ 270,394.72
29	Actual SLA recovery through FPP	\$ 588,851.03	\$ 240,893.41	\$ 279,807.70	\$ 46,149.92
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,438,720.83	\$ 1,350,326.09	\$ 1,575,142.16	\$ 513,252.58
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 855,936.46	\$ 303,727.12	\$ 355,501.40	\$ 186,707.94
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 12,074,453.62	\$ 4,625,941.37	\$ 5,530,376.32	\$ 1,918,135.93

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	August 2006	Residential August 2006	Non-Residential August 2006	Voltage Reduction August 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 58,528,867.28	\$ 58,528,867.28	\$ 58,528,867.28	\$ 58,528,867.28
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 54,954,684.94	\$ 54,954,684.94	\$ 54,954,684.94	\$ 54,954,684.94
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (514,132.00)	\$ (514,132.00)	\$ (514,132.00)	\$ (514,132.00)
5	RSG Make Whole Payments	\$ (524,371.27)	\$ (524,371.27)	\$ (524,371.27)	\$ (524,371.27)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 53,916,181.67	\$ 53,916,181.67	\$ 53,916,181.67	\$ 53,916,181.67
7	Total Generation and Purchase Power (per books)	2,273,704,955	2,273,704,955	2,273,704,955	2,273,704,955
8	Losses (kWh) (1-Line 2)*(Line 7)	138,848,340	138,848,340	138,848,340	138,848,340
9	Total Generation After Losses (kWh) (Line 7-Line 8)	2,134,856,615	2,134,856,615	2,134,856,615	2,134,856,615
10	kWh Subject to FPP	2,053,855,886	806,512,070	940,773,834	306,569,982
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.21%	37.78%	44.07%	14.36%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 25,317,881.51	\$ 9,941,874.29	\$ 11,595,919.05	\$ 3,779,088.17
13	Amount Recovered via FPP (per books)	\$ 14,201,031.06	\$ 5,605,194.87	\$ 6,503,153.21	\$ 2,092,682.98
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 39,518,912.57	\$ 15,547,069.16	\$ 18,100,072.26	\$ 5,871,771.15
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 51,872,758.38	\$ 20,369,533.43	\$ 23,760,861.26	\$ 7,742,363.69
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 12,353,845.81	\$ 4,822,464.27	\$ 5,660,789.00	\$ 1,870,592.54
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	2,053,855,886	806,512,070	940,773,834	306,569,982
18	EA Expense Allocated to FPP	\$ 6,665,009.00	\$ 2,617,228.52	\$ 3,052,924.07	\$ 994,856.41
19	EA Sales Margin Allocated to FPP	\$ (2,488,410.00)	\$ (977,153.51)	\$ (1,139,822.43)	\$ (371,433.96)
20	Net EA Cost (Line 18 + Line 19)	\$ 4,176,599.00	\$ 1,640,074.91	\$ 1,913,101.64	\$ 623,422.45
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 258,785.85	\$ 101,620.52	\$ 118,537.50	\$ 38,627.83
22	EA Revenue in FPP (per books)	\$ 5,584,339.57	\$ 2,204,106.61	\$ 2,557,336.76	\$ 822,896.20
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (1,666,526.42)	\$ (665,652.22)	\$ (762,772.62)	\$ (238,101.58)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (6,076,665.92)	\$ (1,079,894.22)	\$ (3,784,048.63)	\$ (1,212,723.07)
25	Actual RA recovery through FPP	\$ (6,607,863.89)	\$ (1,245,296.42)	\$ (4,060,907.17)	\$ (1,301,660.10)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 531,197.77	\$ 165,402.20	\$ 276,858.54	\$ 88,937.03
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 2,015,933.34	\$ 805,705.56	\$ 939,833.06	\$ 270,394.72
29	Actual SLA recovery through FPP	\$ 566,851.03	\$ 240,893.41	\$ 279,807.70	\$ 48,149.92
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 3,438,720.83	\$ 1,350,326.09	\$ 1,575,142.16	\$ 513,262.58
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 855,936.46	\$ 303,727.12	\$ 355,501.40	\$ 198,707.94
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 12,074,453.62	\$ 4,625,941.37	\$ 5,530,376.32	\$ 1,918,135.93
33	Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 32)	\$ 12,074,453.62	\$ 4,625,941.37	\$ 5,530,376.32	\$ 1,918,135.93
34	Net Adjustment for August 2006 (Line 32 - Line 33) To Page 3 Line 11	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA)</b>	<b>September 2006</b>	<b>Residential September 2006</b>	<b>Non-Residential September 2006</b>	<b>Voltage Reduction September 2006</b>
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 34,544,700.20	\$ 34,544,700.20	\$ 34,544,700.20	\$ 34,544,700.20
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 32,435,158.99	\$ 32,435,158.99	\$ 32,435,158.99	\$ 32,435,158.99
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,350,807.00	\$ 1,350,807.00	\$ 1,350,807.00	\$ 1,350,807.00
5	RSG Make Whole Payments	\$ (132,875.51)	\$ (132,875.51)	\$ (132,875.51)	\$ (132,875.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,653,090.48	\$ 33,653,090.48	\$ 33,653,090.48	\$ 33,653,090.48
7	Total Generation and Purchase Power (per books)	1,683,214,657	1,683,214,657	1,683,214,657	1,683,214,657
8	Losses (kWh) (1-Line 2)*(Line 7)	102,788,869	102,788,869	102,788,869	102,788,869
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,580,425,788	1,580,425,788	1,580,425,788	1,580,425,788
10	kWh Subject to FPP	1,823,536,535	650,713,421	888,153,990	284,669,124
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	115.38%	41.17%	56.20%	18.01%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10))	\$ 22,478,734.86	\$ 8,021,344.34	\$ 10,948,274.23	\$ 3,509,116.29
13	Amount Recovered via FPP (per books)	\$ 12,663,162.55	\$ 4,524,484.27	\$ 6,160,438.10	\$ 1,978,240.18
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,141,897.41	\$ 12,545,828.61	\$ 17,108,712.33	\$ 5,487,356.47
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 38,828,935.80	\$ 13,854,977.35	\$ 18,913,036.85	\$ 6,060,921.60
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 3,687,038.39	\$ 1,309,148.74	\$ 1,804,324.52	\$ 573,565.13
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,823,536,535	650,713,421	888,153,990	284,669,124
18	EA Expense Allocated to FPP	\$ 4,307,416.00	\$ 1,537,064.57	\$ 2,097,928.19	\$ 672,423.24
19	EA Sales Margin Allocated to FPP	\$ (1,155,610.00)	\$ (412,369.55)	\$ (562,640.18)	\$ (180,400.27)
20	Net EA Cost (Line 18 + Line 19)	\$ 3,151,806.00	\$ 1,124,695.02	\$ 1,535,088.01	\$ 492,022.97
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 229,765.60	\$ 81,989.89	\$ 111,907.40	\$ 35,868.31
22	EA Revenue in FPP (per books)	\$ 4,979,603.33	\$ 1,779,143.44	\$ 2,422,565.51	\$ 777,894.38
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (2,057,562.93)	\$ (736,438.31)	\$ (999,384.90)	\$ (321,739.72)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (6,076,665.92)	\$ (1,079,894.22)	\$ (3,784,048.63)	\$ (1,212,723.07)
25	Actual RA recovery through FPP	\$ (6,082,570.90)	\$ (1,005,196.82)	\$ (3,846,898.02)	\$ (1,230,476.06)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 5,804.98	\$ (74,697.40)	\$ 62,849.39	\$ 17,752.99
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,788,406.72	\$ 650,062.71	\$ 887,265.84	\$ 251,078.17
29	Actual SLA recovery through FPP	\$ 503,135.90	\$ 194,447.91	\$ 265,061.88	\$ 43,626.11
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,433,988.65	\$ 868,498.12	\$ 1,185,562.16	\$ 379,928.37
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 142,446.03	\$ 23,987.50	\$ 33,234.44	\$ 85,224.09
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 1,777,826.47	\$ 522,000.53	\$ 901,023.45	\$ 354,802.49



Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	September 2006	Residential September 2006	Non-Residential September 2006	Voltage Reduction September 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 34,544,700.20	\$ 34,544,700.20	\$ 34,544,700.20	\$ 34,544,700.20
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 32,435,158.99	\$ 32,435,158.99	\$ 32,435,158.99	\$ 32,435,158.99
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,350,807.00	\$ 1,350,807.00	\$ 1,350,807.00	\$ 1,350,807.00
5	RSG Make Whole Payments	\$ (132,875.51)	\$ (132,875.51)	\$ (132,875.51)	\$ (132,875.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,653,090.48	\$ 33,653,090.48	\$ 33,653,090.48	\$ 33,653,090.48
7	Total Generation and Purchase Power (per books)	1,683,214,657	1,683,214,657	1,683,214,657	1,683,214,657
8	Losses (kWh) (1-Line 2)*(Line 7)	102,788,869	102,788,869	102,788,869	102,788,869
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,580,425,788	1,580,425,788	1,580,425,788	1,580,425,788
10	kWh Subject to FPP	1,823,536,535	650,713,421	888,153,990	284,669,124
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	115.38%	41.17%	56.20%	18.01%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 22,478,734.86	\$ 8,021,344.34	\$ 10,948,274.23	\$ 3,509,116.29
13	Amount Recovered via FPP (per books)	\$ 12,663,162.55	\$ 4,524,484.27	\$ 6,160,438.10	\$ 1,978,240.18
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,141,897.41	\$ 12,545,828.61	\$ 17,108,712.33	\$ 5,487,356.47
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 38,828,935.80	\$ 13,654,977.35	\$ 18,913,036.85	\$ 6,060,921.60
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 3,687,038.39	\$ 1,309,148.74	\$ 1,804,324.52	\$ 573,585.13
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,823,536,535	650,713,421	888,153,990	284,669,124
18	EA Expense Allocated to FPP	\$ 4,307,416.00	\$ 1,537,064.57	\$ 2,097,928.19	\$ 672,423.24
19	EA Sales Margin Allocated to FPP	\$ (1,155,610.00)	\$ (412,369.55)	\$ (562,840.18)	\$ (180,400.27)
20	Net EA Cost (Line 18 + Line 19)	\$ 3,151,806.00	\$ 1,124,695.02	\$ 1,535,088.01	\$ 492,022.97
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 229,765.60	\$ 81,989.89	\$ 111,907.40	\$ 35,889.31
22	EA Revenue in FPP (per books)	\$ 4,979,603.33	\$ 1,779,143.44	\$ 2,422,565.51	\$ 777,894.38
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (2,057,562.93)	\$ (736,438.31)	\$ (999,384.90)	\$ (321,739.72)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (6,076,665.92)	\$ (1,079,894.22)	\$ (3,784,048.63)	\$ (1,212,723.07)
25	Actual RA recovery through FPP	\$ (6,082,570.90)	\$ (1,005,196.82)	\$ (3,846,898.02)	\$ (1,230,478.06)
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 5,904.98	\$ (74,897.40)	\$ 82,849.39	\$ 17,752.99
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,788,406.72	\$ 650,062.71	\$ 887,265.84	\$ 251,078.17
29	Actual SLA recovery through FPP	\$ 503,135.90	\$ 194,447.91	\$ 265,061.88	\$ 43,625.11
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,433,988.65	\$ 868,498.12	\$ 1,185,562.16	\$ 379,928.37
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 142,446.03	\$ 23,987.50	\$ 33,234.44	\$ 85,224.09
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 1,777,826.47	\$ 522,000.53	\$ 901,023.45	\$ 354,802.49
33	Net Under/(Over) Recovery of FPP Costs (Page 5Y, Line 32)	\$ 1,777,826.47	\$ 522,000.53	\$ 901,023.45	\$ 354,802.49
34	Net Adjustment for September 2006 (Line 32 - Line 33) To Page 3 Line 12	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA)</b>	<b>October 2006</b>	<b>Residential October 2006</b>	<b>Non-Residential October 2006</b>	<b>Voltage Reduction October 2006</b>
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 36,585,870.35	\$ 36,585,870.35	\$ 36,585,870.35	\$ 36,585,870.35
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 34,351,681.01	\$ 34,351,681.01	\$ 34,351,681.01	\$ 34,351,681.01
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,375,392.00	\$ 1,375,392.00	\$ 1,375,392.00	\$ 1,375,392.00
5	RSG Make Whole Payments	\$ (158,483.94)	\$ (158,483.94)	\$ (158,483.94)	\$ (158,483.94)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,568,589.07	\$ 35,568,589.07	\$ 35,568,589.07	\$ 35,568,589.07
7	Total Generation and Purchase Power (per books)	1,894,486,387	1,894,486,387	1,894,486,387	1,894,486,387
8	Losses (kWh) (1-Line 2)*(Line 7)	103,477,200	103,477,200	103,477,200	103,477,200
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,591,009,187	1,591,009,187	1,591,009,187	1,591,009,187
10	kWh Subject to FPP	1,509,392,909	446,531,747	778,330,299	284,530,863
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	94.87%	28.07%	48.92%	17.88%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 18,506,286.39	\$ 5,504,396.84	\$ 9,594,477.59	\$ 3,507,411.96
13	Amount Recovered via FPP (per books)	\$ 8,132,043.72	\$ 2,414,525.50	\$ 4,187,007.61	\$ 1,530,510.61
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 26,738,330.11	\$ 7,918,922.34	\$ 13,781,485.20	\$ 5,037,922.57
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,743,920.45	\$ 9,984,102.95	\$ 17,400,153.77	\$ 6,359,663.73
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 7,005,590.34	\$ 2,065,180.61	\$ 3,618,668.57	\$ 1,321,741.16
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,509,392,909	446,531,747	778,330,299	284,530,863
18	EA Expense Allocated to FPP	\$ 4,876,902.56	\$ 1,442,760.07	\$ 2,514,813.08	\$ 919,329.41
19	EA Sales Margin Allocated to FPP	\$ (636,088.00)	\$ (188,177.30)	\$ (328,003.77)	\$ (119,906.93)
20	Net EA Cost (Line 18 + Line 19)	\$ 4,240,814.56	\$ 1,254,582.77	\$ 2,186,809.31	\$ 799,422.48
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 190,183.51	\$ 56,263.00	\$ 98,089.62	\$ 35,850.89
22	EA Revenue in FPP (per books)	\$ 4,385,383.86	\$ 1,296,229.41	\$ 2,247,671.43	\$ 821,483.02
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (314,752.81)	\$ (97,909.64)	\$ (158,931.74)	\$ (57,911.43)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 4th Quarter Filing (spread evenly)	\$ (272,414.71)	\$ (579,894.56)	\$ 41,448.00	\$ 266,031.85
25	Actual RA recovery through FPP	\$ (156,240.77)	\$ (478,133.70)	\$ 41,684.81	\$ 280,208.12
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ (116,173.94)	\$ (101,760.86)	\$ (236.81)	\$ (14,176.27)
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,474,593.41	\$ 446,085.22	\$ 777,551.97	\$ 250,956.22
29	Actual SLA recovery through FPP	\$ 247,440.71	\$ 80,848.66	\$ 140,272.69	\$ 28,319.36
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,119,575.43	\$ 627,136.95	\$ 1,092,965.43	\$ 399,473.05
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 397,541.31	\$ 100,203.07	\$ 175,140.77	\$ 122,197.47
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 6,972,204.90	\$ 1,965,713.18	\$ 3,634,640.79	\$ 1,371,850.93

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

<b>Line</b>	<b>Reconciliation Adjustment (RA)</b>	<b>October 2006</b>	<b>Residential October 2006</b>	<b>Non-Residential October 2006</b>	<b>Voltage Reduction October 2006</b>
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 36,585,870.35	\$ 36,585,870.35	\$ 36,585,870.35	\$ 36,585,870.35
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 34,351,681.01	\$ 34,351,681.01	\$ 34,351,681.01	\$ 34,351,681.01
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,375,392.00	\$ 1,375,392.00	\$ 1,375,392.00	\$ 1,375,392.00
5	RSG Make Whole Payments	\$ (158,483.94)	\$ (158,483.94)	\$ (158,483.94)	\$ (158,483.94)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,568,589.07	\$ 35,568,589.07	\$ 35,568,589.07	\$ 35,568,589.07
7	Total Generation and Purchase Power (per books)	1,694,486,387	1,694,486,387	1,694,486,387	1,694,486,387
8	Losses (kWh) (1-Line 2)*(Line 7)	103,477,200	103,477,200	103,477,200	103,477,200
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,591,009,187	1,591,009,187	1,591,009,187	1,591,009,187
10	kWh Subject to FPP	1,509,392,909	446,531,747	778,330,299	284,530,863
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	94.87%	28.07%	48.92%	17.88%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 18,806,286.39	\$ 5,504,396.84	\$ 9,594,477.59	\$ 3,507,411.96
13	Amount Recovered via FPP (per books)	\$ 8,132,043.72	\$ 2,414,525.50	\$ 4,187,007.61	\$ 1,530,510.61
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 26,738,330.11	\$ 7,918,922.34	\$ 13,781,485.20	\$ 5,037,922.57
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,743,920.45	\$ 9,984,102.95	\$ 17,400,153.77	\$ 6,359,663.73
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 7,005,590.34	\$ 2,065,180.61	\$ 3,618,668.57	\$ 1,321,741.16
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,509,392,909	446,531,747	778,330,299	284,530,863
18	EA Expense Allocated to FPP	\$ 4,876,902.56	\$ 1,442,760.07	\$ 2,514,813.08	\$ 919,329.41
19	EA Sales Margin Allocated to FPP	\$ (636,088.00)	\$ (188,177.30)	\$ (328,003.77)	\$ (119,906.93)
20	Net EA Cost (Line 18 + Line 19)	\$ 4,240,814.56	\$ 1,254,582.77	\$ 2,186,809.31	\$ 799,422.48
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 190,183.51	\$ 56,263.00	\$ 98,069.62	\$ 35,850.89
22	EA Revenue in FPP (per books)	\$ 4,365,383.86	\$ 1,296,229.41	\$ 2,247,671.43	\$ 821,483.02
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (314,752.81)	\$ (97,909.64)	\$ (158,931.74)	\$ (67,911.43)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 4th Quarter Filing (spread evenly)	\$ (272,414.71)	\$ (579,894.56)	\$ 41,448.00	\$ 266,031.85
25	Actual RA recovery through FPP	\$ (156,240.77)	\$ (478,133.70)	\$ 41,684.81	\$ 280,208.12
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ (116,173.94)	\$ (101,760.86)	\$ (236.81)	\$ (14,176.27)
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,474,593.41	\$ 446,085.22	\$ 777,551.97	\$ 250,956.22
29	Actual SLA recovery through FPP	\$ 247,440.71	\$ 80,848.66	\$ 140,272.69	\$ 26,319.36
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,119,575.43	\$ 627,136.95	\$ 1,092,965.43	\$ 399,473.05
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 397,541.31	\$ 100,203.07	\$ 175,140.77	\$ 122,197.47
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 6,972,204.90	\$ 1,965,713.18	\$ 3,634,640.79	\$ 1,371,850.93
33	Net Under/(Over) Recovery of FPP Costs (Page 5AA, Line 32)	\$ 6,972,204.90	\$ 1,965,713.18	\$ 3,634,640.79	\$ 1,371,850.93
34	Net Adjustment for October 2006 (Line 32 - Line 33) To Page 3 Line 13	\$ -	\$ -	\$ -	\$ -

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	November 2006	Residential November 2006	Non-Residential November 2006	Voltage Reduction November 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 35,058,002.01	\$ 35,058,002.01	\$ 35,058,002.01	\$ 35,058,002.01
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 32,917,115.00	\$ 32,917,115.00	\$ 32,917,115.00	\$ 32,917,115.00
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 844,921.00	\$ 844,921.00	\$ 844,921.00	\$ 844,921.00
5	RSG Make Whole Payments	\$ (79,549.91)	\$ (79,549.91)	\$ (79,549.91)	\$ (79,549.91)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,682,486.09	\$ 33,682,486.09	\$ 33,682,486.09	\$ 33,682,486.09
7	Total Generation and Purchase Power (per books)	1,687,011,745	1,687,011,745	1,687,011,745	1,687,011,745
8	Losses (kWh) (1-Line 2)*(Line 7)	103,020,746	103,020,746	103,020,746	103,020,746
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,583,990,999	1,583,990,999	1,583,990,999	1,583,990,999
10	kWh Subject to FPP	1,509,119,073	497,546,941	736,484,092	274,988,040
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.28%	31.42%	46.50%	17.36%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 18,502,910.81	\$ 6,134,493.84	\$ 9,078,639.40	\$ 3,389,777.57
13	Amount Recovered via FPP (per books)	\$ 8,213,061.79	\$ 2,693,066.92	\$ 4,032,522.05	\$ 1,487,472.82
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 26,815,972.60	\$ 8,827,560.76	\$ 13,111,161.45	\$ 4,877,250.39
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 32,092,672.75	\$ 10,583,037.13	\$ 15,662,355.03	\$ 5,847,279.59
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 5,276,700.15	\$ 1,755,476.37	\$ 2,551,194.58	\$ 970,029.20
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,509,119,073	497,546,941	736,484,092	274,988,040
18	EA Expense Allocated to FPP	\$ 4,396,944.00	\$ 1,449,935.77	\$ 2,145,807.69	\$ 801,200.54
19	EA Sales Margin Allocated to FPP	\$ (273,340.00)	\$ (90,136.57)	\$ (133,396.08)	\$ (49,807.35)
20	Net EA Cost (Line 18 + Line 19)	\$ 4,123,604.00	\$ 1,359,799.20	\$ 2,012,411.61	\$ 751,393.19
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 190,149.00	\$ 62,703.61	\$ 92,797.00	\$ 34,648.49
22	EA Revenue in FPP (per books)	\$ 4,408,886.83	\$ 1,445,763.39	\$ 2,164,740.42	\$ 798,383.02
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (475,431.83)	\$ (148,667.70)	\$ (245,125.81)	\$ (81,638.32)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (272,414.71)	\$ (579,894.56)	\$ 41,448.00	\$ 266,031.85
25	Actual RA recovery through FPP	\$ (220,816.08)	\$ (533,291.56)	\$ 40,146.79	\$ 272,328.71
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ (51,598.65)	\$ (46,603.00)	\$ 1,301.21	\$ (6,296.86)
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,475,436.35	\$ 497,149.29	\$ 735,747.51	\$ 242,539.45
29	Actual SLA recovery through FPP	\$ 250,851.84	\$ 90,175.43	\$ 135,097.14	\$ 25,579.27
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,039,837.15	\$ 672,666.70	\$ 995,512.46	\$ 371,657.99
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 313,548.96	\$ 85,341.98	\$ 124,667.71	\$ 103,539.27
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 5,063,218.63	\$ 1,645,547.65	\$ 2,432,037.69	\$ 985,633.29

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	November 2006	Residential November 2006	Non-Residential November 2006	Voltage Reduction November 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 35,128,759.85	\$ 35,128,759.85	\$ 35,128,759.85	\$ 35,128,759.85
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 32,983,551.87	\$ 32,983,551.87	\$ 32,983,551.87	\$ 32,983,551.87
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 844,921.00	\$ 844,921.00	\$ 844,921.00	\$ 844,921.00
5	RSG Make Whole Payments	\$ (81,223.46)	\$ (81,223.46)	\$ (81,223.46)	\$ (81,223.46)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,747,249.41	\$ 33,747,249.41	\$ 33,747,249.41	\$ 33,747,249.41
7	Total Generation and Purchase Power (per books)	1,688,216,181	1,688,216,181	1,688,216,181	1,688,216,181
8	Losses (kWh) (1-Line 2)*(Line 7)	103,094,298	103,094,298	103,094,298	103,094,298
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,585,121,883	1,585,121,883	1,585,121,883	1,585,121,883
10	kWh Subject to FPP	1,509,119,073	497,646,941	736,484,092	274,988,040
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	95.20%	31.39%	46.46%	17.35%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 18,602,910.81	\$ 8,134,493.84	\$ 9,078,639.40	\$ 3,389,777.57
13	Amount Recovered via FPP (per books)	\$ 8,213,081.79	\$ 2,693,066.92	\$ 4,032,522.05	\$ 1,487,472.82
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 26,815,992.60	\$ 8,827,560.76	\$ 13,111,161.45	\$ 4,877,250.39
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 32,127,381.44	\$ 10,593,261.59	\$ 15,678,972.08	\$ 5,855,147.77
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 5,311,408.84	\$ 1,765,700.83	\$ 2,567,810.63	\$ 977,897.38
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,509,119,073	497,646,941	736,484,092	274,988,040
18	EA Expense Allocated to FPP	\$ 4,397,543.00	\$ 1,450,133.30	\$ 2,148,100.01	\$ 801,309.69
19	EA Sales Margin Allocated to FPP	\$ 273,340.00	\$ 90,136.56	\$ 133,396.08	\$ 49,807.36
20	Net EA Cost (Line 18 + Line 19)	\$ 4,670,883.00	\$ 1,540,269.86	\$ 2,279,496.09	\$ 851,117.05
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 190,149.00	\$ 62,703.51	\$ 92,797.00	\$ 34,648.49
22	EA Revenue in FPP (per books)	\$ 4,408,886.83	\$ 1,445,763.39	\$ 2,164,740.42	\$ 798,383.02
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ 71,847.17	\$ 31,802.96	\$ 21,958.67	\$ 18,085.54
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (272,414.71)	\$ (579,894.56)	\$ 41,448.00	\$ 266,031.85
25	Actual RA recovery through FPP	\$ (220,816.06)	\$ (533,291.56)	\$ 40,146.79	\$ 272,328.71
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ (51,598.65)	\$ (46,603.00)	\$ 1,301.21	\$ (6,296.86)
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,475,436.35	\$ 497,149.29	\$ 735,747.61	\$ 242,539.45
29	Actual SLA recovery through FPP	\$ 250,851.84	\$ 90,175.43	\$ 135,097.14	\$ 25,579.27
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,042,237.99	\$ 673,380.78	\$ 996,663.63	\$ 372,193.58
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 315,949.80	\$ 86,056.06	\$ 125,818.88	\$ 104,074.86
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 5,647,607.16	\$ 1,836,956.85	\$ 2,716,889.39	\$ 1,093,760.92
33	Net Under/(Over) Recovery of FPP Costs (Page 5AC, Line 32)	\$ 5,083,218.63	\$ 1,645,547.65	\$ 2,432,037.69	\$ 985,633.29
34	Net Adjustment for November 2006 (Line 32 - Line 33) To Page 3 Line 14	\$ 584,388.53	\$ 191,409.20	\$ 284,851.70	\$ 108,127.63

**Duke Energy Ohio**  
**Electric Department**  
**Calculation of Quarterly Reconciliation Adjustment Component for Billing**  
**July 2007 through September 2007**  
**Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary**

Line	Reconciliation Adjustment (RA)	December 2006	Residential December 2006	Non-Residential December 2006	Voltage Reduction December 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 39,971,219.18	\$ 39,971,219.18	\$ 39,971,219.18	\$ 39,971,219.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 37,530,296.74	\$ 37,530,296.74	\$ 37,530,296.74	\$ 37,530,296.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,809,530.29	\$ 1,809,530.29	\$ 1,809,530.29	\$ 1,809,530.29
5	RSG Make Whole Payments	\$ (125,676.09)	\$ (125,676.09)	\$ (125,676.09)	\$ (125,676.09)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 39,214,150.94	\$ 39,214,150.94	\$ 39,214,150.94	\$ 39,214,150.94
7	Total Generation and Purchase Power (per books)	1,837,419,516	1,837,419,516	1,837,419,516	1,837,419,516
8	Losses (kWh) (1-Line 2)*(Line 7)	112,205,698	112,205,698	112,205,698	112,205,698
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,725,213,818	1,725,213,818	1,725,213,818	1,725,213,818
10	kWh Subject to FPP	1,689,501,133	618,788,151	808,115,996	262,596,986
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.93%	35.87%	46.84%	15.22%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 20,826,480.47	\$ 7,627,801.54	\$ 9,961,645.88	\$ 3,237,033.05
13	Amount Recovered via FPP (per books)	\$ 9,118,165.42	\$ 3,347,737.12	\$ 4,349,966.03	\$ 1,420,462.27
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,944,645.89	\$ 10,975,538.66	\$ 14,311,611.91	\$ 4,657,495.32
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 38,402,418.01	\$ 14,068,115.94	\$ 18,387,808.30	\$ 5,968,393.77
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 8,457,772.12	\$ 3,090,577.28	\$ 4,056,296.39	\$ 1,310,898.45
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,689,501,133	618,788,151	808,115,996	262,596,986
18	EA Expense Allocated to FPP	\$ 4,635,105.23	\$ 1,697,630.23	\$ 2,217,046.56	\$ 720,428.44
19	EA Sales Margin Allocated to FPP	\$ (4,572,089.54)	\$ (1,674,550.42)	\$ (2,186,905.13)	\$ (710,633.99)
20	Net EA Cost (Line 18 + Line 19)	\$ 63,015.69	\$ 23,079.81	\$ 30,141.43	\$ 9,794.45
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 212,877.14	\$ 77,967.31	\$ 101,822.62	\$ 33,087.21
22	EA Revenue in FPP (per books)	\$ 4,894,787.51	\$ 1,797,220.75	\$ 2,335,150.85	\$ 762,415.91
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (5,044,648.96)	\$ (1,852,108.25)	\$ (2,406,832.04)	\$ (785,708.67)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (272,414.72)	\$ (579,894.56)	\$ 41,448.00	\$ 266,031.84
25	Actual RA recovery through FPP	\$ (359,594.41)	\$ (662,931.89)	\$ 43,307.17	\$ 280,060.31
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 87,149.69	\$ 83,037.33	\$ (1,858.17)	\$ 5,971.53
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,657,087.78	\$ 618,169.36	\$ 807,307.88	\$ 231,610.54
29	Actual SLA recovery through FPP	\$ 282,255.62	\$ 112,096.59	\$ 145,732.11	\$ 24,426.92
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,390,395.35	\$ 875,558.88	\$ 1,143,328.07	\$ 371,508.40
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 451,051.95	\$ 145,292.93	\$ 190,288.08	\$ 115,470.94
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 23+Line 26+Line 31)	\$ 3,951,324.80	\$ 1,466,799.29	\$ 1,837,893.26	\$ 648,632.25

Duke Energy Ohio  
Electric Department  
Calculation of Quarterly Reconciliation Adjustment Component for Billing  
July 2007 through September 2007  
Actual Fuel and Economy Purchased Power Costs Incurred, Actual FPP Revenues Billed Summary

Line	Reconciliation Adjustment (RA)	December 2006	Residential December 2006	Non-Residential December 2006	Voltage Reduction December 2006
<b>Fuel Component (FC)</b>					
1	Net Includable Fuel	\$ 40,042,285.52	\$ 40,042,285.52	\$ 40,042,285.52	\$ 40,042,285.52
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 37,597,023.27	\$ 37,597,023.27	\$ 37,597,023.27	\$ 37,597,023.27
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,809,530.00	\$ 1,809,530.00	\$ 1,809,530.00	\$ 1,809,530.00
5	RSG Make Whole Payments	\$ (125,703.93)	\$ (125,703.93)	\$ (125,703.93)	\$ (125,703.93)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 39,280,849.34	\$ 39,280,849.34	\$ 39,280,849.34	\$ 39,280,849.34
7	Total Generation and Purchase Power (per books)	1,839,239,125	1,839,239,125	1,839,239,125	1,839,239,125
8	Losses (kWh) (1-Line 2)*(Line 7)	112,316,816	112,316,816	112,316,816	112,316,816
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,726,922,309	1,726,922,309	1,726,922,309	1,726,922,309
10	kWh Subject to FPP	1,689,501,133	618,788,151	808,115,996	262,596,986
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.83%	35.83%	46.79%	15.21%
12	Amount Recovered in Base Rates (@ 1.2327 ¢/kWh x Line 10)	\$ 20,826,480.47	\$ 7,627,801.54	\$ 9,961,645.88	\$ 3,237,033.05
13	Amount Recovered via FPP (per books)	\$ 9,118,165.42	\$ 3,347,737.12	\$ 4,349,966.03	\$ 1,420,482.27
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,944,645.89	\$ 10,975,538.66	\$ 14,311,611.91	\$ 4,657,495.32
15	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 38,428,454.91	\$ 14,074,328.32	\$ 18,379,509.41	\$ 5,974,817.18
16	Under/(Over) Recovery of Fuel Costs (Line 15 - Line 14)	\$ 8,483,809.02	\$ 3,098,789.66	\$ 4,067,897.50	\$ 1,317,121.86
<b>Emissions Allowance Component (EA)</b>					
17	kWh Subject to FPP (Line 10)	1,689,501,133	618,788,151	808,115,996	262,596,986
18	EA Expense Allocated to FPP	\$ 4,635,442.00	\$ 1,697,753.57	\$ 2,217,207.65	\$ 720,480.78
19	EA Sales Margin Allocated to FPP	\$ (4,572,090.00)	\$ (1,674,550.59)	\$ (2,186,905.35)	\$ (710,634.06)
20	Net EA Cost (Line 18 + Line 19)	\$ 63,352.00	\$ 23,202.98	\$ 30,302.30	\$ 9,846.72
21	EA Expense Recovered in Base Rates (Line 17 x 0.0126 ¢/kWh)	\$ 212,877.14	\$ 77,867.31	\$ 101,822.62	\$ 33,087.21
22	EA Revenue in FPP (per books)	\$ 4,894,787.51	\$ 1,797,220.75	\$ 2,335,150.85	\$ 762,415.91
23	Under/(Over) Recovery of EA Costs (Line 20 - Line 21 - Line 22)	\$ (5,044,312.65)	\$ (1,851,985.08)	\$ (2,406,671.17)	\$ (785,658.40)
<b>Reconciliation Adjustment Amortization (RA)</b>					
24	RA Amount from 3rd Quarter Filing (spread evenly)	\$ (272,414.72)	\$ (579,894.56)	\$ 41,448.00	\$ 266,031.84
25	Actual RA recovery through FPP	\$ (359,564.41)	\$ (662,931.89)	\$ 43,307.17	\$ 260,060.31
26	Under/(Over) Recovery of RA (Line 24 - Line 25)	\$ 87,149.69	\$ 83,037.33	\$ (1,859.17)	\$ 5,971.53
<b>System Loss Component (SLA)</b>					
27	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
28	Total Losses Recovered in Base Rates (Line 10 x Line 27)	\$ 1,857,087.78	\$ 618,169.36	\$ 807,307.88	\$ 231,610.54
29	Actual SLA recovery through FPP	\$ 282,255.62	\$ 112,096.59	\$ 145,732.11	\$ 24,428.92
30	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,392,200.06	\$ 876,137.46	\$ 1,144,136.21	\$ 371,924.39
31	Under/(Over) Recovery of Losses (Line 30 - Line 28 - Line 29)	\$ 452,856.66	\$ 145,871.51	\$ 191,098.22	\$ 115,886.93
32	Net Under/(Over) Recovery of FPP Costs (Line 16+Line 26+Line 33+Line 36+Line 41)	\$ 3,979,502.72	\$ 1,475,713.42	\$ 1,850,485.38	\$ 653,323.92
33	Net Under/(Over) Recovery of FPP Costs (Page 5AE, Line 32)	\$ 3,951,324.80	\$ 1,466,799.29	\$ 1,837,893.26	\$ 646,832.25
34	Net Adjustment for December 2006 (Line 32 - Line 33) To Page 3 Line 15	\$ 28,177.92	\$ 8,914.13	\$ 12,572.12	\$ 6,891.67