

FILE

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter of the Application of Duke Energy Ohio, Inc. for an Increase in Gas Rates	))))	Case No. 07-589-GA-AIR
In the Matter of the Application of Duke Energy Ohio, Inc. for Approval of an Alternative Rate Plan for its Gas Distribution Service	)))))	Case No. 07-590-GA-ALT
In the Matter of the Application of Duke Energy Ohio, Inc. for Approval to Change Accounting Methods	)))	Case No. 07-591-GA-AAM

VOLUME 1

APPLICATION , MOTIONS,
ALTERNATIVE REGULATION SCHEDULES AND
SCHEDULES "A" THROUGH "D"

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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter of the Application of	)	
Duke Energy Ohio, Inc. for an	)	Case No. 07-589-GA-AIR
Increase in Gas Rates	)	
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Duke Energy Ohio, Inc. for Approval	)	Case No. 07-591-GA-AAM
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APPLICATION OF DUKE ENERGY OHIO, INC.

TO THE HONORABLE
THE PUBLIC UTILITIES COMMISSION OF OHIO:

1. Duke Energy Ohio, Inc. ("DE-Ohio") is an Ohio corporation engaged in the business of supplying natural gas to approximately 424,000 customers in southwestern Ohio, all of whom will be affected by this Application, and is a public utility as defined by R.C. 4905.02 and 4905.03.

2. This Application is made pursuant to R.C. 4909.18 and related sections of the Ohio Revised Code for authority to make changes and increases in gas rates applicable in incorporated communities and unincorporated territory within DE-Ohio's entire service area, which includes all or part of Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, Montgomery, and Warren Counties in Ohio. The gas rates that DE-Ohio seeks to change in its tariff, P.U.C.O. Gas No. 18, are as follows:

Rate RS, Residential Service, Sheet No. 30
Rate GS, General Service, Sheet No. 32
Rate RFT, Residential Firm Transportation Service, Sheet No. 33
Rate SAC, Retail Natural Gas Supplier and Aggregator Charges, Sheet No. 45
Rate IT, Interruptible Transportation Service, Sheet No. 51
Rate FT, Firm Transportation Service, Sheet No. 52
Rider AMRP, Accelerated Main Replacement Program, Sheet No. 65 ("Rider AMRP")
Rider GSR, Gas Surcredit Rider, Sheet No. 66
Rate MSR-G, Merger Savings Credit Rider, Sheet No. 69
Residential Conservation Service Program, Sheet No. 80

DE-Ohio also proposes the following new tariff schedules: (1) Rider AU – Advanced Utility, Sheet No. 88, to recover the costs for DE-Ohio's Utility of the Future project, which would apply to all customers; and (2) Rider SD – Sales Decoupling, Sheet No. 89, to annually adjust DE-Ohio's revenues to recover the difference between actual base revenues and the adjusted revenues as approved in this proceeding, and which would apply to all of DE-Ohio's sales and transportation customers except Rate IT customers. DE-Ohio also proposes: (1) changes to its service regulations to state that DE-Ohio assumes responsibility for the installation, maintenance, repair and replacement of the curb-to-meter service line, including the riser; (2) text changes to Rate FRAS – Full Requirements Aggregation Service, Sheet No. 44; and (3) text changes to Rider EFBS, Enhanced Firm Balancing Service, Sheet No. 50.

3. This Application is also made pursuant to R.C. 4929.11, which authorizes the Commission to approve automatic rate adjustments for natural gas service, and R.C. 4929.05 and related sections of the Ohio Revised Code for approval of an Alternative Regulation Plan ("Plan"). The automatic rate adjustments and the Plan consist of implementing Rider AMRP, Rider AU and Rider SD as annually-adjusted cost recovery mechanisms, as described herein. DE-Ohio proposes to extend Rider AMRP through 2015, with the following changes: (1) allowing the Company to recover costs for plastic main-to-

curb services and short sections of plastic pipe that DE-Ohio replaces as part of the AMRP; (2) allowing DE-Ohio to recover riser replacement costs through Rider AMRP; (3) eliminating the current rate caps that limit recovery from residential and interruptible customers; and (4) to reflect DE-Ohio's proposal to assume ownership of the curb-to-meter service, including the riser. Pursuant to R.C. 4929.05(A)(1) and (2), DE-Ohio states that it is in compliance with R.C. 4905.35. DE-Ohio is also in substantial compliance with the policy of this State as set forth in R.C. 4929.02 and will continue to be in substantial compliance with such policy after the Plan is implemented.

4. The Notice of Intent to file was served upon The Public Utilities Commission of Ohio ("Commission") and the mayor and legislative authority of each municipality affected by this Application on June 18, 2007, pursuant to R.C. 4909.43(B) and in compliance with the Commission's Standard Filing Requirements set forth in OAC 4901-7-1.

5. DE-Ohio proposes a test year consisting of the twelve-month period ending December 31, 2007, and a date certain for property valuation of March 31, 2007.

6. DE-Ohio estimates that the rate changes proposed herein, if granted in full, would increase gross revenues by \$34.1 million or 5.7% annually over the test period gross revenues generated from providing service to customers.

7. One of DE-Ohio's primary reasons for filing this Application is to generate sufficient revenues for DE-Ohio to pay its operating expenses, to service its debt, and to provide an adequate rate of return on its property used and useful in the rendition of gas service to its customers. DE-Ohio's current rates, authorized by the Commission in Case No. 01-1228-GA-AIR, are based on a date certain of March 31, 2001, and on an accounting test year for the twelve months ended December 31, 2001. Since that test year, the property

used and useful in the rendition of gas service to the customers affected by this Application has materially increased. As a result, the current rates are projected to provide a 5.62% rate of return for the proposed test period. This is substantially below the 9.27% return found reasonable for DE-Ohio by this Commission in DE-Ohio's last gas rate proceeding. The Company submits that a return of 8.73% is fair and reasonable.

8. DE-Ohio's other primary reason for filing this Application is to propose: (1) re-approval of Rider AMRP as a cost recovery mechanism for DE-Ohio's accelerated cast iron and bare steel replacement program; and (2) implementation of new Riders AU and SD. DE-Ohio began the AMRP in 2000. Under the program, DE-Ohio plans to replace all of the cast iron and bare steel mains and associated metallic services on its system by 2015. As of December 2006, DE-Ohio had approximately 604 miles of remaining twelve-inch and smaller diameter cast iron and bare steel mains on its distribution system. The cast iron and bare steel mains are quite aged, with some as old as 1873. This program will improve safety and reliability because the leak rate for DE-Ohio's cast iron and bare steel mains is higher than the leak rate for DE-Ohio's plastic and coated steel mains. Rider AU is a tracking mechanism that will allow DE-Ohio to recover the costs, and pass through to customers, the savings related to upgrade its distribution network, including installation of Advanced Metering Infrastructure. Rider SD will break the linkage between volumes sold and cost recovery by allowing the Company to recover the differences between actual base revenues and adjusted revenues as granted by the Commission in the Company's last base rate case (beginning with the pending proceeding, when approved by the Commission).

9. DE-Ohio proposes Riders AMRP, AU and SD in its standard rate application under R.C. 4909.18 and also under R.C. 4929.11 and R.C. 4929.05, in order to maximize flexibility in ratemaking treatment.

10. DE-Ohio has attached to this Application, as required by R.C. 4909.18 and the Commission's Standard Filing Requirements:

- (a) Schedule A-1, which provides certain financial data for the proposed test year and date certain; and Schedule A-2, which reports that DE-Ohio does not propose a mirrored CWIP revenue surcredit rider in this proceeding;
 - (b) Schedules B-1 through B-9, which report DE-Ohio's property used and useful in rendering gas service to those customers affected by this Application, as provided in R.C. 4909.05;
 - (c) Schedules C-1 through C-13, which contain:
 - (i) detailed schedules of DE-Ohio's receipts, revenues and incomes from all sources, DE-Ohio's operating costs and other expenditures, and certain adjustments which DE-Ohio deems applicable; and
 - (ii) a statement of the income and expense anticipated under this Application;
 - (d) Schedules D-1 through D-5, which, in conjunction with the schedules mentioned in paragraph 10(a) above, contain a statement of DE-Ohio's financial condition summarizing assets, liabilities, and net worth;
 - (e) Schedule E-1 through E-5, which set forth DE-Ohio's proposed tariff schedules, current tariff schedules, rationale for cost-of-service study; revenue summary at current and proposed rates, and typical bill comparisons;
 - (f) Schedule F, which sets forth the projected financial data for the twelve-month period beginning one month after the Application date with and without the proposed rate increase;
 - (g) Schedules S-1 and S-2, which provide certain capital expenditure and revenue requirement information;
 - (h) Schedule S-3, which is a proposed notice for newspaper publication, fully disclosing the substance of the Application and the specific requirements of R.C. 4909.18 (E); and
 - (i) Schedule S-4.1, which is an executive summary of the Company's corporate process, and Schedule S-4.2, which provides management policies and practices.
11. DE-Ohio has also attached to this Application, as required by R.C. 4929.05

and the Commission's Standard Filing Requirements for Alternative Regulation Plans set forth in OAC 4901:1-19-05:

- (a) Schedule Alt Reg A, which sets forth a detailed Alternative Rate Plan, including the facts and grounds upon which the Application is based, the Plan's elements, any transition plans, and the rationale for the initial proposed tariff changes;
- (b) Schedule Alt Reg B, which sets forth DE-Ohio's justification for deviating from traditional rate of return regulation, including DE-Ohio's rationale for its proposed Alternative Rate Plan, including how it better matches DE-Ohio's actual experience or performance in terms of costs and quality of service to its regulated customers;
- (c) Schedule Alt Reg C, which establishes that DE-Ohio does not propose to sever costs and rates;
- (d) Schedule Alt Reg D, which establishes that DE-Ohio has not been authorized to exempt any services under R.C. 4929.04;
- (e) Schedule Alt Reg E, which provides a complete matrix showing each rate, service or regulation that is included in the Plan and an explanation of how it may be affected during the term of the Plan;
- (f) Schedule Alt Reg F, which indicates that no potential issues concerning cross-subsidization of services are anticipated under the Plan;
- (g) Schedule Alt Reg G, which provides a detailed discussion of how DE-Ohio is in compliance with R.C. 4905.35; how DE-Ohio is in substantial compliance with the state policies specified in R.C. 4929.02; and how DE-Ohio will continue to be in substantial compliance with the state policies specified in R.C. 4929.02 after the Plan is implemented;
- (h) Schedule Alt Reg H, which provides certain financial data if the Plan is adopted;
- (i) Schedule Alt Reg I, which provides certain financial data if the Plan is not adopted; and
- (j) Schedule Alt Reg J, which lists the witnesses sponsoring each of the exhibits in DE-Ohio's Application.

12. At the time of filing this Application, no municipal corporation has in effect any ordinance or franchise that does, or will, regulate the rates or charges to any customer

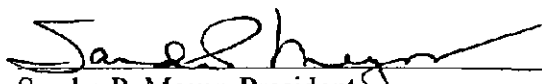
affected by this Application.

WHEREFORE, since the rates, prices, charges and other provisions in the current rate schedules do not yield just and reasonable compensation to DE-Ohio for supplying gas service to the customers to which they are applicable, do not yield a just and reasonable return to DE-Ohio on the value of the property used for furnishing gas service to such customers, and result in the taking of DE-Ohio's property for public use without compensation and without due process of law, DE-Ohio respectfully prays that your Honorable Commission:

- (a) Accept this Application for filing;
- (b) Find that this Application and the attached Schedules filed herewith and incorporated herein, are in accordance with R.C. 4909.18, 4929.11 and 4929.05, and the Rules of the Commission;
- (c) Approve the Form of Notice in Schedule S-3 filed herewith;
- (d) Find that the current rates, prices and charges for gas service are unjust, unreasonable and insufficient to yield reasonable compensation to DE-Ohio for the gas service rendered;
- (e) Find that the proposed rates, prices, and charges are just and reasonable based upon the test period for the twelve months ending December 31, 2007 and approve such schedules in the form tendered herewith;
- (f) Find that DE-Ohio is in compliance with R.C. 4905.35; that DE-Ohio is in substantial compliance with the state policies specified in R.C. 4929.02; and that DE-Ohio is expected to continue to be in substantial compliance with the state policies specified in R.C. 4929.02 after the plan is implemented;
- (g) Approve DE-Ohio's requested automatic rate adjustments pursuant to R.C. 4929.11;
- (h) Approve DE-Ohio's Alternative Rate Plan and authorize DE-Ohio to implement its Alternative Rate Plan;
- (i) Approve DE-Ohio's Application for Approval to Change Accounting Methods consistent with proposed Riders AMRP, AU and SD, including: (i) capitalizing its investment in service lines and risers; (ii) deferring costs related to Rider AMRP and Rider AU for subsequent recovery through the respective riders; and (iii) the calculated monthly Rider SD amounts for and reconciliation amounts for later recovery or pass-through to customers; and
- (j) Fix the date on or after which deliveries made are subject to the proposed rates.

Respectfully submitted,

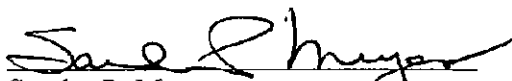
DUKE ENERGY OHIO, INC.


Sandra P. Meyer, President

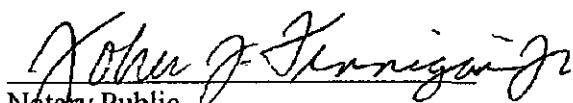
VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON)

I, SANDRA P. MEYER, President of Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc., being first duly sworn, hereby verify that the information contained in this Application is true and correct to the best of my knowledge, information and belief.

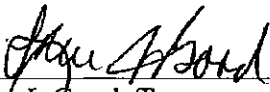

Sandra P. Meyer

Sworn to and subscribed in my presence this 16th day of July, 2007


Notary Public

JOHN J. FINNIGAN, JR. ATTORNEY AT LAW
NOTARY PUBLIC, STATE OF OHIO
My commission has no expiration
date. Section 147.03 O.R.C.



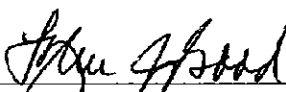


Lynn J. Good, Treasurer

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

I, LYNN J. GOOD, Vice President. and Treasurer of Duke Energy Corporation, and
Treasurer of Duke Energy Ohio, Inc., being first duly sworn, hereby verify that the
information contained in this Application is true and correct to the best of my knowledge,
information and belief.

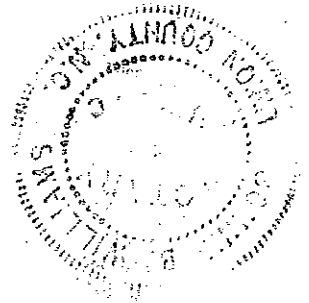


Lynn J. Good

Sworn to and subscribed in my presence this 13th day of July, 2007



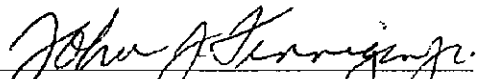
Notary Public



Company Official to be contacted regarding the Application:

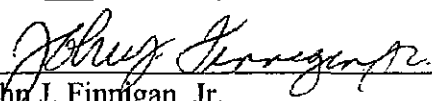
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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing Application and the accompanying Alternative Regulation Schedules were served on the following parties of record by first class, U.S. mail, postage prepaid this 18th day of July, 2007.


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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

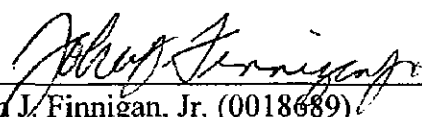
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**MOTION OF
DUKE ENERGY OHIO, INC.
FOR WAIVER OF OAC 4901:1-19-05(C)(2)(G) AND (H)**

Now comes Duke Energy Ohio, Inc. ("DE-Ohio"), Applicant herein, and states that it plans to file an application to seek an increase in its gas rates on or about July 18, 2007. In connection with such application, DE-Ohio moves that the Commission grant DE-Ohio a waiver, pursuant to OAC 4901:1-19-03, from the requirements under OAC 4901:1-19-05(c)(2)(g) and (h).

The grounds for this motion are set forth in the accompanying memorandum.

Respectfully submitted,



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MEMORANDUM IN SUPPORT

OAC 4901:1-19-03 provides that the Commission shall grant a utility a waiver from the filing requirements for an application for an alternative rate plan upon a showing of good cause. In determining whether good cause exists to support a request for waiver, the Commission is required to consider, among other factors, the following:

(1) Whether other information, which the utility would provide if the waiver is granted, is sufficient so that the commission staff can effectively and efficiently review the application.

* * *

(3) Whether the information, which is the subject of the waiver request, is reasonably available to the applicant from the information which it maintains or is reasonably obtainable by the applicant.

(4) The expense to the utility in providing the information which is the subject of the waiver request.

OAC 4901:1-09-03(A).

In the present case, all three factors support DE-Ohio's request for a waiver from the filing requirement set forth at OAC 4901:1-19-05(C)(2)(g) and (h). These filing requirements requires DE-Ohio to file the projected financial data required in Section F of the Standard Filing Requirements through the term of the Alternative Rate Plan showing the effects of the Plan and showing the effects if the Plan is not adopted.

The first factor for determining whether the Commission should waive this requirement inquires as to whether DE-Ohio would submit other information sufficient to allow the Commission staff to evaluate the rate application. This factor weighs in favor of granting the waiver.

The information that DE-Ohio will provide in its application will be sufficient to allow Commission Staff to evaluate this subject matter. By way of background, DE-Ohio's Alternative Rate Plan involves three tracking mechanisms: Rider AMRP, Rider AU and Rider SD. These riders are discussed in detail in Alternative Regulation Schedule A, which is incorporated herein by reference.

DE-Ohio will provide Staff with a great deal of information to evaluate the financial impact of these proposals. First, DE-Ohio will provide the estimated annualized revenue requirement attributable to Rider AMRP. This information is set forth in Attachment WDW-1 to the testimony of Mr. Don Wathen. DE-Ohio has provided financial information about the costs/benefits related to Rider AU in connection with the testimony of Mr. David Mohler. DE-Ohio will provide more detailed financial information relating to the costs/benefits of Rider AU in connection with each annual Rider AU filing. DE-Ohio has provided information with the testimony of Mr. Don Storck showing the declining throughput over the past several years, which forms the basis for the Company's proposal for Rider SD.

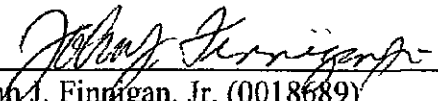
DE-Ohio has also provided Schedules S-1 and S-2, which contain the current five-year capital expenditures budget and the current five-year forecasted income statement, balance sheet and statement of changes in financial position. DE-Ohio has also provided Schedule F, which sets forth the projected financial data for the twelve-month period beginning one month after the application date with and without the proposed rate increase. Finally, if Commission Staff should require any additional information to evaluate this subject matter, DE-Ohio will timely provide such information in response to data requests.

The second factor for determining whether a waiver should be granted is whether the information is normally maintained by DE-Ohio or readily available to it. DE-Ohio does not normally maintain the information at issue in a form that would readily allow DE-Ohio to comply with this filing requirement, nor is the information readily available to DE-Ohio in such form. Quite simply, DE-Ohio does not maintain the Section F financial data for a forward period of ten years and such information would be difficult to prepare and would be fraught with assumptions that may or may not prove valid. As a result, this factor weighs in favor of granting the waiver.

Another factor in evaluating the waiver request is the expense to the utility in compiling the information. DE-Ohio estimates that it would require a substantial amount of management time to compile this information in a suitable format. Given such effort and the resultant cost, this factor dictates that the waiver should be granted.

Based on the foregoing, DE-Ohio respectfully requests that the Commission pursuant to OAC 4901:1-19-03, from the requirement under OAC 4901:1-19-05(C)(2)(g) and (h). DE-Ohio submits that good cause exists for this waiver request pursuant to OAC 4901:1-19-03(B) based on the foregoing reasons. DE-Ohio also submits that good cause exists for this waiver under OAC 4901:1-19-03(B) because the financial data necessary to evaluate the need for this waiver request was not available 30 days in advance of this filing.

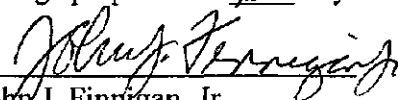
Respectfully submitted,



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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing Motion of Duke Energy Ohio, Inc. for Waiver of OAC 4901:1-19-05(C)(2)(h) and (g) was served on the following parties of record by first class, U.S. mail, postage prepaid this 15th day of July, 2007.


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**MOTION OF DUKE ENERGY OHIO, INC.
TO APPROVE THE FORM OF NOTICE**

To The Honorable
The Public Utilities Commission of Ohio:

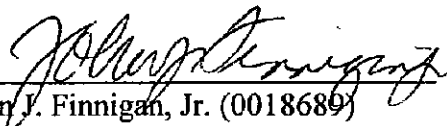
Now comes Duke Energy Ohio, Inc. ("DE-Ohio"), and represents that it has this day filed an application for authority to change its rates and charges for gas service in incorporated communities and unincorporated territory within its service area, pursuant to R.C. 4909.18. This application also contains a request for approval of annually adjusted rate mechanisms under R.C. 4929.11, an Alternative Regulation Plan under R.C. 4929.05, and an application to change accounting methods.

Filed herewith, identified as Schedule S-3 and made a part hereof, is a form of notice embodying the substance and prayer of the application hereinabove referred to and this day filed.

WHEREFORE, Applicant respectfully moves the Honorable Commission to issue an order approving the form of notice, Schedule S-3, filed herewith, for publication pursuant to Section 4909.19 of the Revised Code of Ohio.

Respectfully submitted,

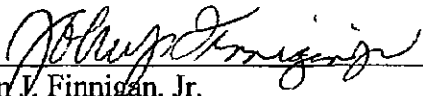
DUKE ENERGY OHIO, INC.


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Attorney for Applicant

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing Motion of Duke Energy Ohio, Inc. to Approve the Form of Notice was served on the following parties of record by first class, U.S. mail, postage prepaid this 8th day of July, 2007.



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SCHEDULE ALT REG A

ALTERNATIVE REGULATION PLAN OF

DUKE ENERGY OHIO, INC.

I. Facts and Grounds for the Application

A. Rider AMRP – Accelerated Main Replacement Program (“AMRP”), Sheet No. 65

Duke Energy Ohio, Inc. (“DE-Ohio”) launched a program in 2000 to replace all of its cast iron and bare steel gas mains of twelve inches diameter and less on an accelerated basis. DE-Ohio adopted this program to improve safety and reliability because the leak rate for DE-Ohio’s cast iron and bare steel mains is higher than the leak rate for DE-Ohio’s plastic and coated steel mains. As of December 31, 2006, DE-Ohio had approximately 604 miles of cast iron and bare steel mains of twelve inches diameter and less, some dating to 1873.

Local distribution companies (“LDC”) have used cast iron mains since the early 1800’s, when LDCs began to install distribution systems in urban areas. Cast iron was also used during the Great Depression and during World War II, when steel became scarce. The United States Department of Transportation (“DOT”) regulates the types of materials that can be used in gas transportation and distribution systems. In 1971, the DOT eliminated cast iron and bare steel from the list of approved materials for new construction.

Cast iron mains are more susceptible to leaks for various reasons. First, cast iron mains were installed without welding, making them more likely to leak at joints with bell and spigot connections or to break with rigid mechanical joint connections. Cast iron

1 mains are more susceptible to corrosion and graphitization because they typically do not
2 have coatings or cathodic protection. Cast iron mains also have more circumferential
3 fractures and longitudinal fractures.

4 Prior to 2000, DE-Ohio followed a cast iron and bare steel replacement program
5 that would have taken over 90 years to complete. The program was consistent with
6 generally accepted industry practice for cast iron and bare steel main replacement. Yet
7 the industry as a whole is accelerating the timetable for replacing these facilities. DE-
8 Ohio expects to spend \$558 million dollars from 2007 through 2015 to complete this
9 program. Under normal ratemaking principles, DE-Ohio would need to file frequent
10 general rate cases to recover these costs. As an alternative, DE-Ohio proposes to
11 implement Rider AMRP as a part of this Alternative Regulation Plan.

12 B. Rider AU – Advanced Utility (“AU”), Sheet No. 88

13 The Utility of the Future project is Duke Energy’s project to transform its gas and
14 electric transmission and distribution system utilizing an integrated, digital network –
15 much like a computer network – to produce operating efficiencies, enhanced customer
16 and utility information and communications, innovative services, and other benefits. A
17 key component of the Utility of the Future project is Advanced Metering Infrastructure
18 (“AMI”). AMI is a metering and communication system that records customer usage
19 data over frequent intervals, and transmits the data over an advanced communication
20 network to a centralized data management system. The usage data is made available to
21 the utility and customers on a timely basis.

1 DE-Ohio currently obtains gas and electric meter readings through monthly meter
2 readings by meter readers; drive-by meter readings using automated meter reading
3 equipment; and estimated meter readings by customers. Most meter readings are
4 monthly meter readings by meter readers. DE-Ohio uses meter readers who walk routes
5 once per month to read the meters. The meter readers either automatically record, or
6 manually key in, the usage data into a handheld electronic storage device. The stored
7 usage data is transmitted to DE-Ohio's billing system daily.

8 Several DE-Ohio customers have inside meters, which presents special
9 challenges. DE-Ohio maintains a "key room" containing keys to customers' homes,
10 where the customers voluntarily provided DE-Ohio with keys to enter the customers'
11 homes to perform the monthly meter readings, in case the customer is not at home when
12 the meter reader arrives. For the remaining customers with inside meters, if the customer
13 is not home when the meter reader arrives, the DE-Ohio meter readers must make repeat
14 visits to the customers' premises to obtain meter readings for a given time period, or DE-
15 Ohio must rely on meter readings estimated by the customers.

16 An AMI metering device for gas meters is a battery-powered microprocessor
17 installed "under-the-glass" of the meter. The microprocessor scans the dials of the
18 meters, and a telemetry device transmits the data either over a fixed network, or
19 wirelessly, using radio frequency. The signal is then transmitted to the utility where the
20 data is delivered to the utility's customer information and billing systems.

21 DE-Ohio expects that it will deploy the Utility of the Future project over the next
22 few years, assuming constructive regulatory treatment. Under normal ratemaking

1 principles, DE-Ohio would need to file frequent general rate cases to recover these costs.

2 As an alternative, DE-Ohio proposes this Alternative Regulation Plan.

3 C. Rider SD - Sales Decoupling ("SD")

4 DE-Ohio's current volumetric rate design doesn't allow DE-Ohio an adequate
5 opportunity to recover its base revenues due to the steadily declining throughput per
6 customer. The declining throughput occurs because furnaces are increasingly more
7 efficient, customers increasingly have better insulated homes, and customers have
8 responded to higher gas commodity prices. This creates a dilemma for DE-Ohio between
9 advocating for further conservation measures or attaining an adequate return by selling
10 more gas. By severing the relationship between cost recovery and customer throughput,
11 the utility can both recoup its legitimate costs and sponsor conservation. DE-Ohio
12 expects that Rider SD will eliminate the need for frequent general rate cases caused by
13 the steadily declining customer throughput that it has been experiencing.

14 II. Elements of DE-Ohio's Alternative Regulation Plan

15 A. Rider AMRP – Accelerated Main Replacement Program ("AMRP"), Sheet
16 No. 65
17

18 DE-Ohio's Alternative Regulation Plan consists of a rate mechanism that will
19 allow DE-Ohio to track and recover the costs of its accelerated cast iron and bare steel
20 replacement program through an annual adjustment to rates. This rate mechanism will
21 also pass through to customers the maintenance savings resulting from the cast iron and
22 bare steel replacement program. As such, the rate mechanism balances the costs and
23 benefits associated with this program. The Commission originally approved Rider

1 AMRP in Case No. 01-1228-GA-AIR; however, DE-Ohio was only authorized to seek
2 rate increases under Rider AMRP through 2007.

3 This rate mechanism is set forth in the Company's proposed tariffs as the
4 Accelerated Main Replacement Program Rider (Sheet No. 65, Rider AMRP). Rider
5 AMRP will take the form of a monthly throughput charge for customers receiving service
6 under Rates IT and SSIT, and a monthly customer charge for customers under all other
7 rate schedules. DE-Ohio proposes Rider AMRP in its base rate case, as an annually
8 adjusted rate mechanism, and as an Alternative Regulation Plan to provide flexibility in
9 ratemaking treatment.

10 Under Rider AMRP, DE-Ohio will continue to compute the revenue requirement
11 effect of both the return on, and return of, the net change in plant investment attributable
12 to this program and convert such amount into an annual revenue requirement. The
13 annual revenue requirement will include the depreciation expense on the new pipe that
14 DE-Ohio will install to replace the cast iron and bare steel main. Rider AMRP will also
15 continue to flow through to DE-Ohio ratepayers the benefit of reduced depreciation
16 expense attributable to the cast iron and bare steel removed from service. Rider AMRP
17 will also reflect the incremental property tax expense on the new mains that DE-Ohio
18 installs, net of the reduction in property tax expense from retiring existing cast iron and
19 bare steel mains.

20 This program will result in a reduction in the annual cost to repair and maintain
21 the cast iron and bare steel mains and associated services. The annual revenue

1 requirement mechanism will flow through to customers the net reduction in approved
2 maintenance costs attributable to this program.

3 DE-Ohio will operate its mains at higher pressures following replacement of the
4 cast iron and bare steel mains. DE-Ohio will replace related inside meters as necessary to
5 mitigate the safety risk associated with higher operating pressures. DE-Ohio will
6 continue to capitalize these costs and recover the costs through Rider AMRP. DE-Ohio
7 will also replace associated metallic service lines under this program. DE-Ohio formerly
8 expensed these costs and recovered the costs through Rider AMRP. DE-Ohio proposes
9 to modify Rider AMRP to reflect DE-Ohio's proposal to assume ownership of the curb-
10 to-meter service, including risers, so DE-Ohio will now capitalize these costs.

11 Rider AMRP will reflect the construction activity under the accelerated cast iron
12 and bare steel replacement program from the prior calendar year. Beginning with the
13 next annual Rider AMRP proceeding, Rider AMRP will allocate the required revenue
14 increase based on the revenue distribution approved in DE-Ohio's current rate
15 proceeding. In subsequent years, the allocation will be made based on actual base
16 revenues collected by rate class during the preceding calendar year.

17 After this proposal is approved, DE-Ohio will continue to file each annual Rider
18 AMRP adjustment on or about the last day of February each year, to be effective May 1.
19 The filing and rate adjustment in the first year may be postponed if the Commission
20 renders its Order after May 1. The filing will be subject to Commission review and
21 intervention by interested parties, similar to the Gas Cost Recovery process, and DE-Ohio

1 will have the burden to prove the valuation as of the date certain of such property used
2 and useful in rendering public utility service.

3 Due to the regulatory lag under the cast iron and bare steel replacement program,
4 DE-Ohio proposes to defer depreciation and to continue accruing AFUDC from the date
5 the new mains are placed in service until such time as recovery begins through Rider
6 AMRP. The annual AMRP filings will reflect such accounting treatment.

7 Attachment WDW-1 to the testimony of Mr. Don Wathen illustrates how the
8 annual revenue requirement will be calculated under Rider AMRP. Line 40 reflects the
9 flow-through of the net reduction in approved maintenance costs arising from the
10 program. The total annual increase or decrease in the annual revenue requirement is
11 identified by summing the capital and operating revenue requirement amounts.

12 Given the ability to recover the depreciation and carrying costs related to the
13 capital investment, less net change in operating expense, DE-Ohio will have less need to
14 file frequent rate case applications. If, however, DE-Ohio files a general rate case during
15 the AMRP period, the program investment and adjusted operating expense will be
16 included in base rates and Rider AMRP will be reset to zero. DE-Ohio proposes to
17 continue Rider AMRP increases through 2015. If the Company has not filed an
18 application for a general gas rate increase prior to 2016, the Company commits to making
19 such a filing in 2016 to incorporate the Rider AMRP rate base and revenue requirement
20 into base rates, and to eliminate Rider AMRP.

21 DE-Ohio also proposes to change Rider AMRP to: (a) include recovery of costs
22 for the accelerated riser replacement program; (b) reflect removal of the current Rider

1 AMRP rate caps; (c) allow DE-Ohio to recover costs for plastic main-to-curb services
2 and short sections of plastic pipe that DE-Ohio replaces as part of the AMRP; and (d) to
3 reflect DE-Ohio's proposal to assume ownership of the curb-to-meter service, including
4 the riser.

5 B. Rider AU – Advanced Utility ("AU"), Sheet No. 88

6 Rider AU is a tracking mechanism that would allow DE-Ohio to recover the costs,
7 and pass through to customers the savings, related to the Utility of the Future project.
8 Rider AU would operate similar to Rider AMRP in that DE-Ohio would make an annual
9 filing seeking approval to recover the revenue requirement related to the Utility of the
10 Future project. Similar to Rider AMRP, Rider AU will flow through to customers the
11 O&M savings attributable to the Utility of the Future project.

12 For implementing Rider AU, DE-Ohio proposes to follow a similar schedule to
13 that used for Rider AMRP. DE-Ohio will make a November 1 pre-filing using nine
14 months of actual data and three months of estimated data of Rider AU costs/benefits for
15 the current calendar year. DE-Ohio will update the filing by February 28 with an
16 application and twelve months of actual data for Rider AU costs/benefits. DE-Ohio will
17 use its best efforts to resolve any stakeholder objections by April 1, and DE-Ohio
18 requests that, if any Commission hearing is required to resolve stakeholder objections,
19 that such hearing be held in early April, such that the new Rider AU rates can be
20 implemented with the May billing cycle. Mr. Paul Smith explains Rider AU in more
21 detail.

1 In addition, DE-Ohio commits that it will file a deployment plan with the
2 Commission by August 1 annually, setting forth the Utility of the Future deployment
3 activities that DE-Ohio plans to make during the following calendar year, the expected
4 costs that DE-Ohio expects to incur, how the customer benefits will be calculated, and the
5 rate impacts. Absent any Commission ruling to the contrary by October 1 each year, DE-
6 Ohio requests that such expenditures be presumed to be prudent such that, if any
7 stakeholder seeks asserts in a subsequent Rider AU proceeding or a subsequent general
8 rate proceeding that such expenditures were imprudent, then that stakeholder shall bear
9 the burden of proof the expenditures were imprudent and should be disallowed.

10 Finally, DE-Ohio recognizes that, in modern times, technologies occasionally
11 become obsolete within a short time frame – as seen with personal computers, cellular
12 phones and music formats, to name a few examples. If, therefore, some change occurs in
13 technology, customer needs or DE-Ohio's business operations occurs, such that DE-Ohio
14 determines that all or part of the Utility of the Future project should be suspended or
15 abandoned, then DE-Ohio requests that it be permitted to recover such costs, even though
16 the costs might not meet the Commission's traditional "used and useful" standard for cost
17 recovery, as long as the costs were subject to Commission review and approval as part of
18 DE-Ohio's annual deployment plan.

19 If the Commission approves DE-Ohio's request to implement Rider AU, DE-Ohio
20 would file its first deployment plan by August 1, 2008, and its first pre-filing for recovery
21 of Rider AU rates in November 2008.

22 C. Rider SD - Sales Decoupling ("SD")

1 Rider SD would apply to all of DE-Ohio's sales and transportation customers
2 except Rate IT customers. Rider SD breaks the linkage between volumes sold and
3 cost recovery. DE-Ohio will recover the differences between Actual Base Revenues
4 and Adjusted Order Granted Base Revenues for the applicable Rate Schedules.
5 Actual Base Revenues are defined as weather normalized monthly base revenues for
6 each Rate Schedule, prior to the Rider SD adjustments. Adjusted Order Granted Base
7 Revenues are defined as the monthly base revenues for each applicable Rate Schedule
8 as approved in DE-Ohio's last general gas rate case, adjusted to reflect the base
9 revenue impact from any change in number of customers from the levels reflected in
10 the last rate case. To calculate the base revenue impact from the change in number of
11 customers, Order Granted Base Revenue per customer is multiplied by the change in
12 the number of customers since the like month during the test year of DE-Ohio's last
13 general gas rate case, with the product being added to the Order Granted Base
14 Revenues for such month.

15 DE-Ohio will defer the calculated differences between weather normalized Actual
16 Base Revenues and Adjusted Order Granted Base Revenues for subsequent return or
17 recovery via Rider SD. DE-Ohio will reflect, annually, in a revised Rider SD, the
18 accumulated monthly differences between Actual Base Revenues and Adjusted Order
19 Granted Base Revenues.

20 The accumulated monthly differences for each Rate Schedule will be divided
21 by projected sales volumes to determine the applicable Rider SD amount. Projected
22 and actual recoveries by Rate Schedule under Rider SD will be reconciled, with any

1 under or over recovery being recovered or returned via Rider SD over the next twelve
2 months.

3 III. Transition Plans

4 DE-Ohio does not propose any transition plans under its Alternative Regulation
5 Plan. Rider AMRP will be set at zero when the Commission approves the Plan.

6 IV. Rationale for Proposed Tariff Changes

7 Section II, above, serves as the rationale for the proposed tariff changes/new
8 tariffs proposed by DE-Ohio. *See also* the testimony of Mr. Don Wathen, Mr. Gary
9 Hebbeler, Mr. David Mohler and Mr. Don Storck.

SCHEDULE ALT REG B

JUSTIFICATION OF
DUKE ENERGY OHIO, INC.
FOR DEVIATION FROM
TRADITIONAL RATE OF RETURN REGULATION

Schedule Alt Reg A discusses the operational and financial need, and the Company and customer benefits, for Duke Energy Ohio, Inc.'s ("DE-Ohio") accelerated cast iron and bare steel pipe replacement program, Utility of the Future program and sales decoupling proposal. DE-Ohio should be permitted to deviate from traditional rate of return regulation for several reasons.

The Alternative Regulation Plan ("Plan") is an innovative cost recovery mechanism that provides benefits to customers and preserves certain features of the traditional ratemaking process. The Plan follows traditional ratemaking practice in several respects. Rider AMRP requires DE-Ohio to make an annual filing on the pipe installed during the previous year and DE-Ohio will bear the burden of proving both the valuation as of the date certain and that the property is used and useful in rendering service. The same process applies for Rider AU. Rider SD will involve an annual reconciliation of actual base revenues versus adjusted order granted base revenues. These annual proceedings will be filed with and subject to review by the Commission. Staff will review the filing and interested parties may intervene, similar to a traditional base rate case process.

The Plan benefits customers in several respects. Rider AMRP enhances the safety and reliability of DE-Ohio's distribution system. The Plan also benefits customers

1 because Rider AMRP will flow through to customers the maintenance savings
2 attributable to reduced leak maintenance arising from the program. Rider AU will benefit
3 customers by passing through the savings associated with the Utility of the Future
4 project, and giving customers access to timely usage information. Rider SD will benefit
5 customers by aligning the interests of customers and DE-Ohio by removing DE-Ohio's
6 economic disincentive to promote energy conservation, and providing clearer pricing
7 signals to customers. Customers also benefit to the extent that DE-Ohio would need to
8 file fewer general gas rate cases than it might otherwise need to file.

9 The Plan tends to match the cost of natural gas service to the service that causes
10 the costs to be incurred, which satisfies the state policy goal embodied in R.C. §
11 4929.01(A). The Plan also tends to match DE-Ohio's performance in terms of costs and
12 quality of service to regulated customers because DE-Ohio will bear the burden of proof
13 in the annual Rider AMRP and Rider AU proceedings and these proceedings will be
14 subject to Commission review and subject to intervention by all interested parties. Rider
15 SD better enables DE-Ohio to earn its authorized return by moving away from current
16 volumetric rate design.

17 Finally, the Plan tends to avoid the regulatory lag associated with the traditional
18 ratemaking process and also avoids the cost, time and effort associated with frequent
19 general rate case filings.

1 SCHEDULE ALT REG C

2 STATEMENT OF
3 DUKE ENERGY OHIO, INC.
4 REGARDING SEVERING OF COSTS AND RATES

5 Pursuant to OAC 4901:1-19-05(C)(2)(c), Duke Energy Ohio, Inc. states that its

6 Alternative Regulation Plan does not result in a severing of costs and rates.

1 SCHEDULE ALT REG D

2 STATEMENT OF
3 DUKE ENERGY OHIO, INC.
4 REGARDING EXEMPT SERVICES

5 Pursuant to OAC 4901:1-19-05(C)(2)(d), Duke Energy Ohio, Inc. states that it has
6 not been authorized to exempt any services under R. C. 4929.04.

SCHEDULE ALT REG E

MATRIX OF DUKE ENERGY OHIO, INC.
OF RATES, SERVICES AND REGULATIONS AFFECTED BY THE PLAN

<u>Sheet No.</u>	<u>Name</u>	<u>Explanation</u>
21.5	Service Regulations Section II – Supplying And Taking of Service, Part 7 – Customer’s Responsibility	Will be amended to provide that the Company will install new service lines, including risers, and will also perform maintenance, repair and replace the service line, including the riser, as needed, at its expense. The Company will own and will be responsible for repair or replacement of the service line from that point forward. When the Company encounters metallic services associated with the cast iron and bare steel mains, the Company will replace these services and recover the costs through Rider AMRP. The Company will also continue to use Rider AMRP to recover the cost of moving AMRP-related inside meters to an outside location. The Company will also recover riser replacement costs through Rider AMRP. For all other costs relating to installing new services or performing maintenance, repair or replacement of services, the Company will recover the cost of its investment through the traditional ratemaking process.

22.5	Service Regulations Section III – Customer’s and Company’s Installations; Part 3 – Installation, Repair and Replacement of Lines	Same as above
65.5	Rider AMRP – Accelerated Main Replacement Program	Provides annual adjustment to rates to allow DE-Ohio to recover the cost of its accelerated cast iron and bare steel main replacement program. Must be amended to: (a) include recovery of costs for the accelerated riser replacement program; (b) reflect removal of the current Rider AMRP rate caps; (c) allow DE-Ohio to recover costs for plastic main-to-curb services and short sections of plastic pipe that DE-Ohio replaces as part of the AMRP; and (d) to reflect DE-Ohio’s proposal to assume ownership of the curb-to-meter service, including the riser;
88	Rider AU – Advanced Utility	Provides annual adjustment to rates to allow DE-Ohio to recover the costs of its Utility of the Future program.
89	Rider SD – Sales Decoupling	Provides annual adjustment to rates to allow DE-Ohio to recover the difference between actual base revenues and adjusted order granted base revenues.

1 SCHEDULE ALT REG F

2 STATEMENT OF
3 DUKE ENERGY OHIO, INC.
4 REGARDING CROSS-SUBSIDIZATION OF SERVICES

5 Pursuant to OAC 4901:1-19-05(C)(2)(f), Duke Energy Ohio, Inc. states that it
6 does not expect any cross-subsidization of services to occur under its Alternative
7 Regulation Plan.

1 SCHEDULE ALT REG G

2 STATEMENT OF
3 DUKE ENERGY OHIO, INC.
4 REGARDING COMPLIANCE WITH
5 R.C. 4905.35 AND 4929.02

6 Pursuant to OAC 4901:1-19-05(C)(2)(g), Duke Energy Ohio, Inc. ("DE-Ohio")
7 states that it is compliance with R.C. 4905.35. This statute prohibits a public utility from
8 making or giving any undue or unreasonable preference or advantage, or causing any
9 undue or unreasonable prejudice or disadvantage, to any person, firm, corporation or
10 locality. DE-Ohio currently provides service in compliance with this statute. Further, to
11 the best of its knowledge, information and belief, DE-Ohio currently has no complaints
12 pending against it that allege any violation of this statute.

13 Under the Alternative Regulation Plan ("Plan"), DE-Ohio will charge all
14 customer classes under Rider AMRP for the cost of replacing cast iron and bare steel
15 mains and associated metallic services, as well as the costs for replacing AMRP-related
16 inside meters. These mains are located throughout DE-Ohio's distribution system.
17 Further, DE-Ohio operates its system on an integrated basis, such that DE-Ohio recovers
18 the cost of installing, operating and maintaining its distribution system and metering from
19 all customers. In this respect, the Plan tends to benefit all customers equally.

20 DE-Ohio's service regulations currently provide that the customer owns and is
21 responsible for installing, repairing and replacing the service piping from DE-Ohio's
22 point of delivery to the inlet of the meter connection. This service piping includes the
23 riser. DE-Ohio will revise these service regulations to provide that DE-Ohio will install
24 new service lines, including risers, and replace existing service lines and/or risers when

1 needed, at DE-Ohio's expense. The Company will own and be responsible for future
2 installations of new services lines and risers, and repair or replacement of the service line
3 and riser from that point forward. DE-Ohio will recover these costs through the
4 traditional ratemaking process, except that DE-Ohio will utilize Rider AMRP to recover:
5 (1) the costs of AMRP-related metallic services; (2) the costs of moving AMRP-related
6 inside meters to outside locations; and all costs for riser replacements.

7 This will not result in a preference to customers who own or paid for repairs to
8 their service lines or risers because the purpose of installing new service lines and risers
9 properly, and replacing existing service lines and risers, is to improve the safety and
10 reliability of DE-Ohio's entire distribution system. All customers will benefit from such
11 improved safety and reliability, not merely those customers whose service lines and risers
12 are installed or replaced.

13 The same considerations apply for Rider AU. The costs associated with the
14 Utility of the Future project will be allocated to all customers in an equitable manner. All
15 customers will benefit from the reduction in operation and maintenance expense
16 associated with installing the Advanced Metering Infrastructure, which is a key part of
17 the Utility of the Future project. All customers will realize these operation and
18 maintenance costs savings on a comparable basis as the cost savings will be flowed
19 through Rider AU.

20 Similarly, Rider SD does not result in any unreasonable preference or advantage,
21 or cause any unreasonable prejudice or disadvantage. The annual rate adjustment
22 provided for by Rider SD applies to all customer classes except customers taking service

1 under Rate IT. Rider SD does not apply to Rate IT customers because these customers
2 take interruptible transportation service from the Company, and generally can elect to
3 switch to other competitive fuel sources. Applying Rider SD to these customers may
4 cause some of the customers to switch to such competitive fuel sources, and thus result in
5 this customer class being allocated a smaller portion of the Company's fixed costs, which
6 would disadvantage all other customer classes. Exempting Rate IT customers from Rider
7 SD therefore is reasonable.

8 For all of the foregoing reasons, DE-Ohio's Plan complies with R.C. 4905.35.

9 Pursuant to OAC 4901:1-19-05(C)(2)(g), DE-Ohio further states that the Plan
10 meets several of the state policy goals set forth in R.C. § 4929.02. The Plan promotes the
11 availability to consumers of adequate, reliable and reasonably priced service (R.C. §
12 4929.02(A)(1)) because as DE-Ohio replaces its cast iron and bare steel mains and
13 associated services, DE-Ohio's distribution service will become substantially safer and
14 more reliable and DE-Ohio's services will be more reasonably priced due to maintenance
15 savings. Rider AU is expected to result in reduced meter reading, billing and call center
16 costs. Rider AMRP, Rider AU and Rider SD will ultimately lead to cost-avoidance from
17 fewer general rate case filings.

18 DE-Ohio's Plan is an innovative program for providing cost-effective supply
19 services (R.C. § 4929.02(A)(4)) because the Plan will allow DE-Ohio to replace these
20 mains and associated services and implement Advanced Metering Infrastructure in an
21 efficient, cost-effective manner that passes through O&M savings to customers and
22 avoids the costs of a series of pancaked rate cases over the next several years.

1 The Plan will better enable DE-Ohio to support natural gas-fired merchant power
2 plants and distributed generation. This will allow DE-Ohio to provide innovative,
3 supply-side services (R.C. § 4929.02(A)(4). By allowing DE-Ohio to support merchant
4 plants and distributed generation, the Plan recognizes the continuing emergence of
5 competitive natural gas markets through the development and implementation of flexible
6 regulatory treatment (R.C. § 4929.02(A)(6)). The Plan will allow DE-Ohio to upgrade its
7 distribution system in an efficient manner, thus enabling DE-Ohio to provide safer, more
8 reliable and more cost-effective service to its customers, which will enhance the State's
9 competitiveness in the global economy (R.C. § 4929.02(A)(10)).

10 The Plan will continue to provide these benefits during and after the term of the
11 AMRP and the Utility of the Future program. DE-Ohio therefore will be in compliance
12 with the state policies set forth in R.C. 4929.92 after the Plan is implemented.

1 SCHEDULE ALT REG H

2 STATEMENT OF
3 DUKE ENERGY OHIO, INC.
4 REGARDING FINANCIAL DATA
5 IF PLAN IS ADOPTED

6 Pursuant to OAC 4901:1-19-05(C)(2)(H), Duke Energy Ohio, Inc. ("DE-Ohio")
7 states that it has filed a waiver regarding the financial data required by this section. Other
8 information is available in other parts of this filing, which will allow for proper
9 evaluation of the financial impact if the Plan is adopted. Such other information is
10 described below.

11 DE-Ohio has provided the estimated annualized revenue requirement attributable
12 to Rider AMRP for 2007 through 2015. This information is set forth in Attachment
13 WDW-1 to the testimony of Mr. Don Wathen. DE-Ohio will supply an estimated
14 cost/benefit analysis and annualized revenue requirement for Rider AU as part of the
15 annual Rider AU proceedings, as discussed in the testimony of Mr. David Mohler. Mr.
16 Don Storck's testimony provides the background for the financial impacts of declining
17 customer throughput, and the rationale for Rider SD.

18 DE-Ohio has provided Schedules S-1 and S-2, which contain the current five-year
19 capital expenditures budget and the current five-year forecasted income statement,
20 balance sheet and statement of changes in financial position. DE-Ohio has also provided
21 Schedule F, which sets forth the projected financial data for the twelve-month period
22 beginning one month after the Application date with and without the proposed rate increase.

1 Upon request by the Commission or any other interested party, DE-Ohio will
2 make available additional financial data relating to the financial impact if the Plan is
3 adopted.

1 SCHEDULE ALT REG I

2 STATEMENT OF
3 DUKE ENERGY OHIO, INC.
4 REGARDING FINANCIAL DATA
5 IF PLAN IS NOT ADOPTED

6 Duke Energy Ohio, Inc. ("DE-Ohio") states that it has filed a waiver request
7 regarding the financial data required by OAC 4901:1-19-05(C)(2)(i) because other
8 information is available in other parts of this filing, which will allow for proper
9 evaluation of the financial impact if the Plan is not adopted. Such other information is
10 described below.

11 DE-Ohio has provided the estimated annualized revenue requirement attributable
12 to the tracker for 2007 through 2015. This information is set forth in Attachment WDW-
13 1 to the testimony of Mr. Don Wathen.

14 DE-Ohio has provided Schedules S-1 and S-2, which contain the current five-year
15 capital expenditures budget and the current five-year forecasted income statement,
16 balance sheet and statement of changes in financial position. DE-Ohio has also provided
17 Schedule F, which sets forth the projected financial data for the twelve-month period
18 beginning one month after the Application date with and without the proposed rate increase;

19 Upon request by the Commission or any other interested party, DE-Ohio will
20 make available additional financial data relating to the financial impact if the Plan is not
21 adopted.

SCHEDULE ALT REG J

LIST OF WITNESSES FOR
DUKE ENERGY OHIO, INC
ALTERNATIVE REGULATION PLAN

Pursuant to OAC 4901:1-19-05(C)(2)(j), Duke Energy Ohio, Inc. ("DE-Ohio")

provides the following list of witnesses in support of its Alternative Regulation Plan:

Schedule Witness

Alt Reg A Gary Hebbeler (Rider AMRP); Don Wathen (Rider AMRP); David Mohler (Rider AU); Don Storck (Rider SD); Paul Smith (Riders AMRP, AU and SD)

Alt Reg B Paul Smith

Alt Reg C Paul Smith

Alt Reg D Paul Smith

Alt Reg E Jim Ziolkowski

Alt Reg F Paul Smith

Alt Reg G Paul Smith

Alt Reg H Paul Smith

Alt Reg I Paul Smith

PUBLIC UTILITIES COMMISSION OF OHIO

CASE NO. 07-589-GA-AIR

DATE: July 18, 2007

GENERAL APPLICATION FOR CHANGE IN
GAS DISTRIBUTION RATES BEFORE
PUBLIC UTILITIES COMMISSION OF OHIO

NAME: DUKE ENERGY OHIO, INC.
ADDRESS: 139 EAST FOURTH STREET
CINCINNATI, OHIO 45202

COMPANY OFFICIAL TO BE CONTACTED
PERTAINING TO RATE CASE MATTERS: Paul G. Smith, Vice President - Rates

TELEPHONE: AREA CODE 513 NUMBER 419-5180

FILING DATE: July 18, 2007

ATTORNEYS FOR APPLICANT:

NAME: John J. Finnigan, Jr. (0018689)
Associate General Counsel
ADDRESS: Duke Energy Ohio, Inc.
2500 AT II, 139 East Fourth Street
Cincinnati, Ohio 45202

TELEPHONE: (513) 287-3601

APPROVED TEST YEAR: December 31, 2007

APPROVED DATE CERTAIN: March 31, 2007

*** FOR COMMISSION USE ONLY ***

DATE RECEIVED BY COMMISSION _____

DOCKET NUMBER ASSIGNED _____

RECEIVED BY _____

DATE ACCEPTED _____

ACCEPTED BY _____

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

CASE NO. 07-589-GA-AIR

IN THE MATTER OF THE APPLICATION
OF THE DUKE ENERGY OHIO
FOR AUTHORITY TO INCREASE
ITS GAS DISTRIBUTION RATES FOR SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION A

SECTION A
REVENUE REQUIREMENTS
DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR

Test Year: Twelve Months Ended December 31, 2007

Date Certain: March 31, 2007

Schedule

- A-1 Overall financial summary
- A-2 Calculation of Mirrored CWIP Revenue Sur-Credit Rider

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE A-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	JURISDICTIONAL PROPOSED TEST YEAR
1	Rate Base	B-1	702,414,915
2	Current Operating Income	C-1	39,491,958
3	Earned Rate of Return (Line 2 / Line 1)		5.62%
4	Requested Rate of Return	D-1A	8.73%
5	Required Operating Income (Line 1 x Line 4)		61,320,822
6	Operating Income Deficiency (Line 5 - Line 2)		21,828,864
7	Gross Revenue Conversion Factor	C-10	1.5641209
8	Revenue Deficiency (Line 6 x Line 7)		34,142,982
9	Revenue Increase Requested	C-1	34,142,702
10	Adjusted Operating Revenues	C-1	597,573,805
11	Revenue Requirements (Line 9 + Line 10)		631,716,507

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

CASE NO. 07-589-GA-AIR

IN THE MATTER OF THE APPLICATION
OF THE DUKE ENERGY OHIO
FOR AUTHORITY TO INCREASE
ITS GAS DISTRIBUTION RATES FOR SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION B

SECTION B

RATE BASE

DUKE ENERGY OHIO

CASE NO. 07-589-GA-AIR

Test Year: Twelve Months Ended December 31, 2007

Date Certain: March 31, 2007

Schedules

B-1	Jurisdictional rate base summary
B-2	<i>Plant in service summary by major property groupings</i>
B-2.1	Plant in service by accounts and sub-accounts
B-2.2	Adjustments to plant in service
B-2.3	Gross additions, retirements and transfers
B-2.4	Leased property
B-2.5	Property excluded from rate base
B-3	Reserve for accumulated depreciation
B-3.1	Adjustments to the reserve for accumulated depreciation
B-3.2	Depreciation accrual rates and jurisdictional reserve balances by accounts
B-3.3	Depreciation reserve accruals, retirements, and transfers
B-3.4	Depreciation Reserve and Expense for leased property
B-4	Construction work in progress
B-4.1	Construction work in progress - percent complete (time)
B-4.2	Construction work in progress - percent complete (dollars)
B-5	Allowance for working capital
B-5.1	Miscellaneous working capital items
B-6	Other rate base items summary
B-6.1	Adjustments to other rate base items
B-6.2	Contributions in aid of construction by accounts and sub-accounts
B-7	Jurisdictional allocation factors
B-7.1	Jurisdictional allocation statistics
B-7.2	Explanation of changes in allocation procedures
B-8	Gas data
B-9	Mirrored CWIP allowances

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
JURISDICTIONAL RATE BASE SUMMARY
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	COMPANY PROPOSED AMOUNT
1	Plant In Service	B-2	\$ 1,103,871,272
2	Reserve for Accumulated Depreciation	B-3	<u>(326,291,081)</u>
3	Net Plant In Service (Line 1+ Line 2)		777,580,191
4	Construction Work In Progress	B-4	0
5	Cash Working Capital	B-5	0
6	Material and Supplies	B-5	52,715,085
7	Customer Service Deposits	B-5	(5,654,204)
8	Other Items:		
9	Customer Advances for Construction	B-6	(5,659,192)
10	Contributions in Aid of Construction (a)	B-6	0
11	Postretirement Benefits	B-6	(5,508,703)
12	Investment Tax Credits	B-6	(396,361)
13	Deferred Income Taxes	B-6	(116,742,026)
14	Other Rate Base Adjustments	B-6	<u>6,080,125</u>
15	Jurisdictional Rate Base (Line 3 thru Line 14)		<u>\$ 702,414,915</u>

(a) Contributions in aid of construction are already
netted against gross plant per FPC Order No. 490.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PLANT IN SERVICE SUMMARY BY MAJOR PROPERTY GROUPINGS
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	MAJOR PROPERTY GROUPINGS	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
		\$		\$	\$	\$
1	Production	9,569,082	100.00	9,569,082	0	9,569,082
2	Distribution	1,036,945,703	100.00	1,036,945,703	0	1,036,945,703
3	General	15,863,607	100.00	15,863,607	0	15,863,607
4	Common (Allocated to Gas)	41,849,712	100.00	41,849,712	(356,832)	41,492,880
5	Other (specify)					
6	TOTAL	1,104,228,105		1,104,228,104	(356,832)	1,103,871,272

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2007

MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.1
PAGE 1 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
				\$		\$	\$	\$
1	304	2040	Land and Land Rights	427,814	100.00	427,814		427,814
2	304	2041	Rights of Way	4,147	100.00	4,147		4,147
3	305	2050	Structures & Improvements	3,705,658	100.00	3,705,658		3,705,658
4	311	2110	Liquefied Petroleum Gas Equipment	5,401,368	100.00	5,401,368		5,401,368
5	320	2200	Other Equipment	30,095	100.00	30,095		30,095
6			Total Manufactured Gas Production Plant	9,569,082		9,569,082		9,569,082

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2007

DISTRIBUTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.1
PAGE 2 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
				\$		\$	\$	\$
1	374	2740	Land and Land Rights	133,008	100.00	133,008		133,008
2	374	2741	Rights of Way	6,817,467	100.00	6,817,467		6,817,467
3	374	2742	City Gate Check Station	3,663	100.00	3,663		3,663
4	375	2750	Structures & Improvements	1,132,021	100.00	1,132,021		1,132,021
5	376	2761	Mains - Cast Iron & Copper	12,417,594	100.00	12,417,594		12,417,594
6	376	2762, 2767	Mains - Steel	256,465,460	100.00	256,465,460		256,465,460
7	376	2763, 2768	Mains - Plastic	314,553,206	100.00	314,553,206		314,553,206
8	376	2765, 2769	Mains - Feeder	75,595,527	100.00	75,595,527		75,595,527
9	378	2780	System Meas. & Reg. Station Equipment	14,431,020	100.00	14,431,020		14,431,020
10	378	2781	System Meas. & Reg. Station Equipment-Elec	2,839,554	100.00	2,839,554		2,839,554
11	378	2782	District Regulating Equipment	3,240,252	100.00	3,240,252		3,240,252
12	379	2790	Meas. & Reg. - City Gate	263,232	100.00	263,232		263,232
13	380	2801	Services- Cast Iron & Copper	9,935,057	100.00	9,935,057		9,935,057
14	380	2802, 2804	Services-Steel	18,686,179	100.00	18,686,179		18,686,179
15	380	2803, 2805, 2807	Services-Plastic	219,123,546	100.00	219,123,546		219,123,546
16	381	2810, 2811	Meters	35,629,894	100.00	35,629,894		35,629,894
17	382	2820, 2821	Meter Installations	24,898,583	100.00	24,898,583		24,898,583
18	383	2830, 2831	House Regulators	17,660,726	100.00	17,660,726		17,660,726
19	384	2840, 2841	House Regulator Installations	12,496,754	100.00	12,496,754		12,496,754
20	385	2850	Large Industrial Meas. & Reg. Equipment	2,749,950	100.00	2,749,950		2,749,950
21	385	2851	Large Industrial Meas. & Reg. Equipment - Comm	726,303	100.00	726,303		726,303
22	387	2870	Other Equipment - Other	76,253	100.00	76,253		76,253
23	387	2871	Street Lighting Equipment	765,241	100.00	765,241		765,241
24	388		Gas ARO	6,305,213	100.00	6,305,213		6,305,213
25			Total Distribution Plant	1,036,945,703		1,036,945,703		1,036,945,703

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2007

GENERAL PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.1
PAGE 3 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
				\$		\$	\$	\$
1	000	2030	Miscellaneous Intangible Plant	4,848,935	100.00	4,848,935		4,848,935
2	389	2890	Land	0	100.00	0		0
3	390	2900	Structures & Improvements	1,823,807	100.00	1,823,807		1,823,807
4	391	2910	Office Furniture & Equipment	679,592	100.00	679,592		679,592
5	391	2911	Electronic Data Processing Equipment	0	100.00	0		0
6	392	2920	Transportation Equipment	76,251	100.00	76,251		76,251
7	392	2921	Trailers	512,305	100.00	512,305		512,305
8	394	2940	Tools, Shop & Garage Equipment	7,451,609	100.00	7,451,609		7,451,609
9	395	2950	Laboratory Equipment	234,056	100.00	234,056		234,056
10	396	2960	Power Operated Equipment	118,621	100.00	118,621		118,621
11	397	2970	Communication Equipment	118,431	100.00	118,431		118,431
12			Total General Plant	15,863,607		15,863,607		15,863,607
13			Total Gas Plant	1,062,378,392		1,062,378,392		1,062,378,392

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2007

COMMON PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.1
PAGE 4 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
				\$		\$	\$	\$
1		1030	Miscellaneous Intangible Plant	97,231,124	100.00	97,231,124		97,231,124
2		1890	Land and Land Rights	2,121,648	100.00	2,121,648		2,121,648
3		1891	Rights of Way	37,969	100.00	37,969		37,969
4		1900	Structures & Improvements	91,476,285	100.00	91,476,285	(1,798,890)	89,677,395
5		1910	Office Furniture & Equipment	15,135,378	100.00	15,135,378	(38,681)	15,096,697
6		1911	Electronic Data Processing Equipment	0	100.00	0		0
7		1920	Transportation Equipment	85,312	100.00	85,312		85,312
8		1921	Trailers	389,753	100.00	389,753		389,753
9		1930	Stores Equipment	663,997	100.00	663,997		663,997
10		1940	Tools, Shop & Garage Equipment	1,209,959	100.00	1,209,959	(56,502)	1,153,457
11		1950	Laboratory Equipment	9,888	100.00	9,888		9,888
12		1960	Power Operated Equipment	42,047	100.00	42,047		42,047
13		1970	Communication Equipment	15,313,973	100.00	15,313,973		15,313,973
14		1980	Miscellaneous Equipment	317,530	100.00	317,530	(16,165)	301,365
15			Total Common Plant	224,034,863		224,034,863	(1,910,238)	222,124,625
16		18.68%	Common Plant Allocated to Gas	41,849,712		41,849,712	(356,832)	41,492,880
17			Total Gas Plant Including Allocated Common	1,104,228,104		1,104,228,104	(356,832)	1,103,871,272

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ADJUSTMENTS TO PLANT IN SERVICE
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	ALLOCATION %	JURISDICTIONAL ADJUSTMENT
1	COMMON PLANT			\$		\$
2		1900	Structures & Improvements	(1,798,890)	100.00	(1,798,890)
3		1910	Office Furniture & Equipment	(38,681)	100.00	(38,681)
4		1940	Tools, Shop & Garage Equipment	(56,502)	100.00	(56,502)
5		1980	Miscellaneous Equipment	(16,165)	100.00	(16,165)
6			Total Common Plant	(1,910,238)		(1,910,238)
7		18.68%	Common Allocated to Gas	(356,832)		(356,832)

Description and Purpose of Adjustment:
To eliminate from rate base the Hartwell Recreation Facilities
not used by the company.

DUKE ENERGY OHIO
CASE NO. 07-589-CA-AIR
GROSS ADDITIONS, RETIREMENTS & TRANSFERS
FROM APRIL 1, 2001 TO MARCH 31, 2007
MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-2.3a through WPB-2.3n

SCHEDULE B-23
PAGE 1 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	AMOUNT	TRANSFERS/RECLASSIFICATIONS		ENDING BALANCE
								EXPLANATION OF TRANSFER	OTHER ACCTS. INVOLVED	
				\$	\$	\$	\$			\$
1	304	2040	Land	108,651	0	4,758	323,921			427,814
2	304	2041	Rights of Way	4,147						4,147
3	305	2050	Structures & Improvements	3,454,459	623,968	475,743	102,974			3,705,658
4	311	2110	Liquefied Petroleum Gas Equipment	4,401,596	1,400,091	403,705	3,386			5,401,368
5	320	2200	Other Equipment	30,085						30,085
6			Total Manufactured Gas Production Plant	7,998,948	2,024,059	884,206	430,281			9,599,082

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
GROSS ADDITIONS, RETIREMENTS & TRANSFERS
FROM APRIL 1, 2001 TO MARCH 31, 2007

GENERAL PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-2.3a through WPB-2.3n

SCHEDULE B-2.3
PAGE 3 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

TRANSFERS/RECLASSIFICATIONS												
LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ADDITIONS		RETIREMENTS		AMOUNT	EXPLANATION		ENDING BALANCE
						\$		\$		OF TRANSFER	OTHER ACCTS. INVOLVED	
				\$	\$		\$	\$	\$		\$	
1	000	2030	Miscellaneous Intangible Plant	1,248,694	2,387,497	0	0	1,202,744			4,848,935	
2	389	2890	Land	46,782	0	46,782	0	0			0	
3	390	2900	Structures & Improvements	215,467	829,604	84,987	863,723				1,823,807	
4	391	2910	Office Furniture & Equipment	822,426	302,735	651,057	205,488				679,592	
5	391	2911	Electronic Data Processing Equipment	141,147	0	141,147	0				0	
6	392	2920	Transportation Equipment	4,318,354	0	4,242,103	0				76,251	
7	392	2921	Trailers	421,690	174,240	83,625	0				512,305	
8	394	2940	Tools, Shop & Garage Equipment	5,937,888	1,405,552	1,365,844	1,474,013				7,451,609	
9	395	2950	Laboratory Equipment	348,059	0	114,003	0				234,056	
10	396	2960	Power Operated Equipment	1,152,517	0	1,033,896	0				118,621	
11	397	2970	Communication Equipment	19,350	99,081	0	0				118,431	
12			Total General Plant	14,672,374	5,208,709	7,763,444		3,745,968			15,863,607	
13			Total Gas Plant	664,005,513	447,495,185	53,423,629		4,301,323			1,062,378,392	

DUKE ENERGY OHIO
CASE NO. 07-689-GA-AIR
GROSS ADDITIONS, RETIREMENTS & TRANSFERS
FROM APRIL 1, 2001 TO MARCH 31, 2007

COMMON PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-2.3a through WPB-2.3n

SCHEDULE B-2.3
PAGE 4 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS/RECLASSIFICATIONS			ENDING BALANCE
							AMOUNT	EXPLANATION OF TRANSFER	OTHER ACCTS. INVOLVED	
				\$	\$	\$	\$			\$
1		1030	Miscellaneous Intangible Plant	73,064,714	52,144,862	26,749,703	(1,228,749)			97,231,124
2		1890	Land and Land Rights	3,140,612	0	695,043	(323,921)			2,121,648
3		1891	Rights of Way	37,969	0	0	0			37,969
4		1900	Structures & Improvements	89,758,086	21,555,188	18,611,071	(1,225,918)			91,476,285
5		1910	Office Furniture & Equipment	16,716,103	1,099,136	2,589,824	(90,037)			15,135,378
6		1911	Electronic Data Processing Equipment	242,220	278,301	242,220	(278,301)			0
7		1920	Transportation Equipment	918,838	29,262	833,528	(29,262)			85,312
8		1921	Trailers	174,930	265,687	50,864	0			388,753
9		1930	Stores Equipment	1,082,063	0	418,066	0			663,997
10		1940	Tools, Shop & Garage Equipment	1,021,820	436,025	238,751	(9,136)			1,209,959
11		1950	Laboratory Equipment	15,551	0	5,663	0			9,888
12		1960	Power Operated Equipment	127,622	0	85,575	0			42,047
13		1970	Communication Equipment	6,445,687	8,988,298	7,350	(112,662)			15,313,973
14		1980	Miscellaneous Equipment	66,260	266,827	15,557	0			317,530
15			Total Common Plant (Excluding Organization)	152,812,475	85,063,587	50,543,213	(3,297,986)			224,034,863
16		18.68%	Common Plant Allocated to Gas	36,017,370	15,889,878	9,441,472	(516,064)			41,849,712
17			Total Gas Plant Including Allocated Common	700,022,883	463,385,063	62,865,101	3,685,259			1,104,228,104

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
LEASED PROPERTY
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

IDENTIFICATION OR REFERENCE NUMBER	DESCRIPTION OF TYPE AND USE OF PROPERTY	NAME OF LESSOR	FREQUENCY OF PAYMENT	AMOUNT OF LEASE PAYMENT	DOLLAR VALUE OF PROPERTY INVOLVED	EXPLAIN METHOD OF CAPITALIZATION	INCLUDED IN RATE BASE (YES/NO)
2811 & 2821	Meters & Meter Installations	Bank of America	Monthly	\$195,917	\$18,916,123	Per Regulatory and GAAP Guidelines	Yes
1900	Fourth & Walnut (Clopay) (1)	Jones Lang LaSalle			\$4,671,209		Yes
1900	Atrium II (1)	Atrium II Development Co.			\$257,952		Yes
2831 & 2841	Regulators & Regulator Installations	Bank of America	Monthly	\$ 133,292	\$ 12,869,047		Yes

(1) These expenditures are capitalized as Leasehold Improvements and are included in Account 1900.
These improvements are amortized over the life of the lease.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN RATE AREA ALLOCATION)
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5
PAGE 2 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	COMPANY ACCT. NO.	DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	ACCUM. DEPRE.	NET ORIGINAL COST	TEST YEAR		REASON FOR EXCLUSION
							REVENUE & EXPENSES	ACCT. NO.	
1	1910	Office Furniture & Equipment	1988	2,631	1,516	1,115			Hartwell Recreation Facilities
2			1990	8,436	4,343	4,093			
3			1991	25,107	12,152	12,955			
4			1992	2,507	1,136	1,371			
5		Total		38,681	19,147	19,534			

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN RATE AREA ALLOCATION)
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5
PAGE 3 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	COMPANY ACCT. NO.	DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	ACCU. DEPRE.	NET ORIGINAL COST	TEST YEAR		REASON FOR EXCLUSION
							REVENUE	EXPENSES	
							AMOUNT	NO.	
1	1940	Tools, Shop & Garage Equipment	1982	573	415	158			Hartwell Recreation Facilities
2			1983	584	406	178			
3			1984	2,436	1,621	815			
4			1988	1,276	700	576			
5			1989	11,754	6,104	5,650			
6			1990	4,808	2,356	2,452			
7			1991	18,522	8,535	9,987			
8			1993	16,549	6,657	9,892			
9		Total		56,502	26,794	29,708			

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PROPERTY EXCLUDED FROM RATE BASE
(FOR REASONS OTHER THAN RATE AREA ALLOCATION)
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5
PAGE 4 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	COMPANY ACCT. NO.	DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	ACCUM. DEPRE.	NET ORIGINAL COST	TEST YEAR			REASON FOR EXCLUSION
							REVENUE & EXPENSES			
							AMOUNT	NO.	DESCRIP.	
1	1980	Miscellaneous Equipment	1989	2,004	1,841	163				Hartwell Recreation Facilities
2			1990	8,902	7,717	1,185				
3			1993	5,259	3,742	1,517				
4		Total		16,165	13,300	2,865				
5		Grand Total - Hartwell Recreation Facilities		1,910,238	377,426	1,532,812				
6							0	408	Prop Tax	Expenses related to Hartwell Recreation Facilities
7							0	920	O & M	
8							1,579	921	O & M	
9							0	926	O & M	
10							0	935	O & M	
11		Total					1,579			

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2007
MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3
PAGE 1 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY INVESTMENT		TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
				\$		\$			\$	\$
1	304	2040	Land and Land Rights	427,814		(2,113)	100.00	(2,113)		(2,113)
2	304	2041	Rights of Way	4,147		3,701	100.00	3,701		3,701
3	305	2050	Structures & Improvements	3,705,658		3,219,859	100.00	3,219,859		3,219,859
4	311	2110	Liquefied Petroleum Gas Equipment	5,401,368		4,436,324	100.00	4,436,324		4,436,324
5		2200	Other Equipment	30,095		34,582	100.00	34,582		34,582
6		108	Retirement Work in Progress			(2,537)	100.00	(2,537)		(2,537)
7			Total Manufactured Gas Production Plant	9,569,082		7,689,816		7,689,816		7,689,816

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2007

DISTRIBUTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3
PAGE 2 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY		ALLOCATION %	ALLOCATED TOTAL		ADJUSTMENTS	ADJUSTED JURISDICTION
				PLANT INVESTMENT	COMPANY		\$	\$		
1	374	2740	Land and Land Rights	133,008	3,536	100.00	3,536			3,536
2	374	2741	Rights of Way	6,817,467	482,664	100.00	482,664			482,664
3	374	2742	City Gate Check Station	3,663	0	100.00	0			0
4	375	2750	Structures & Improvements	1,132,021	459,668	100.00	459,668			459,668
5	376	2761	Mains - Cast Iron & Copper	12,417,594	13,408,156	100.00	13,408,156			13,408,156
6	376	2762,2767	Mains - Steel	256,465,450	98,672,591	100.00	98,672,591			98,672,591
7	376	2763,2768	Mains - Plastic	314,553,206	44,029,578	100.00	44,029,578			44,029,578
8	376	2765,2769	Mains - Feeder	75,595,527	29,963,663	100.00	29,963,663			29,963,663
9	378	2780	System Meas. & Reg. Station Equipment	14,431,020	2,775,058	100.00	2,775,058			2,775,058
10	378	2781	System Meas. & Reg. Station Equipment-Elec	2,839,554	1,953,264	100.00	1,953,264			1,953,264
11	378	2792	District Regulating Equipment	3,240,252	1,815,418	100.00	1,815,418			1,815,418
12	379	2790	Meas. & Reg. - City Gate Station	263,232	249,149	100.00	249,149			249,149
13	380	2801	Services- Cast Iron & Copper	9,935,057	11,099,246	100.00	11,099,246			11,099,246
14	380	2802,2804	Services-Steel	18,686,179	7,884,426	100.00	7,884,426			7,884,426
15	380	2803,2805,2807	Services-Plastic	219,123,546	57,601,833	100.00	57,601,833			57,601,833
16	381	2810,2811	Meters	35,629,894	9,191,415	100.00	9,191,415			9,191,415
17	382	2820,2821	Meter Installations	24,898,583	8,128,151	100.00	8,128,151			8,128,151
18	383	2830,2831	House Regulators	17,660,726	3,124,309	100.00	3,124,309			3,124,309
19	384	2840,2841	House Regulator Installations	12,496,754	2,101,903	100.00	2,101,903			2,101,903
20	385	2850	Large Industrial Meas. & Reg. Equipment	2,749,950	1,048,946	100.00	1,048,946			1,048,946
21	385	2851	Large Industrial Meas. & Reg. Equipment - Com	726,303	305,119	100.00	305,119			305,119
22	387	2870	Other Equipment - Other	76,253	55,027	100.00	55,027			55,027
23	387	2871	Street Lighting Equipment	765,241	441,116	100.00	441,116			441,116
24		108	Retirement Work in Progress		(3,012,486)	100.00	(3,012,486)			(3,012,486)
25	388		Gas ARO	6,305,213	2,620,401	100.00	2,620,401			2,620,401
26			Total Distribution Plant	1,036,945,703	294,382,149		294,382,149			294,382,149

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2007

GENERAL PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3
PAGE 3 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY INVESTMENT	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
				\$	\$		\$	\$	\$
1	000	2030	Miscellaneous Intangible Plant	4,848,935	3,483,408	100.00	3,483,408		3,483,408
2	389	2890	Land	0	0	100.00	0		0
3	390	2900	Structures & Improvements	1,823,807	333,504	100.00	333,504		333,504
4	391	2910	Office Furniture & Equipment	679,592	202,658	100.00	202,658		202,658
5	391	2911	Electronic Data Processing Equipment	0	(31,917)	100.00	(31,917)		(31,917)
6	392	2920	Transportation Equipment	76,251	92,666	100.00	92,666		92,666
7	392	2921	Trailers	512,305	310,919	100.00	310,919		310,919
8	394	2940	Tools, Shop & Garage Equipment	7,451,609	2,642,013	100.00	2,642,013		2,642,013
9	395	2950	Laboratory Equipment	234,056	87,071	100.00	87,071		87,071
10	396	2960	Power Operated Equipment	118,621	56,101	100.00	56,101		56,101
11	397	2970	Communication Equipment	118,431	56,686	100.00	56,686		56,686
12		108	Retirement Work in Progress		185,171	100.00	185,171		185,171
13			Total General Plant	15,863,607	7,418,280		7,418,280		7,418,280
14			Total Gas Plant	1,062,378,392	309,490,245		309,490,245		309,490,245

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2007

COMMON PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3
PAGE 4 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.I.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY INVESTMENT		TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL		ADJUSTMENTS	ADJUSTED JURISDICTION
				\$	\$	\$		\$	\$		
1		1030	Miscellaneous Intangible Plant	97,231,124		61,176,513	100.00	61,176,513			61,176,513
2		1890	Land and Land Rights	2,121,648		106,907	100.00	106,907			106,907
3		1891	Rights of Way	37,969		0	100.00	0			0
4		1900	Structures & Improvements	91,476,285		15,763,018	100.00	15,763,018		(318,185)	15,444,833
5		1910	Office Furniture & Equipment	15,135,378		7,626,533	100.00	7,626,533		(19,147)	7,607,386
6		1911	Electronic Data Processing Equipment	0		0	100.00	0			0
7		1920	Transportation Equipment	85,312		85,282	100.00	85,282			85,282
8		1921	Trailers	389,753		108,603	100.00	108,603			108,603
9		1930	Stores Equipment	663,997		304,138	100.00	304,138			304,138
10		1940	Tools, Shop & Garage Equipment	1,209,959		390,340	100.00	390,340		(26,794)	363,546
11		1950	Laboratory Equipment	9,888		7,267	100.00	7,267			7,267
12		1960	Power Operated Equipment	42,047		42,046	100.00	42,046			42,046
13		1970	Communication Equipment	15,313,973		4,954,136	100.00	4,954,136		(13,300)	4,954,136
14		1980	Miscellaneous Equipment	317,530		87,350	100.00	87,350			87,350
15		108	Retirement Work in Progress			(334,471)	100.00	(334,471)			(334,471)
16			Total Common Plant	224,034,863		90,317,662		90,317,662		(377,426)	89,940,236
17		18.68%	Common Plant Allocated to Gas								
18		18.68%	Original Cost	41,849,712		16,871,339	100.00	16,871,339		(70,503)	16,800,836
19			Total Gas Plant Including Allocated Common	1,104,228,104		326,361,584		326,361,584		(70,503)	326,291,081

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	ALLOCATION %	JURISDICTIONAL ADJUSTMENT
	Common Plant			\$		\$
1		1900	Structures & Improvements	318,185	100.00	318,185
2		1910	Office Furniture & Equipment	19,147	100.00	19,147
3		1940	Tools, Shop & Garage Equipment	26,794	100.00	26,794
4		1980	Miscellaneous Equipment	13,300	100.00	13,300
5			Total	377,426		377,426
6		18.68%	Common Allocated to Gas	70,503		70,503

Description and Purpose of Adjustment:
To eliminate from rate base the portion of Hartwell Recreation Facilities not used by the company.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
DEPRECIATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS, FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
AS OF MARCH 31, 2007

MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3.2
PAGE 1 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO. (A)	F.E.R.C. ACCT. NO. (B-1)	COMPANY ACCT. NO. (B-2)	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION		CURRENT ACCRUAL RATE (F)	CALCULATED DEPR. EXPENSE (G=DxF)	% NET SALVAGE (H)	AVERAGE SERVICE LIFE (I)	CURVE FORM (J)
				PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)					
				\$	\$	%	\$			
1	304	2040	Land and Land Rights	427,814	(2,113)			Perpetual Life		
2	304	2041	Rights of Way	4,147	3,701	2.00		0	50	SQ
3	305	2050	Structures & Improvements	3,705,658	3,219,889	2.10	77,819	-5.00%	50	R2.5
4	311	2110	Liquefied Petroleum Gas Equipment	5,401,368	4,435,324	2.61	140,976	-5.00%	40	R1.5
5	320	2200	Other Equipment	30,095	34,582	7.14	2,149	0.00%	14	L0.5
6		108	Retirement Work in Progress		(2,537)					
7			Total Manufactured Gas Production Plant	9,569,082	7,689,816		220,944			

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
DEPRECIATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS, FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
AS OF MARCH 31, 2007

GENERAL PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3.2
PAGE 3 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO. (A)	F.E.R.C. ACCT. NO. (B-1)	COMPANY ACCT. NO. (B-2)	ACCOUNT TITLE OR MAJOR PROPERTY GROUPING (C)	ADJUSTED JURISDICTION PLANT INVESTMENT (D)	ACCUMULATED BALANCE (E)	CURRENT ACCRUAL RATE (F)	CALCULATED DEPR. EXPENSE (G=DxF)	% NET SALVAGE (H)	AVERAGE SERVICE LIFE (I)	CURVE FORM (J)
				\$	\$	%	\$			
1	000	2030	Miscellaneous Intangible Plant	4,848,935	3,483,408	Various	410,976	0	Perpetual Life	5
2	389	2890	Land	0	0		0			
3	390	2900	Structures & Improvements	1,823,807	333,504	3.33	60,733	0	0	30
4	391	2910	Office Furniture & Equipment	679,592	202,658	5.00	33,980	0	0	20
5	391	2911	Electronic Data Processing Equipment	0	(31,917)		0			
6	392	2920	Transportation Equipment	76,251	92,666		0		Depr. Charged to Transp. Exp.	
7	392	2921	Trailers	512,306	310,919		0		Depr. Charged to Transp. Exp.	
8	394	2940	Tools, Shop & Garage Equipment	7,451,609	2,642,013	4.00	298,064	0	0	25
9	395	2950	Laboratory Equipment	234,056	87,071	6.67	15,612	0	0	15
10	396	2960	Power Operated Power Equipment	118,621	56,101		0		Depr. Charged to Transp. Exp.	
11	397	2970	Communication Equipment	118,431	56,696	5.58	6,608	0	0	15
12		108	Retirement Work in Progress		185,171		0			
13			Total General Plant	15,863,607	7,418,280		825,973			
14			Total Gas Plant	1,062,378,392	309,480,245		26,931,485			

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
DEPRECIATION RESERVE ACCOUNTS, RETIREMENTS AND TRANSFERS
FROM APRIL 1, 2001 TO MARCH 31, 2007
MANUFACTURED GAS PRODUCTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-3.3a through WPB-3.3n

SCHEDULE B-3.3
PAGE 1 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ACCRUAL	SALVAGE	RETIREMENTS	COST OF REMOVAL	TRANSFERS/RECLASSIFICATIONS		ENDING BALANCE
									EXPLANATION OF TRANSFER	OTHER ACCTS. INVOLVED	
				\$	\$	\$	\$	\$	AMOUNT		\$
1	304	2040	Land	0	0	0	4,758	0	2,845		(2,113)
2	304	2041	Rights of Way	3,300	401	0	0	0	0		3,701
3	305	2050	Structures & Improvements	3,151,853	454,397	0	475,743	(86,543)	809		3,219,859
4	311	2110	Liquefied Petroleum Gas Equipment	4,084,757	694,736	0	403,705	(60,322)	214		4,436,324
5	320	2200	Other Equipment	30,085	4,487	0	0	0	0		34,582
6	108		Retirement Work in Progress	(5,492)	0	0	(2,855)	0	0		(2,537)
7			Total Manufactured Gas Production Plant	7,264,513	1,164,021	0	881,251	(148,865)	3,668		7,689,816

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
DEPRECIATION RESERVE ACCOUNTS, RETIREMENTS AND TRANSFERS
FROM APRIL 1, 2001 TO MARCH 31, 2007
DISTRIBUTION PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-3.3a through WPB-3.3n

SCHEDULE B-3.3
PAGE 2 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ACCRUAL	SALVAGE	RETIREMENTS	COST OF REMOVAL	TRANSFERS/RECLASSIFICATIONS			ENDING BALANCE
									AMOUNT	EXPLANATION OF TRANSFER	OTHER ACCTS. INVOLVED	
1	374	2740	Land	3,536	0	38,101	32,612	1,312	\$	\$	\$	\$
2	374	2741	Rights of Way	195,517	265,147	0	0	0	(4,177)			3,536
3	374	2742	City Gate Check Station	0	0	0	0	0	1,000			462,564
4	375	2750	Structures & Improvements	388,383	121,673	0	43,118	7,760	0			0
5	376	2761-2769	Mains	128,214,584	81,149,765	506,593	19,789,166	1,969,442	(28,326)			459,668
6	378	2780	System Meas. & Reg. Station Equipment - General	565,321	2,380,646	0	275,903	18,653	143,547			186,073,968
7	378	2781	System Meas. & Reg. Station Equipment - Electric	1,233,887	854,958	0	128,472	10,369	3,260			2,775,058
8	378	2782	Distict Regulating Equipment	1,250,043	706,129	0	135,214	15,540	0			1,953,264
9	378	2790	Meas. & Reg - City Gate	106,544	142,605	0	0	0	0			1,815,418
10	380	2801-2807	Services	61,120,757	35,725,623	40,181	21,411,605	1,914,309	24,858			249,149
11	381	2810, 2811	Meters	6,468,203	4,175,404	0	1,458,940	0	(13,292)			76,585,505
12	382	2820, 2821	Meter Installations	5,864,050	2,955,328	0	677,896	0	(14,331)			9,191,415
13	383	2830, 2831	House Regulators	1,662,685	1,441,614	0	0	0	0			8,128,151
14	384	2840, 2841	House Regulator Installations	1,704,930	1,207,041	0	810,068	0	0			3,124,309
15	385	2850	Large Industrial Meas. & Reg. Equipment	486,748	570,669	0	2,819	6,863	0			2,101,903
16	385	2851	Other Equipment - Other	172,751	132,368	0	0	0	0			1,048,946
17	387	2870	Street Lighting Equipment	29,501	25,526	0	0	0	0			305,119
18	387	2871	Retirement Work in Progress	288,102	154,194	0	466	704	(10)			55,027
19			Gas ARO	(120,575)	0	0	2,891,913	0	0			441,116
20	388	108		0	2,620,401	0	0	0	0			(3,012,486)
21			Total Distribution Plant	207,684,978	137,611,081	584,865	47,667,892	3,943,942	113,059			294,382,149

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
DEPRECIATION RESERVE ACCOUNTS, RETIREMENTS AND TRANSFERS
FROM APRIL 1, 2001 TO MARCH 31, 2007
GENERAL PLANT

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-3.3a through WPB-3.3n

SCHEDULE B-3.3
PAGE 3 OF 4
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	F.E.R.C. ACCT. NO.	COMPANY ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ACCRUAL	SALVAGE	RETIREMENTS	COST OF REMOVAL	TRANSFERS/RECLASSIFICATIONS			ENDING BALANCE
									EXPLANATION OF TRANSFER	AMOUNT	OTHER ACCTS. INVOLVED	
				\$	\$	\$	\$	\$		\$		\$
1	000	2030	Miscellaneous Intangible Plant	908,908	2,335,681	0	0	0		238,818		9,483,408
2	389	2880	Land	0	0	168,660	46,782	(10,944)		(132,822)		0
3	390	2900	Structures & Improvements	160,718	218,188	43,149	84,987	2,397		(1,188)		333,504
4	391	2910	Office Furniture & Equipment	255,290	271,324	310,847	651,057	15,613		31,887		202,658
5	391	2911	Electronic Data Processing Equipment	6,415	102,815	0	141,147	0		0		(31,917)
6	392	2920	Transportation Equipment	4,030,270	204,115	403,544	4,242,103	(65,651)		(368,811)		32,866
7	392	2921	Trailers	144,725	236,691	2,015	83,625	(4,224)		7,888		310,919
8	394	2940	Tools, Shop & Garage Equipment	2,211,989	1,618,195	500	1,365,844	0		177,173		2,842,013
9	395	2950	Laboratory Equipment	81,611	119,463	0	114,003	0		0		87,071
10	396	2960	Power Operated Equipment	820,210	77,153	348,411	1,033,896	(37,608)		(193,385)		56,101
11	397	2970	Communication Equipment	8,403	48,277	0	0	0		0		56,686
12		108	Retirement Work in Progress	415,251	0	0	230,080	0		0		185,171
13			Total General Plant	9,043,798	5,230,902	1,277,126	7,993,524	(100,417)		(240,439)		7,418,280
14			Total Gas Plant	223,983,289	143,986,004	1,861,991	56,642,667	3,664,660		(123,712)		308,490,245

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
DEPRECIATION RESERVE AND EXPENSE FOR LEASED PROPERTY
(TOTAL COMPANY)
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-3.4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

IDENTIFICATION OR REFERENCE NUMBER	ACCT. NO.	ACCOUNT TITLE	DOLLAR VALUE OF PLANT INVESTMENT	ACCUMULATED DEPRECIATION/ AMORTIZATION RESERVE		ACCRUAL RATE/ AMORTIZATION PERIOD	DEPRECIATION/ AMORTIZATION EXPENSE		EXPLAIN METHOD OF DEPRECIATION/AMORTIZATION	INCLUDED IN RATE BASE (YES/NO)
				\$	\$		\$	%		
	2811	Meters	10,135,991	787,557	2.2100	2.2100	224,005	Per Regulatory and	Yes	
	2821	Meter Installations	8,202,331	536,494	2.3300	2.3300	191,114	GAAP Guidelines		
	2831	Regulators	7,418,186	302,499	1.8800	1.8800	139,462			
	2841	Regulator Installations	5,984,355	264,209	2.0800	2.0800	124,475			
	1900	Structures & Improvements								
		Fourth & Walnut (Clonay) (a)	53,852	53,852	20.0000	20.0000	(b)		Yes	
		Fourth & Walnut (Clonay) (a)	700,921	700,921	17.1429	17.1429	(b)			
		Fourth & Walnut (Clonay) (a)	3,916,435	3,916,523	3.4000	3.4000	133,159			
		Atrium II (a)	257,952	157,107	7.8335	7.8335	20,207		Yes	

(a) These expenditures are capitalized as Leasehold Improvements and are included in Account 1900.

These improvements are amortized over the life of the lease.

(b) Fully Amortized.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
CONSTRUCTION WORK IN PROGRESS
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No. (A)	Project No. (B)	Description of Project (C)	Accumulated Costs		Total Cost (F=D+E)	Allocation % (G)	Total Jurisdictional Cost at Date Certain (H)	Estimated Physical Percent Completion (I)
			Construction Dollars (D)	AFUDC Capitalized (E)				

Pollution Control Projects:

1 The Company has not included any Construction Work in Progress in this Rate Case.

Other Projects:

2 The Company has not included any Construction Work in Progress in this Rate Case.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE (TIME)
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No. (A)	Project No. (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Elapsed Days:		Date Certain % Completion (G)=(E)/(F)	Date Certain % of Total Expenditures (H)
				Beginning to Estimated Completion (F)	Beginning to Date Certain (E)		

The Company has not included any Construction Work in Progress in this Rate Case.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE (DOLLARS)
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No. (A)	Project No. (B)	Construction Dollars (C)	Most Recent Budget Estimate		Project Expenditures As of Date Certain		Date Certain % Completion	
			AFUDC (D)	Total (E)=(C)+(D)	Construction Dollars Trended (F)	Construction Dollars Trended (G)	Construction Dollars Trended (H)	Construction Dollars Trended (I)=(G)/(C) (J)=(H)/(F)

The Company has not included any Construction Work in Progress in this Rate Case.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ALLOWANCE FOR WORKING CAPITAL
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION of METHODOLOGY USED to DETERMINE JURISDICTIONAL REQUIREMENT	WORK PAPER REFERENCE NUMBER	JURISDICTION (A)
1	Cash Working Capital	None Requested		<u>0</u>
2				
3				
4				
5	Material and Supplies:			
6				
7	Gas Enricher Liquids	13 month average balance	WPB-5.1b	1,852,269
8				
9	Other	13 month average balance	SCH B-5.1,	1,515,768
10		less allowance for new	WPB-5.1c	
11		construction based on		
12		withdrawals		
13				
14				
15	Gas Stored Underground	13 month average balance	WPB-5.1f	<u>49,347,048</u>
16				
17				
18	Total Material and Supplies			<u>52,715,085</u>
19				
20				
21				
22				
23	Customer Service Deposits	13 month average balance	WPB-5.1e	<u>(5,854,204)</u>

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
WORKING CAPITAL
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-5.1b through WPB-5.1g

SCHEDULE B-5.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	13 MONTH AVERAGE	DATE CERTAIN BALANCE
		JURISDICTIONAL (A)	JURISDICTIONAL (A)
1	Cash Working Capital	0	0
2			
3			
4	Material and Supplies		
5	Gas Enricher Liquids	1,852,269	1,769,690
6			
7	Plant Materials and Operating Supplies:		
8	Total Material and Supplies	1,808,575	2,051,065
9	Less: Amount Allocated to New Construction	292,807	332,068
10	Total Other than New Construction	1,515,768	1,718,997
11			
12			
13	Gas Stored Underground - Current	49,347,048	18,658,006
14			
15	Total Material and Supplies	52,715,085	22,146,693
16			
17			
18	Customer Service Deposits	(5,654,204)	(6,382,677)

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OTHER RATE BASE ITEMS SUMMARY
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-6a

SCHEDULE B-6
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	TOTAL COMPANY (A)	ADJUSTMENTS	ADJUSTED JURISDICTION
1	252	Customers' Advances for Construction	(5,659,192)	0	(5,659,192)
2					
3	271	Contributions in Aid of Construction	0	0	0
4					
5		Post Retirement Benefits	0	(5,508,703)	(5,508,703)
6					
7	255030	Investment Tax Credits: (B)			
8					
9		Pre-1971 3% Credit	0	0	0
10		1971 4% Credit	(396,361)	0	(396,361)
11		1975 6% Credit	(576,038)	576,038	0
12		1981 10% Credit	(2,977,154)	2,977,154	0
13		Total Investment Tax Credits	(3,949,553)	3,553,192	(396,361)
14					
15		Deferred Income Taxes:			
16					
17	190050	Gas Supplier Refund	48,273	0	48,273
18	190050	Natural Gas in Transit	131,873	0	131,873
19	190050	Offsite Gas Storage	100,408	0	100,408
20	190050	Reg Asset Benefits	(9,007,002)	0	(9,007,002)
21	190050	Unamortized Debt Premium	33,016	0	33,016
22	190050	Trading Reserve - MTM	(1,364,109)	1,364,109	0
23	190050	Executive Life Insurance	(490,468)	0	(490,468)
24	190050	Pension Expense	8,616,385	0	8,616,385
25	190050	Uncollectible Accounts	(3,874,838)	0	(3,874,838)
26	190050	Post Retirement Benefits - Life Ins.	1,510,277	0	1,510,277
27	190050	Post Retirement Benefits - Health Care	6,635,822	0	6,635,822
28	190050	Post Employment Benefits - SFAS 112	426,058	0	426,058
29	190050	Supplemental Pension Plan	1,504,592	0	1,504,592
30	190050	LTIP	36,742	0	36,742
31	190050	Rate Case Expense	(13,855)	0	(13,855)
32	190050	Gas Meters	775,052	0	775,052
33	190050	ITC FAS 109	2,224,553	(2,224,553)	0
34	190050	Misc	(56,309)	0	(56,309)
35	190060	Duke Merger Costs - Timing	(117,647)	0	(117,647)
36	190060	Property Tax on Propane	515,199	0	515,199
37	190060	401k Incentive Plan	32,093	0	32,093
38	190060	Incentive Plan	235,095	0	235,095
39	190060	Vacation Pay Accruals	15,942	0	15,942
40	190060	Injuries & Damages	331,647	0	331,647
41	190060	Hospital & Medical Expense	177,618	0	177,618
42		Total Account 190050	8,426,417	(860,444)	7,565,973

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OTHER RATE BASE ITEMS SUMMARY
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-6a

SCHEDULE B-6
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	TOTAL COMPANY (A)	ADJUSTMENTS	ADJUSTED JURISDICTION
		Deferred Income Taxes (Con't)			
1	282050	Gas Meters	(188,927)	0	(188,927)
2	282050	Liberalized Depreciation	(114,790,466)	0	(114,790,466)
3	282050	AFUDC In CWIP FAS 109	(24,659)	24,659	0
4	282050	Tax Interest Capitalized	1,496,440	(1,496,440)	0
5	282050	Contribution in Aid of Construction	557,564	0	557,564
6	282050	AFUDC	(1,101,509)	1,101,509	0
7	282050	Miscellaneous Plant	(403,258)	0	(403,258)
8	282050	Non-cash Overheads	(601,160)	0	(601,160)
9	282050	Section 174 Expense	(1,919,432)	0	(1,919,432)
10	282050	Plant FAS 109	(19,255,411)	19,255,411	0
11		Total Account 282050	(136,230,818)	18,885,139	(117,345,679)
12					
13	283050	Deferred Fuel	(3,005,429)	3,005,429	0
14	283050	Loss on Reacquired Debt	(1,585,911)	0	(1,585,911)
15	283050	Customer Choice	41,136	(41,136)	0
16	283050	Unbilled Revenue - Fuel	4,357,849	(4,357,849)	0
17	283050	Uncollectible Accounts PIP	(2,554,600)	0	(2,554,600)
18	283050	Post In-service Carrying Costs	(2,120,090)	0	(2,120,090)
19	283050	ARO Cumulative Effect	(1,360,040)	0	(1,360,040)
20	283060	Property Tax	658,321	0	658,321
21		Total Account 283050	(5,558,764)	(1,393,556)	(6,962,320)
22					
23		Total Deferred Income Taxes	(133,373,165)	16,631,139	(116,742,026)
24					
25		Other:			
26		AMRP Post-In-Service Carrying Costs	0	6,080,125	6,080,125
27		Total Other	0	6,080,125	6,080,125

(A) Total Company is 100% Jurisdictional.

(B) The company elected the immediate flow through option under Section 46(e)(3) in regards to the 1971 election and the rateable flow through option provided under Section 46(f)(2) in regards to the 1975 election.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ADJUSTMENTS TO OTHER RATE BASE ITEMS
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-6.1a through WPB-6.1c

SCHEDULE B-6.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	WORK PAPER REFERENCE	JURISDICIONAL ADJUSTMENT (A)
1	Adjustments to Other Rate Base Items:			
2				
3	253	Post Retirement Benefits	WPB-6.1b,c	(5,508,703)
4				
5	255	Investment Tax Credits		
6		6% Credit	WPB-6.1a	576,038
7		10% Credit	WPB-6.1a	2,977,154
8				
9		Deferred Income Taxes:		
10	190050	Trading Reserve - MTM		1,364,109
11	190050	ITC FAS 109		(2,224,553)
12	282050	AFUDC in CWIP FAS 109		24,659
13	282050	Plant FAS 109		19,255,411
14	283050	Miscellaneous (Customer Choice)		(41,136)
15	283050	Unrecovered Gas Costs		3,005,429
16	283050	Unbilled Revenue - Fuel		(4,357,849)
17				
18	Eliminate Deferred Taxes Related to CWIP:			
19				
20		Deferred Income Taxes:		
21	282110	Tax Interest Capitalized		(1,498,440)
22	282170	AFUDC		1,101,509

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
CONTRIBUTIONS IN AID OF CONSTRUCTION BY ACCOUNTS AND SUBACCOUNTS
AS OF MARCH 31, 2007

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-6.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	TOTAL COMPANY	ALLOCATION %	ALLOCATED TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
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Netted against gross plant per FPC Order No. 490.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
JURISDICTIONAL ALLOCATION FACTORS
RATE BASE AND OPERATING INCOME

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

SCHEDULE B-7
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	ALLOCATION FACTOR	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
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Not Applicable - 100% Jurisdictional

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
JURISDICTIONAL ALLOCATION STATISTICS

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

SCHEDULE B-7.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

LINE NO.	ALLOCATION FACTOR	STATISTIC TOTAL COMPANY	ADJUSTMENT TO TOTAL COMPANY STATISTIC	ADJUSTED STATISTIC FOR TOTAL COMPANY	STATISTIC FOR RATE AREA	ALLOCATION FACTOR
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Not Applicable - 100% Jurisdictional

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
EXPLANATION OF CHANGES IN ALLOCATION PROCEDURES

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

SCHEDULE B-7.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
D. L. STORCK

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PROCEDURES APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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Not Applicable - 100% Jurisdictional

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
GAS DATA
FOR THE TWELVE MONTHS ENDED MARCH 31, 2007

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

SCHEDULE B-8
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	MCF's as Measured	MCF's at Standard Temp. and Pressure
1	Gas received (purchased, produced, etc.)	71,292,223 (A)	71,292,223 (A)
2	Sales and other deliveries	70,972,210 (A)	70,972,210 (A)
3	Company use	35,329	35,329
4	Unaccounted for gas (Line 1 - Line 2 - Line 3)	284,684	284,684
5	Unaccounted for gas percentage (Line 4 / Line 1)	0.4%	0.4%

(A) Source:
Includes transportation of customer owned gas, excludes unbilled sales.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
MIRRORED CWIP ALLOWANCES

DATA: "X" ACTUAL ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-9
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO. (A)	PROJECT NUMBER (B)	DESCRIPTION OF PROJECT (C)	PRIOR CASE REFERENCES (D)	EFFECTIVE DATE OF RATES INCL. CWIP (E)	IN SERVICE DATE OF PROJECT (F)	ALLOWANCE INCLUDED IN RATES (G)
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The Company does not have any mirrored Construction Work in Progress Allowances.

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

CASE NO. 07-589-GA-AIR

IN THE MATTER OF THE APPLICATION
OF THE DUKE ENERGY OHIO
FOR AUTHORITY TO INCREASE
ITS GAS DISTRIBUTION RATES FOR SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION C

SECTION C
OPERATING INCOME

DUKE ENERGY OHIO

CASE NO. 07-589-GA-AIR

Test Year: Twelve Months Ended June 30 2005

Date Certain: March 31, 2007

Schedules

- C-1 Jurisdictional proforma income statement
- C-2 Adjusted test year operating income
- C-2.1 Operating revenue and expenses by accounts - jurisdictional allocation
- C-3 Summary of jurisdictional adjustments to operating income
- C-3.1 Detailed adjustments
- C-4 Adjusted jurisdictional federal income taxes
- C-4.1 Development of jurisdictional federal income taxes
- C-5 Social and service club dues
- C-6 Charitable contributions
- C-7 Customer service and informational, sales , and general advertising expense
- C-8 Rate Case expense (jurisdiction)
- C-9 Operation and maintenance payroll Costs
- C-9.1 Total Company Payroll analysis by employee classifications/payroll distribution
- C-10 Computation of gross revenue conversion factor
- C-11.1 Comparative balance sheet for most recent 5 calendar years
- C-11.2 Comparative income statement for most recent 5 years
- C-12.1 Revenue Statistics - Total Company
- C-12.2 Revenue Statistics - Jurisdictional
- C-12.3 Sales Statistics - Total Company
- C-12.4 Sales Statistics - Jurisdictional
- C-13 Analysis of reserve for uncollectible accounts

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
JURISDICTIONAL PROFORMA INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-1a

SCHEDULE C-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	ADJUSTED REVENUE & EXPENSES	PROPOSED INCREASE	PROFORMA REVENUE & EXPENSES
		(A)	(B)	(C)
1	Operating Revenues	\$ 587,573,805	\$ 34,142,702	\$ 631,716,507
2				
3	Operating Expenses			
4	Operation & Maintenance	462,531,268	560,111	463,091,379
5	Depreciation	29,478,579	0	29,478,579
6	Taxes - Other	53,358,568	0	53,358,568
7	Operating Expenses before Income Taxes	545,368,415	560,111	545,928,526
8				
9	Federal Income Taxes	12,713,432	11,753,907	24,467,339
10				
11	Total Operating Expenses	558,081,847	12,314,018	570,395,865
12				
13	Net Operating Income	\$ 39,491,958	\$ 21,828,684	\$ 61,320,642
14				
15	Rate Base	\$ 702,414,915		\$ 702,414,915
16				
17	Rate of Return	5.62%		8.73%

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ADJUSTED TEST YEAR OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCH. C-2.1, SCH. C-3, WPC-2a through WPC-2g

SCHEDULE C-2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	UNADJUSTED REVENUE & EXPENSES	ADJUSTMENTS	ADJUSTED REVENUE & EXPENSES
1	OPERATING REVENUES			
2	Base Revenue and Riders	\$ 218,611,844	\$ 9,412,907	\$ 228,024,551
3	Gas Costs Revenue	471,351,863	(105,608,114)	365,743,749
4	Other Operating Revenue	2,713,391	1,092,114	3,805,505
5	Total Operating Revenues	692,676,898	(95,103,093)	597,573,805
6				
7	OPERATING EXPENSES			
8	Operation and Maintenance Expenses			
9	Production Expenses			
10	Liquified Petroleum Gas	121,194	0	121,194
11	Other	858,171	502,152	1,360,323
12	Total Production Expense	979,365	502,152	1,481,517
13				
14	Other Gas Supply Expenses			
15	Purchased Gas	457,858,259	(92,235,704)	365,622,555
16	Other	1,122,257	0	1,122,257
17	Total Other Gas Supply Expense	458,980,516	(92,235,704)	366,744,812
18				
19	Transmission Expense	1,654	(1,654)	0
20	Distribution Expense	26,155,195	(5,664,573)	20,490,622
21	Customer Accounts Expense	30,728,806	(924,439)	29,804,367
22	Customer Service & Information Expense	5,521,153	(2,576,772)	2,944,381
23	Sales Expense	8,610	0	8,610
24	Administrative & General Expense	45,670,684	(4,740,053)	40,930,631
25	Amortization of Deferred Expense	25,146	101,182	126,328
26	Total Operation and Maintenance Expense	568,071,129	(105,539,861)	462,531,268
27				
28	Depreciation Expense	31,396,326	(1,917,747)	29,478,579
29				
30	Taxes Other Than Income Taxes			
31	Other Federal Taxes	2,449,822	(751,237)	1,698,585
32	State and Other Taxes	56,208,041	(4,548,058)	51,659,983
33	Total Taxes Other Than Income Taxes	58,657,863	(5,299,295)	53,358,568
34				
35	Federal Income Taxes			
36	Normal and Surcharge	(12,361)	5,863,226	5,850,865
37	Provision for Deferred Income Taxes	(842,054)	702,846	(139,208)
38	Provision for Deferred Income Taxes - Credit	7,001,775	0	7,001,775
39	Total Federal Income Tax Expense	6,147,360	6,566,072	12,713,432
40				
41	Total Operating Expenses and Taxes	664,272,678	(106,190,831)	558,081,847
42				
43	Net Operating Income	\$ 28,404,220	\$ 11,087,738	\$ 39,491,958

Adjustments not calculated by functions.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTIONAL ALLOCATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): Supplemental Information (C)(8)

SCHEDULE C-2.1
PAGE 1 OF 7
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED JURISDICTION
			(A)
1		REVENUE	(\$)
2		Retail Revenue	
3		Residential	
4	480400	Residential Sales	75,451,921
5	480410	Residential Unbilled	8,371,980
6	480611	Res GRT / OET	12,694,991
7	480620	Res Gas Cost Recovery	289,868,818
8	480621	Res Percentage Income Payment Plan	4,647,517
9	480622	Res State Tax Rider	4,438,323
10	480623	Res AMRP	22,155,383
11	480625	Res Merger Savings Credit Rider	(480,954)
12		Total Residential	417,147,979
13			
14		Commercial	
15	481400	Commercial Sales	25,192,947
16	481410	Commercial Unbilled	3,229,319
17	481611	Comm GRT / OET	5,208,924
18	481620	Comm Gas Cost Recovery	125,474,220
19	481621	Comm Percentage Income Payment Plan	1,994,385
20	481622	Comm State Tax Rider	1,609,630
21	481623	Comm AMRP	8,531,147
22	481625	Comm Merger Savings Credit Rider	(90,578)
23		Total Commercial	171,149,994
24			
25		Industrial	
26	481450	Industrial Sales	4,768,623
27	481460	Industrial Unbilled	736,730
28	481651	Ind GRT / OET	1,124,598
29	481660	Ind Gas Cost Recovery	26,059,013
30	481661	Ind Percentage Income Payment Plan	409,036
31	481662	Ind State Tax Rider	246,099
32	481663	Ind AMRP	416,075
33	481665	Ind Merger Savings Credit Rider	(10,459)
34		Total Industrial	33,749,715
35			
36		Public Street & Highway Lighting	
37	482400	Public St & Hgwy Lighting	69,623
38	482611	SL GRT / OET	21,233
39	482620	SL Gas Cost Recovery	453,058
40	482621	SL Percentage Income Payment Plan	7,041
41	482622	SL State Tax Rider	6,759
42	482623	SL AMRP	2,316
43	482625	SL Merger Savings Credit Rider	(134)
44		Total Public Street & Highway Lighting	559,896
45			
46		Other Public Authority	
47	482450	Other Sales To Public Authority	2,208,564
48	482460	Other Sales To Public Authority Unbilled	633,957
49	482651	OPA GRT / OET	534,383
50	482660	OPA Gas Cost Recovery	13,402,184
51	482661	OPA Percentage Income Payment Plan	211,397
52	482662	OPA State Tax Rider	132,561
53	482663	OPA AMRP	305,784
54	482665	OPA Merger Savings Credit Rider	(6,121)
55		Total Public Street & Highway Lighting	17,422,709
56			
57	484400	Inter Departmental Sales	905,004
58		Total Retail Revenue	640,935,297

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTIONAL ALLOCATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): Supplemental Information (C)(8)

SCHEDULE C-2.1
PAGE 2 OF 7
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED JURISDICTION
			(A)
			(\$)
1		REVENUE (Continued)	
2		Other Revenue	
3	488010	Miscellaneous Service Revenue	150
4	488020	Reconnection Charges	11,409
5	488040	Customer Diversion	459
6	488060	Bad Check Charges	20,050
7	488070	Misc. Rev - Field Coll. Charge	3,300
8	488080	Transportation Switching Fee	3,534
9	489000	Transportation of Gas of Others	9,770,719
10	489010	Transportation of Gas - I/C	129,127
11	489011	Transp GRT/OET	538,771
12	489022	Transp State Tax Rider	796,357
13	489023	Transp Accelerated Main Replacement	484,442
14	489024	Transp Gas Surcredit Rider	(175,843)
15	489025	Trans Merger Savings Cr Rider	(13,370)
16	489050	Other Produced Gas for Assoc. Companies	27,820
17	489100	Firm Transportation - Residential	11,204,747
18	489105	Firm Transportation - Res Unbilled	(339,837)
19	489110	Firm Transportation - Commercial	9,392,071
20	489115	Firm Transportation - Comm Unbilled	(194,680)
21	489120	Firm Transportation - Industrial	3,632,361
22	489121	Res Transp GRT / OET	787,187
23	489125	Firm Transportation - Ind Unbilled	(38,872)
24	489130	Firm Transportation - Other	2,867,005
25	489131	Com Transp GRT / OET	615,594
26	489135	Firm Transportation - Other Unbilled	13,335
27	489140	Gas Suppliers - Metered Pool	487
28	489141	Ind Transp GRT / OET	220,678
29	489150	Res Transp Gas Cost Recovery	79,157
30	489151	Res Transp Percentage Income Payment	700,076
31	489152	Res Transp State Tax Rider	669,747
32	489153	Res Transp Accelerated Main Replacement	3,215,746
33	489154	Res Transp Gas Surcredit Rider	10,697
34	489155	Res Transp Merger Savings Cr Rider	(75,585)
35	489160	Com Transp Gas Cost Recovery	36,787
36	489161	Com Transp Percentage Income Payment	844,504
37	489162	Com Transp State Tax Rider	600,237
38	489163	Com Transp Accelerated Main Replacement	1,795,318
39	489164	Com Transp Gas Surcredit Rider	40,035
40	489165	Com Transp Merger Savings Cr Rider	(43,700)
41	489170	Ind Transp Gas Cost Recovery	95,663
42	489171	Ind Transp Percentage Income Payment	394,028
43	489172	Ind Transp State Tax Rider	158,015
44	489173	Ind Transp Accelerated Main Replacement	136,098
45	489174	Ind Transp Gas Surcredit Rider	9,620
46	489175	Ind Transp Merger Savings Cr Rider	(13,216)
47	489180	Oth Transp Gas Cost Recovery	7,667
48	489181	Oth Transp Percentage Income Payment	293,295
49	489182	Oth Transp State Tax Rider	164,662
50	489183	Oth Transp Accelerated Main Replacement	171,177
51	489184	Oth Transp Gas Surcredit Rider	20,710
52	489185	OPA Transp Merger Savings Cr Rider	(10,492)
53	489191	Oth Transp GRT/OET	167,279
54	493030	Rent Other Equipment	15,766
55	493040,493500	Rent Land and Buildings - Assoc. Co.	2,442,282
56	493050	Rent Stores Facilities - Assoc. Co.	24,834
57	493060	Rent Data Processing Equipment - Assoc. Co.	2,898
58	493080,493110	Rent Microwave System - Assoc. Co.	31,275
59		Total Other Revenue	51,741,601
60		Total Revenue	692,676,898

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTIONAL ALLOCATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): Supplemental Information (C)(8)

SCHEDULE C-2.1
PAGE 3 OF 7
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED JURISDICTION
			(A)
1		OPERATING EXPENSES	(\$)
2		Production Expenses	
3		Manufactured Expenses	
4		Operation	
5	711000	Steam Expenses	16,796
6	712000	Other Power Expenses	10,055
7	717000	Liquified Petroleum Expense	472,046
8	Various	Liquified Petroleum Gas	121,194
9	735000	Miscellaneous Production Expense	177,876
10	736010	Rents	125,538
11		Total Operation	<u>923,505</u>
12		Maintenance	
13	742000	Maintenance of Production Equipment	55,860
14		Total Maintenance	<u>55,860</u>
15		Total Production Expense	<u>979,365</u>
16			
17		Other Gas Supply Expense	
18		Purchased Gas Expense	
19	801000	Natural Gas Field Line Purchases	423,386,911
20	801010	Natural Gas Field Line Purchases	148,770
21	805000	Unrecovered Purchase Gas Cost Adj.	14,656,184
22	805200	Purchased Gas Costs - Unbilled Rev	11,779,992
23	806000	Other Gas Supply - Exchange Gas	7,886,402
24	807000	Gas Purchased Expense	1,122,257
25		Total Other Gas Supply Expense	<u>458,980,516</u>
26			
27		Transmission Expenses	
28		Operation	
29	856000	Transmission Mains Expense	1,352
30	859000	Other Expense -Transmission System Equipment	302
		Total Operation	<u>1,654</u>
		Total Transmission Expense	<u>1,654</u>

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTIONAL ALLOCATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): Supplemental Information (C)(8)

SCHEDULE C-2.1
PAGE 4 OF 7
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED JURISDICTION
			(A)
1		Distribution Expenses	(\$)
2		Operation	
3	870000	Supervision and Engineering	353,788
4	871000	Load Dispatching	424,761
5	874000	Mains and Services	4,308,592
6	875000	Measuring and Reg. Stations - General	193,838
7	876000	Measuring and Reg. Stations - Industrial	102,836
8	878000	Meters and House Regulators	(124,264)
9	879000	Customer Installations	10,431,576
10	880000,880200	Other Expenses	4,509,238
11	881020	Rents Interco - Buildings	8,544
12		Total Operation	<u>20,208,909</u>
13		Maintenance	
14	885000	Supervision and Engineering	378,952
15	887000	Mains	3,766,039
16	889000	Measuring and Regulating Stations - General	293,821
17	890000	Measuring and Regulating Stations - Industrial	2,421
18	892000	Services	409,764
19	893000	Meters and House Regulators	513,705
20	894000	Other	581,584
21		Total Maintenance	<u>5,946,286</u>
22		Total Distribution Expense	<u>26,155,195</u>
23			
24		Customer Accounts Expense	
25		Operation	
26	901000	Supervision and Engineering	65,267
27	902000	Meter Reading Expense	3,230,340
28	903000	Customer Records and Collections	10,278,612
30	904	Uncollectible Accounts	17,154,478
31	905000	Miscellaneous Customer Accounts Expense	109
32		Total Customer Accounts Expense	<u>30,728,806</u>

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTIONAL ALLOCATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): Supplemental Information (C)(8)

SCHEDULE C-2.1
PAGE 5 OF 7
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED JURISDICTION
			(A)
1		Customer Service and Information Expense	(\$)
2		Operation	
3	908000	Customer Assistance	970,517
4	909000	Information and Instructional Advertising	159,832
5	910000	Miscellaneous Customer Service and Information Expense	4,390,804
6		Total Customer Service and Information Expense	<u>5,521,153</u>
7		Sales Expense	
8		Operation	
9	911000	Supervision	42
10	913000	Advertising	8,568
11		Total Sales Expense	<u>8,610</u>
12		Administrative and General Expenses	
13		Operation	
14	426520	Sale of Accounts Receivable Fees	3,397,496
15	920000	Administrative & General Salaries	10,363,295
16	921	Office Supplies & Expenses	9,540,412
17	922000	Administrative Expenses Transferred - Credit	(647)
18	923	Outside Services Employed	2,844,284
19	924	Property Insurance	765,194
20	925	Injuries & Damages	633,151
21	Various	Employee Pension & Benefits	13,447,097
22	928000	State Reg. Commission Expense	937,934
23	929	Duplicate Charges-Credit	(97,377)
24	930000	General Advertising Expenses	89,721
25	930202	Miscellaneous General Expenses	295,472
26	931	Rents	3,140,523
27		Total Operation	<u>45,356,555</u>
28		Maintenance	
29	935000	Maintenance of Equipment	314,129
30		Total Administrative and General Expense	<u>45,670,684</u>
31		Other Expense	
32	407100	Amortization of Deferred Expense	25,146
33			
34		Total Operating Expense	<u>568,071,129</u>

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTIONAL ALLOCATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): Supplemental Information (C)(8)

SCHEDULE C-2.1
PAGE 6 OF 7
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED JURISDICTION
			(A)
			(\$)
1		Depreciation Expense	
2	403000	Depreciation Gas Plant In Service	24,446,514
3	403005	Depreciation Gas Plant In Service - ARO	6,228,822
4	404201	Amortization Expense - Limited Term	720,990
5		Total Depreciation Expense	<u>31,396,326</u>
6			
7			
8		Taxes Other Than Income Taxes	
9		Other Federal	
10	408410	Insurance Contribution	2,387,044
11	408410	Unemployment Compensation	62,778
12		Total Other Federal	<u>2,449,822</u>
13			
14		Other State and Local	
15	408410	Unemployment Compensation	31,513
16	408625	Excise	31,644,084
17	Various	Highway Use	173
18	Various	Property Tax Ohio	15,502,296
19	408075	Property Tax Indiana	1,212
20	408090	Property Tax West Virginia	191,256
21	408912	Mcf Tax	8,785,667
22	408095	Property Tax - Miscellaneous States	51,840
23		Total Other State and Local	<u>56,208,041</u>
24		Total Taxes Other Than Income Taxes	<u>58,657,863</u>

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTIONAL ALLOCATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): Supplemental Information (C)(8)

SCHEDULE C-2.1
PAGE 7 OF 7
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCT. NO.	ACCOUNT TITLE	UNADJUSTED JURISDICTION
			(A)
			(\$)
1		Federal Income Tax Expense	
2	409060	Normal and Surtax	(12,361)
3		Total Federal Income Tax Expense	(12,361)
4			
5		Provision for Deferred Income Taxes - (Deferrals)	
6	410060	Deferred Income Taxes	(842,054)
7		Total Provision for Deferred Income Taxes	(842,054)
8			
9		Provision for Deferred Income Taxes - (Writebacks)	
10	411065	Amortization of Investment Credit	(222,564)
11	411060	Deferred Income Taxes - Writebacks	7,224,339
12		Total Provision for Deferred Income Taxes	7,001,775
13			
14			
15		Total Federal Income Tax Expense	6,147,360
16			
17		Total Operating Expense	664,272,678
18			
19		Net Operating Income	28,404,220

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE C-3
PAGE 1 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	TITLE OF ACCOUNT	TOTAL SCHEDULE C-3	ANNUALIZE / NORMALIZE REV & EXP C-3.1	CAPITALIZE AMRP CUST. INSTALLATIONS C-3.2	RATE CASE EXPENSE C-3.3	ANNUALIZED TEST YEAR WAGES C-3.4	ANNUALIZE DEPRECIATION C-3.5
	ELEMENT of OPERATING INCOME						
1	OPERATING REVENUE						
2	Base	9,412,907	3,871,039				
3	Gas Costs	(105,608,114)	(105,608,114)				
4	Other	1,092,114	1,092,114				
5	Total Revenue	(95,103,093)	(100,644,961)	0	0	0	0
6							
7	OPERATING EXPENSES						
8	Operation and Maintenance Expenses						
9	Production Expenses						
10	Liquified Petroleum Gas	0					
11	Other	502,152					
12	Total Production Expense	502,152	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas	(92,235,704)	(92,235,704)				
16	Other	0					
17	Total Other Gas Supply Expense	(92,235,704)	(92,235,704)	0	0	0	0
18							
19	Transmission Expense	(1,654)					
20	Distribution Expense	(5,664,573)		(5,698,749)			
21	Customer Accounts Expense	(924,439)					
22	Customer Serv & Info Expense	(2,576,772)					
23	Sales Expense	0					
24	Administrative & General Expense	(4,740,053)			78,333	(5,899,790)	
25	Amortization of Deferred Expense	101,182					
26	Total Operation and Maintenance Expenses	(105,539,881)	(92,235,704)	(5,698,749)	78,333	(5,899,790)	0
27							
28	Depreciation Expense	(1,917,747)	0	0	0	0	(1,917,747)
29							
30	Taxes Other Than Income Taxes						
31	Other Federal Taxes	(751,237)					
32	State and Other Taxes	(4,548,058)					
33	Total Taxes Other Than Income Tax	(5,299,295)	0	0	0	0	0
34							
35	Federal Income Taxes						
36	Normal and Surtax	5,863,226	(2,943,240)	1,994,562	(27,417)	2,064,927	0
37	Prov Deferred Inc Tax (Deferrals)	702,846					671,211
38	Prov Deferred Inc Tax (Writebacks)	0					
39	Total Federal Inc Tax Expense	6,566,072	(2,943,240)	1,994,562	(27,417)	2,064,927	671,211
40							
41	Total Oper. Expenses and Tax	(106,190,831)	(95,178,944)	(3,704,187)	50,916	(3,834,863)	(1,246,536)
42							
43	Net Operating Income	11,087,738	(5,466,017)	3,704,187	(50,916)	3,834,863	1,246,536

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: *X* ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE C-3
PAGE 2 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	TITLE OF ACCOUNT	CUSTOMER SERVICE DEPOSITS	OHIO EXCISE TAX	ANNUALIZE PROPERTY TAX	SYNCHRONIZE PIPP REVENUE AND EXPENSE	INTEREST EXPENSE DEDUCTIBLE	BUDGET ADJUSTMENT
	ELEMENT of OPERATING INCOME	C-3.6	C-3.7	C-3.8	C-3.9	C-3.10	C-3.11
1	OPERATING REVENUE						
2	Base		5,712,444				
3	Gas Costs						
4	Other						
5	Total Revenue	0	5,712,444	0	0	0	0
6							
7	OPERATING EXPENSES						
8	Operation and Maintenance Expenses						
9	Production Expenses						
10	Liquidified Petroleum Gas						
11	Other						502,152
12	Total Production Expense	0	0	0	0	0	502,152
13							
14	Other Gas Supply Expenses						
15	Purchased Gas						
16	Other						
17	Total Other Gas Supply Expense	0	0	0	0	0	0
18							
19	Transmission Expense						
20	Distribution Expense						34,176
21	Customer Accounts Expense	282,710			(384,108)		
22	Customer Serv & Info Expense						(2,522,933)
23	Sales Expense						
24	Administrative & General Expense						1,924,762
25	Amortization of Deferred Expense						
26	Total Operation and Maintenance Expenses	282,710	0	0	(384,108)	0	(61,843)
27							
28	Depreciation Expense	0	0	0	0	0	0
29							
30	Taxes Other Than Income Taxes						
31	Other Federal Taxes						
32	State and Other Taxes		(3,962,446)	(451,759)			
33	Total Taxes Other Than Income Tax	0	(3,962,446)	(451,759)	0	0	0
34							
35	Federal Income Taxes						
36	Normal and Surtax	(98,949)	3,386,212	158,116	134,438	320,188	21,645
37	Prov Deferred Inc Tax (Deferrals)					67,049	
38	Prov Deferred Inc Tax (Writebacks)						
39	Total Federal Inc Tax Expense	(98,949)	3,386,212	158,116	134,438	387,237	21,645
40							
41	Total Oper. Expenses and Tax	183,761	(576,234)	(293,643)	(249,670)	387,237	(40,198)
42							
43	Net Operating Income	(183,761)	6,288,678	293,643	249,670	(387,237)	40,198

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE C-3
PAGE 3 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	TITLE OF ACCOUNT	STATE TAX RIDER	ELIMINATE EXP ASSOC W/ HARTWELL	ELIMINATE NON JURIS. EXPENSES	ADJUST PUCO/OCC ASSESSMENTS	ADJUST UNCOLLECTIBLE EXPENSE	ANNUALIZE PENSION & BENEFIT EXP
	ELEMENT of OPERATING INCOME	C-3.12	C-3.13	C-3.14	C-3.15	C-3.16	C-3.17
1	OPERATING REVENUE						
2	Base	(170,576)					
3	Gas Costs						
4	Other						
5	Total Revenue	(170,576)	0	0	0	0	0
6							
7	OPERATING EXPENSES						
8	Operation and Maintenance Expenses						
9	Production Expenses						
10	Liquified Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas						
16	Other						
17	Total Other Gas Supply Expense	0	0	0	0	0	0
18							
19	Transmission Expense			(1,654)			
20	Distribution Expense						
21	Customer Accounts Expense			(1,308)		(1,821,733)	
22	Customer Serv & Info Expense			(53,839)			
23	Sales Expense						
24	Administrative & General Expense		(1,579)	(367,435)	(60,810)		(413,534)
25	Amortization of Deferred Expense						
26	Total Operation and Maintenance Expenses	0	(1,579)	(424,236)	(60,810)	(1,821,733)	(413,534)
27							
28	Depreciation Expense	0	0	0	0	0	0
29							
30	Taxes Other Than Income Taxes						
31	Other Federal Taxes			(1,080)			
32	State and Other Taxes	(133,853)					
33	Total Taxes Other Than Income Tax	(133,853)	0	(1,080)	0	0	0
34							
35	Federal Income Taxes						
36	Normal and Surtax	(12,853)	553	148,861	21,284	637,607	144,737
37	Prov Deferred Inc Tax (Deferrals)						
38	Prov Deferred Inc Tax (Writebacks)						
39	Total Federal Inc Tax Expense	(12,853)	553	148,861	21,284	637,607	144,737
40							
41	Total Oper. Expenses and Tax	(146,706)	(1,026)	(276,455)	(39,526)	(1,184,126)	(268,797)
42							
43	Net Operating Income	(23,870)	1,026	276,455	39,526	1,184,126	268,797

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS
TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE C-3
PAGE 4 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	TITLE OF ACCOUNT	ANNUALIZE FICA TAXES C-3.18	ANNUALIZE UNEMPLOYMENT TAXES C-3.19	ANNUALIZE AMORT OF PISCC C-3.20	GAS WEATHERIZATION C-3.21	RESERVED FOR FUTURE USE C-3.22	RESERVED FOR FUTURE USE C-3.23
	ELEMENT of OPERATING INCOME						
1	OPERATING REVENUE						
2	Base						
3	Gas Costs						
4	Other						
5	Total Revenue	0	0	0	0	0	0
6							
7	OPERATING EXPENSES						
8	Operation and Maintenance Expenses						
9	Production Expenses						
10	Liquidified Petroleum Gas						
11	Other						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Other Gas Supply Expenses						
15	Purchased Gas						
16	Other						
17	Total Other Gas Supply Expense	0	0	0	0	0	0
18							
19	Transmission Expense						
20	Distribution Expense						
21	Customer Accounts Expense				1,000,000		
22	Customer Serv & Info Expense						
23	Sales Expense						
24	Administrative & General Expense						
25	Amortization of Deferred Expense			101,182			
26	Total Operation and Maintenance Expenses	0	0	101,182	1,000,000	0	0
27							
28	Depreciation Expense	0	0	0	0	0	0
29							
30	Taxes Other Than Income Taxes						
31	Other Federal Taxes	(682,644)	(67,513)				
32	State and Other Taxes						
33	Total Taxes Other Than Income Tax	(682,644)	(67,513)	0	0	0	0
34							
35	Federal Income Taxes						
36	Normal and Surtax	238,925	23,630	0	(350,000)	0	0
37	Prov Deferred Inc Tax (Deferrals)			(35,414)			
38	Prov Deferred Inc Tax (Writebacks)						
39	Total Federal Inc Tax Expense	238,925	23,630	(35,414)	(350,000)	0	0
40							
41	Total Oper. Expenses and Tax	(443,719)	(43,883)	65,768	650,000	0	0
42							
43	Net Operating Income	443,719	43,883	(65,768)	(650,000)	0	0

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZED REVENUE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.1a, WPC-3.1b, WPC-3.1c

SCHEDULE C-3.1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION		AMOUNT
PURPOSE and DESCRIPTION: To reflect adjustments to operating revenues to reclassify and annualize base and gas cost recovery revenue, to eliminate unbilled revenues and to adjust other operating revenues.		
Base Revenue	To Sch C-3 Summary <—	\$3,871,039
Gas Cost Revenue	To Sch C-3 Summary <—	(105,608,114)
Other Revenue	To Sch C-3 Summary <—	<u>1,092,114</u>
Total		\$ (100,644,961)
Jurisdictional allocation percentage		<u>100%</u>
Jurisdictional amount		<u>\$ (100,644,961)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZED GAS COST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.1a, WPC-3.1b, WPC-3.1c

SCHEDULE C-3.1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect the change in purchased gas cost which would result from the annualization of purchased gas cost and the elimination of gas costs associated with unbilled revenues.	
Gas Cost Expense Adjustment	\$ (92,235,704)
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <--- <u>\$ (92,235,704)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
CAPITALIZE CUSTOMER INSTALLATION EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.2a

SCHEDULE C-3.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reclassify certain customer installation expenses (curb to meter expenses) from operations to capital.	
Reclassification of Curb-to-Meter Expense	\$ (8,548,123)
Amortization of Expense Over 3 Years	<u>2,849,374</u>
Total	<u>\$ (5,698,749)</u>
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <— <u>\$ (5,698,749)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE C-8, WPC-3.3a

SCHEDULE C-3.3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect the estimated cost of presenting this case as reflected on Schedule C-8.	
Total	\$ 78,333
Jurisdictional allocation percentage	100%
Jurisdictional amount	To Sch C-3 Summary <--- \$ 78,333

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZED WAGE ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.4a through WPC-3.4i

SCHEDULE C-3.4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect base payroll costs for full-time, part-time and temporary employees as of April 23, 2007 using wage rates in effect at April 23, 2007.	
Total	\$ (5,899,790)
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <--- <u>\$ (5,899,790)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZED DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.5a

SCHEDULE C-3.5
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect the adjustment to annualize depreciation expense as calculated on Schedule B-3.2 based on plant at March 31, 2007.	
Total	\$ (1,917,747)
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <--- <u>\$ (1,917,747)</u>

DUKE ENERGY OHIO
CASE NO. 07-689-GA-AIR
ANNUALIZED DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.5a

SCHEDULE C-3.5
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To reflect the adjustment to
deferred income taxes as a result of the annualization of
book depreciation based on plant at March 31, 2007.

Total	\$	671,211
Jurisdictional allocation percentage		<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <---	<u>\$ 671,211</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
INTEREST ON CUSTOMER SERVICE DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-5.1e

SCHEDULE C-3.6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect the interest on Customer Service Deposits as an operating expense as calculated on WPB-5.1e.	
Total	\$ 282,710
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <--- <u>\$ 282,710</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OHIO EXCISE TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.7a

SCHEDULE C-3.7
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION		AMOUNT
PURPOSE and DESCRIPTION: To synchronize Ohio Excise Tax revenue and expense.		
Ohio Excise Tax Revenue		\$ 5,712,444
Jurisdictional allocation percentage		<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <---	<u>\$ 5,712,444</u>
Ohio Excise Tax Expense		\$ (3,962,446)
Jurisdictional allocation percentage		<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <---	<u>\$ (3,962,446)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
PROPERTY TAX ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.8a through WPC-3.8d

SCHEDULE C-3.8
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect the change in expense if property taxes were calculated in accordance with S.B. 287 and based on plant in service as of March 31, 2007.	
Total	\$ (451,759)
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <--- <u><u>\$ (451,759)</u></u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
SYNCHRONIZE PIPP REVENUE AND EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.9a

SCHEDULE C-3.9
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To adjust the level of PIPP uncollectible expense
to match the normalized PIPP revenue to be collected by Rider PIPP.

Total \$ (384,108)

Jurisdictional allocation percentage 100%

Jurisdictional amount To Sch C-3 Summary <--- \$ (384,108)

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.10a, SCHEDULE B-1, SCHEDULE D-1

SCHEDULE C-3.10
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To reflect federal income taxes at 35% due to interest deductible for tax purposes being based on rate base at March 31, 2007 as shown on Schedule B-1 and the weighted cost of debt of 2.6% as shown on Schedule D-1.

Total \$ 320,188

Jurisdictional allocation percentage 100%

Jurisdictional amount To Sch C-3 Summary <--- \$ 320,188

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.10a, SCHEDULE B-1, SCHEDULE D-1

SCHEDULE C-3.10
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	TOTAL AMOUNT
PURPOSE and DESCRIPTION: To reflect the elimination of federal deferred tax expenses related to Allowance for Funds Used During Construction and Capitalized Interest.	
Deferrals:	
Capitalized Interest	\$ 117,085
AFUDC - PUCO	<u>(50,036)</u>
Total Adjustment	\$ 67,049
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <--- <u>\$ 67,049</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
BUDGET ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.11a

SCHEDULE C-3.11
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To adjust the corporate budget for known changes to O&M.	
Other Production Expense	\$ 502,152
Distribution Expense	34,176
Customer Service & Information Expense	(2,522,933)
Administrative & General Expense	<u>1,924,762</u>
Total	\$ (61,843)
Jurisdictional allocation percentage	<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <--- <u>\$ (61,843)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
STATE TAX RIDER
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.12a

SCHEDULE C-3.12
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
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PURPOSE and DESCRIPTION: To synchronize the State Tax Rider revenue and expense.

Revenue		\$ (170,576)
Jurisdictional allocation percentage		<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <---	<u>\$ (170,576)</u>
Taxes Other Than Income Taxes		\$ (133,853)
Jurisdictional allocation percentage		<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <---	<u>\$ (133,853)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ELIMINATION OF HARTWELL EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.13a

SCHEDULE C-3.13
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
<i>PURPOSE and DESCRIPTION: To reflect the elimination of non business expenses related to Hartwell.</i>	
Administrative & General Expenses	\$ (1,579)
Jurisdictional allocation percentage	100%
Jurisdictional amount	To Sch C-3 Summary <--- \$ (1,579)

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ELIMINATE NON-JURISDICTIONAL EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.14a

SCHEDULE C-3.14
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
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PURPOSE and DESCRIPTION: To eliminate non-jurisdictional operating expenses.

Transmission Expense	\$ (1,654)
Customer Accounts Expense	(1,308)
Customer Service & Information Expense	(53,839)
Administrative & General Expense	(367,435)
Other Federal Taxes	<u>(1,080)</u>
Total Adjustment	\$ (425,316)
 Jurisdictional allocation percentage	 <u>100%</u>
 Jurisdictional amount	 To Sch C-3 Summary <--- <u><u>\$ (425,316)</u></u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZATION OF PUCO AND OCC ASSESSMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.15a, WPC-3.15b

SCHEDULE C-3.15
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To annualize the level of PUCO and
OCC assessments to the latest known level.

Total \$ (60,810)

Jurisdictional allocation percentage 100.000%

Jurisdictional amount To Sch C-3 Summary <--- \$ (60,810)

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ADJUST UNCOLLECTIBLE EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.16a

SCHEDULE C-3.16
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION		AMOUNT
PURPOSE AND DESCRIPTION: To annualize uncollectible expense.		
Total		\$ (1,821,733)
Jurisdictional allocation percentage		<u>100%</u>
Jurisdictional amount	To Sch C-3 Summary <---	<u>\$ (1,821,733)</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZE FICA TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.18a, WPC-3.18b

SCHEDULE C-3.18
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To annualize payroll taxes based on
annualized wages as of April 23, 2007.

Total

\$ (682,644)



To Sch C-3 Summary

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZE UNEMPLOYMENT TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.19a through WPC-3.19d

SCHEDULE C-3.19
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To annualize unemployment taxes
based on annualized wages as of April 23, 2007.

Total

\$ (67,513)



To Sch C-3 Summary

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZE AMORTIZATION OF PISCC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.20a, WPC-3.20b

SCHEDULE C-3.20
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To reflect the adjustment to annualize amortization of Post In Service Carrying Costs accrued as of March 31, 2007.	
Total	\$ 101,182
Jurisdictional allocation percentage	100%
Jurisdictional amount	To Sch C-3 Summary <-- \$ 101,182

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANNUALIZE AMORTIZATION OF PISCC
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.20a, WPC-3.20b

SCHEDULE C-3.20
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To reflect the adjustment to
current and deferred income taxes as a result of the annualization
of amortization of PISCC accrued as of March 31, 2007.

Deferred Income Tax \$ (35,414)

Jurisdictional allocation percentage 100%

Jurisdictional amount

To Sch C-3 Summary <---
To Sch C-4, Line 16 <---

\$ (35,414)

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
GAS WEATHERIZATION PROGRAM
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-3.21a

SCHEDULE C-3.21
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE and DESCRIPTION

AMOUNT

PURPOSE and DESCRIPTION: To increase the amount spent for the
gas weatherization program per the merger agreement.

Total \$ 1,000,000

Jurisdictional allocation percentage 100%

Jurisdictional amount To Sch C-3 Summary <-- \$ 1,000,000

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ADJUSTED JURISDICTIONAL FEDERAL INCOME TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-4.1a, SUPPLEMENTAL (C)(16)

SCHEDULE C-4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
K. G. BUTLER

LINE NO.	DESCRIPTION	AT CURRENT RATES			AT PROPOSED RATES	
		SCHEDULE C-3			PROFORMA	
		UNADJUSTED	ADJUSTMENTS	ADJUSTED	ADJUSTMENTS	PROFORMA
		(1)	(2)	(3)	(4)	(5)
		(\$)	(\$)	(\$)	(\$)	(\$)
1	Operating Income before Federal					
2	Income Taxes	34,551,580	17,653,810	52,205,390	33,582,591	85,787,981
3						
4	Reconciling Items:					
5	Interest Charges	(19,369,179)	1,106,391	(18,262,788)	0	(18,262,788)
6	Net Interest Charges	(19,369,179)	1,106,391	(18,262,788)	0	(18,262,788)
7						
8	Tax Depreciation	(45,227,318)	0	(45,227,318)	0	(45,227,318)
9	Book Depreciation	31,396,326	(1,917,747)	29,478,579	0	29,478,579
10	Excess of Tax over Book Depreciation	(13,830,992)	(1,917,747)	(15,748,739)	0	(15,748,739)
11						
12	Other Reconciling Items:					
13	Permanent Differences	133,512	0	133,512	0	133,512
14	Temporary Differences	(1,520,239)	(90,387)	(1,610,626)	0	(1,610,626)
15	Total Other Reconciling Items	(1,386,727)	(90,387)	(1,477,114)	0	(1,477,114)
16	Total Reconciling Items	(34,586,898)	(901,743)	(35,488,641)	0	(35,488,641)
17	Federal Taxable Income	(35,318)	16,752,067	16,716,749	33,582,591	50,299,340
18						
19	Federal Income Taxes:					
20	First \$50,000	50,000 @	15%	7,500	7,500	7,500
21	Next \$25,000	25,000 @	25%	6,250	6,250	6,250
22	Next \$25,000	25,000 @	34%	8,500	8,500	8,500
23	Next \$235,000	235,000 @	39%	91,650	91,650	91,650
24	Next \$9,665,000	9,665,000 @	34%	3,286,100	3,286,100	3,286,100
25	Next \$5,000,000	5,000,000 @	35%	1,750,000	1,750,000	1,750,000
26	Next \$3,333,333	3,333,333 @	38%	1,266,667	1,266,667	1,266,667
27	Over \$18,333,333 (A)	(18,368,851) @	35%	(6,429,028)	(5,863,226)	(5,863,226)
28	Federal Income Taxes			(12,361)	5,863,226	5,850,865
29					11,753,907	17,604,772
30	Deferred Income Taxes:					
31	Deferred Income Tax on Depreciation	4,901,154	671,211	5,572,365		5,572,365
32	Other Deferred Income Taxes - Net	532,084	31,635	563,719		563,719
33	Deferred Income Tax Adjustment - ARAM	(57,254)		(57,254)		(57,254)
34	Deferred Income Tax Adjustment - Flow-Through	1,006,301		1,006,301		1,006,301
35	Amortization of Investment Tax Credit	(222,564)		(222,564)		(222,564)
36	Total Deferred Income Taxes	6,159,721	702,846	6,862,567	0	6,862,567
37						
38	Total Federal Income Taxes	6,147,360	6,566,072	12,713,432	11,753,907	24,467,339

(A) Calculation may be different due to rounding

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
DEVELOPMENT OF JURISDICTIONAL FEDERAL INCOME TAXES BEFORE ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-4.1a, SUPPLEMENTAL (C)(8),
SUPPLEMENTAL (C)(16)

SCHEDULE C-4.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
K. G. BUTLER

LINE NO.	DESCRIPTION	UNADJUSTED JURISDICTION
		(\$)
1	Operating Income before Federal	
2	Income Taxes	34,551,580
3		
4	Reconciling Items:	
5	Interest Charges	(19,369,179)
6	Net Interest Charges	(19,369,179)
7		
8	Tax Depreciation	(45,227,318)
9	Book Depreciation	31,396,326
10	Excess of Tax over Book Depreciation	(13,830,992)
11		
12	Other Reconciling Items:	
13	Permanent Differences	133,512
14	Temporary Differences	(1,520,239)
15	Total Other Reconciling Items	(1,386,727)
16	Total Reconciling Items	(34,586,898)
17	Federal Taxable Income	(35,318)
18		
19	Federal Income Taxes:	
20	First \$50,000 50,000 @ 15%	7,500
21	Next \$25,000 25,000 @ 25%	6,250
22	Next \$25,000 25,000 @ 34%	8,500
23	Next \$235,000 235,000 @ 39%	91,650
24	Next \$9,665,000 9,665,000 @ 34%	3,286,100
25	Next \$5,000,000 5,000,000 @ 35%	1,750,000
26	Next \$3,333,333 3,333,333 @ 38%	1,266,667
27	Over \$18,333,333 (18,368,651) @ 35%	(6,429,028) (A)
28	Federal Income Taxes	(35,318) (12,361)
29		
30	Deferred Income Taxes:	
31	Tax Depreciation	(45,227,318)
32	Tax S/L Depreciation	31,224,021 (B)
33	Excess of Tax over S/L	(14,003,297)
34		
35	Deferred Income Tax on Depreciation (Line 33 * 35%)	4,901,154
36	Other Deferred Income Taxes - Net (Line 14 * 35%)	532,084
37	Deferred Income Tax Adjustment - ARAM	(57,254)
38	Deferred Income Tax Adjustment - Flow-Through	1,006,301
39	Amortization of Investment Tax Credit	(222,564)
40	Total Deferred Income Taxes	6,159,721
41		
42	Total Federal Income Tax Expense	6,147,360

(A) Calculation may be different due to rounding

(B) Book Depreciation less Depreciation on AFUDC Equity

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
SOCIAL AND SERVICE CLUB DUES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	SOCIAL ORGANIZATION/ SERVICE CLUB	TOTAL UTILITY	GAS DEPARTMENT	ALLOCATION %	JURISDICTION
			(\$)	(\$)		(\$)

No Social and/or Service Club dues are included in the test year operating expenses.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
CHARITABLE CONTRIBUTIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-8
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	CHARITABLE CONTRIBUTIONS	TOTAL UTILITY	GAS DEPARTMENT	ALLOCATION %	JURISDICTION
			(\$)	(\$)		(\$)

No Charitable Contributions are included in the test year operating expenses.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
CUSTOMER SERVICE and INFORMATIONAL, SALES EXPENSES, and
GENERAL ADVERTISING EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SUPPLEMENTAL INFORMATION (C)(8)

SCHEDULE C-7
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	DESCRIPTION of EXPENSES	LABOR	NON LABOR	TOTAL UNADJUSTED JURISDICTION (A)
			(\$)	(\$)	(\$)
1		CUSTOMER SERVICE and INFORMATIONAL EXPENSE:			
2					
3	908000	Customer Assistance - Energy Conservation	623,405	347,112	970,517
4					
5	909000	General & Miscellaneous Media Expenses	0	159,832	159,832
6					
7	910000	Miscellaneous Customer Service and Informational Expense	977,897	3,412,907	4,390,804
8					
9		Total Customer Service and Informational Expense	1,601,302	3,919,851	5,521,153
10					
11		SALES EXPENSES:			
12					
13	911000	Customer Assistance	0	42	42
14					
15	913000	Media-Regional & National	0	8,568	8,568
16					
17		Total Sales Expense	0	8,610	8,610
18					
19		GENERAL ADVERTISING EXPENSES:			
20					
21	930202	General & Miscellaneous Media Expense	3,441	292,031	295,472
22					
23		Total General Advertising Expense	3,441	292,031	295,472

(A) Total Utility is 100% Jurisdictional.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-8
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

Comparison Of Projected Expenses Associated With The Current Case To Prior Rate Cases

ITEM OF EXPENSE	<u>07-589-GA-AIR</u>	<u>01-1228-GA-AIR</u>		<u>95-656-GA-AIR</u>		Justify Significant Change
	Estimate	Actual	Estimate	Actual	Estimate	
Legal						
Accounting						
Consultants	75,000	638,967	615,000	211,498	60,000	
Rate of Return Studies	90,000	40,000	10,000		50,000	
Publish Legal Notice	10,000	7,339	40,000	34,305	40,000	
Transportation, Lodging, Meals	15,000	8,146	50,000	45,262	30,000	
Transcript Expenses	10,000	6,574	30,000	30,844	20,000	
Miscellaneous	35,000	29,628	20,000	10,000	50,000	
Total	<u>235,000</u>	<u>730,654</u>	<u>765,000</u>	<u>331,909</u>	<u>250,000</u>	

Schedule Of Rate Case Expense Amortization

Item of Expense	Total Expense To Be Amortized	Opinion / Order Date	Authorized Amortization Period	Amount Amort/Exp To Date	Expenses Included In Unadjusted Test Year Expense
Current Case	235,000	-	3 YEAR		0
01-1228-GA-AIR	730,654	5/30/2002	4 YEAR	730,654	0
95-656-GA-AIR	331,909	12/12/1996	3 YEAR	331,909	0
Gas Cost Hearings					0
Total per Books			To WPC-3.3a <-----		<u>0</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
OPERATION AND MAINTENANCE PAYROLL COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCH C-3.4, SCH C-3.17, SCH C-3.18, SCH C-3.19

SCHEDULE C-9
PAGE 1 OF 1
WITNESSES RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	OPERATION AND MAINTENANCE EXPENSE				
		TOTAL COMPANY UNADJUSTED	ALLOCATION % (A)	JURISDICTIONAL UNADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED
1	Payroll Costs					
2	Labor	32,873,325		32,873,325	(5,899,790)	26,973,535
3						
4	Employee Benefits					
5	Pension	9,299,864		9,299,864	(246,301)	9,053,563
6	Injuries and Damages	0		0	0	0
7	Employee Incentive Thrift Plan					
8	Deferred Compensation and					
9	Investment Plan	1,493,106		1,493,106	(39,534)	1,453,572
10	Group Insurance and					
11	Hospital Plan	4,681,161		4,681,161	(123,977)	4,557,184
12	Other	140,698		140,698	(3,722)	136,976
13	Total Benefits	15,614,829		15,614,829	(413,534)	15,201,295
14						
15	Payroll Taxes					
16	F.I.C.A.	2,387,044		2,387,044	(682,644)	1,704,400
17	Federal Unemployment	62,778		62,778	(43,212)	19,566
18	State Unemployment	31,513		31,513	(24,301)	7,212
19	Other Payroll Taxes	0		0	0	0
20	Total Payroll Taxes	2,481,335		2,481,335	(750,157)	1,731,178
21	Total Payroll Costs	50,969,489		50,969,489	(7,063,481)	43,906,008

(A) Total Utility is 100% Allocation.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
TOTAL COMPANY PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
2002-2006 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-9.1
PAGE 1 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					TEST YEAR
		2002	2003	2004	2005	2006	
1	MANHOURS						
2	STRAIGHT TIME HOURS	2,324,241	2,251,490	3,224,162	3,939,288	4,543,356	4,487,344
3	OVERTIME HOURS	257,916	273,850	385,394	401,430	388,737	354,981
4	TOTAL MANHOURS	<u>2,582,157</u>	<u>2,525,340</u>	<u>3,609,556</u>	<u>4,340,718</u>	<u>4,942,093</u>	<u>4,842,325</u>
5							
6	RATIO OF OVERTIME HOURS TO						
7	STRAIGHT TIME HOURS	11.10	12.16	11.95	10.19	8.78	7.91
8							
9	LABOR DOLLARS						
10	OTHER EARNINGS	1,836,063	651,130	1,134,234	0	0	0
11	STRAIGHT TIME DOLLARS	58,025,876	57,855,016	86,567,105	222,990,919	201,680,996	188,099,012
12	OVERTIME DOLLARS	7,394,321	8,174,308	12,114,321	20,644,119	16,746,511	6,389,163
13	TOTAL LABOR DOLLARS	<u>67,256,260</u>	<u>66,680,454</u>	<u>99,815,660</u>	<u>243,635,037</u>	<u>218,427,506</u>	<u>194,488,175</u>
14							
15	RATIO OF OVERTIME DOLLARS TO						
16	STRAIGHT TIME DOLLARS	12.74	14.13	13.99	9.26	8.30	3.40
17							
18	O & M LABOR DOLLARS - GAS	26,292,913	28,065,456	29,266,289	22,974,925	27,791,013	26,973,535
19	RATIO OF O & M LABOR DOLLARS TO						
20	TOTAL LABOR DOLLARS	39.09	39.09	29.32	9.43	12.72	13.87
21							
22	TOTAL EMPLOYEE BENEFITS	28,247,629	28,005,791	41,922,577	72,808,422	77,837,946	92,381,883
23	EMPLOYEE BENEFITS EXPENSE - GAS	11,043,024	10,947,491	12,291,842	11,368,378	15,380,704	12,812,430
24	RATIO OF EMPLOYEE BENEFITS EXP						
25	TO TOTAL EMPLOYEE BENEFITS	39.09	39.09	29.32	15.66	19.76	13.87
26							
27	TOTAL PAYROLL TAXES	5,044,220	5,001,034	7,488,175	13,455,332	14,195,801	14,586,613
28	PAYROLL TAXES EXPENSED - GAS	1,971,969	1,954,909	2,194,972	2,147,790	2,770,424	2,023,015
29	RATIO OF PAYROLL TAXES EXP TO						
30	TOTAL PAYROLL TAXES	39.09	39.09	29.32	15.96	19.52	13.87
31							
32	AVERAGE EMPLOYEE LEVELS				2,540	2,180	2,093
33	YEAR END EMPLOYEE LEVELS				2,167	1,859	2,093
34	EMPLOYEE LEVELS BY MONTHS	JAN.			2,540	2,434	2,082
35	(TEST YEAR AND TWO MOST	FEB.			2,540	2,482	2,073
36	RECENT CALENDAR YEARS)	MAR.			2,540	2,575	2,042
37		APR.			2,975	2,431	2,247
38		MAY			2,499	2,217	2,077
39		JUN.			2,566	2,092	2,025
40		JUL.			2,542	1,325	2,150
41		AUG.			2,535	2,717	2,029
42		SEP.			2,573	2,071	2,036
43		OCT.			2,662	2,117	2,182
44		NOV.			2,346	1,840	2,084
45		DEC.			2,167	1,859	2,093

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
UNION PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
2002-2006 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-9.1
PAGE 2 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

		MOST RECENT FIVE CALENDAR YEARS					
LINE NO.	DESCRIPTION	2002	2003	2004	2005	2006	TEST YEAR
1	MANHOURS						
2	STRAIGHT TIME HOURS	1,974,350	1,930,230	2,898,348	2,331,281	2,721,893	2,851,677
3	OVERTIME HOURS	223,612	243,015	360,421	330,246	327,270	293,862
4	TOTAL MANHOURS	<u>2,197,962</u>	<u>2,173,245</u>	<u>3,258,769</u>	<u>2,661,527</u>	<u>3,049,163</u>	<u>3,145,539</u>
5							
6	RATIO OF OVERTIME HOURS TO						
7	STRAIGHT TIME HOURS	11.33	12.59	12.44	14.17	12.02	10.30
8							
9	LABOR DOLLARS						
10	OTHER EARNINGS	1,538,911	512,954	1,072,090	0	0	0
11	STRAIGHT TIME DOLLARS	48,991,317	47,557,142	76,109,825	118,087,798	111,782,340	107,131,697
12	OVERTIME DOLLARS	<u>6,327,281</u>	<u>7,197,749</u>	<u>11,301,805</u>	<u>17,162,374</u>	<u>13,841,153</u>	<u>5,383,503</u>
13	TOTAL LABOR DOLLARS	<u>54,857,509</u>	<u>55,267,845</u>	<u>88,483,720</u>	<u>135,250,171</u>	<u>125,623,493</u>	<u>112,515,200</u>
14							
15	RATIO OF OVERTIME DOLLARS TO						
16	STRAIGHT TIME DOLLARS	13.46	15.13	14.85	14.53	12.38	5.03
17							
18	O & M LABOR DOLLARS - GAS	16,348,933	16,220,534	18,212,411	13,596,411	17,629,921	14,569,271
19	RATIO OF O & M LABOR DOLLARS TO						
20	TOTAL LABOR DOLLARS	29.80	29.35	20.58	10.05	14.03	12.95
21							
22	TOTAL EMPLOYEE BENEFITS	23,040,154	23,212,495	37,163,162	37,464,992	39,276,018	53,444,720
23	EMPLOYEE BENEFITS EXPENSE - GAS	6,868,552	6,812,624	7,649,213	6,943,659	9,389,247	6,920,404
24	RATIO OF EMPLOYEE BENEFITS EXP						
25	TO TOTAL EMPLOYEE BENEFITS	29.80	29.35	20.58	18.53	23.91	12.95
26							
27	TOTAL PAYROLL TAXES	4,114,314	4,145,089	6,636,279	6,932,775	6,872,056	8,438,640
28	PAYROLL TAXES EXPENSED - GAS	1,226,170	1,216,540	1,365,931	1,301,981	1,641,104	1,092,695
29	RATIO OF PAYROLL TAXES EXP TO						
30	TOTAL PAYROLL TAXES	29.80	29.35	20.58	18.78	23.88	12.95
31							
32	AVERAGE EMPLOYEE LEVELS				1,468	1,304	1,311
33	YEAR END EMPLOYEE LEVELS				1,295	1,204	1,333
34	EMPLOYEE LEVELS BY MONTHS	JAN.			1,468	1,372	1,257
35	(TEST YEAR AND TWO MOST	FEB.			1,468	1,374	1,258
36	RECENT CALENDAR YEARS)	MAR.			1,468	1,497	1,286
37		APR.			1,806	1,347	1,414
38		MAY			1,428	1,302	1,306
39		JUN.			1,429	1,340	1,288
40		JUL.			1,456	620	1,353
41		AUG.			1,424	1,834	1,278
42		SEP.			1,493	1,290	1,284
43		OCT.			1,521	1,307	1,377
44		NOV.			1,363	1,157	1,320
45		DEC.			1,295	1,204	1,333

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
EXEMPT PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
2002-2006 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-9.1
PAGE 3 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

MOST RECENT FIVE CALENDAR YEARS						
LINE NO.	DESCRIPTION	2002	2003	2004	2005	2006 TEST YEAR
1	MANHOURS					
2	STRAIGHT TIME HOURS	343,209	315,132	303,679	1,414,382	1,395,165
3	OVERTIME HOURS	34,283	30,826	24,828	67,573	61,489
4	TOTAL MANHOURS	<u>377,492</u>	<u>345,958</u>	<u>328,507</u>	<u>1,481,955</u>	<u>1,446,343</u>
5						
6	RATIO OF OVERTIME HOURS TO					
7	STRAIGHT TIME HOURS	9.99	9.78	8.18	4.78	3.67
8						
9	LABOR DOLLARS					
10	OTHER EARNINGS	296,520	137,756	61,676	0	0
11	STRAIGHT TIME DOLLARS	10,955,004	10,223,771	10,218,801	99,364,339	84,997,099
12	OVERTIME DOLLARS	<u>1,066,655</u>	<u>976,463</u>	<u>810,840</u>	<u>3,387,973</u>	<u>2,691,609</u>
13	TOTAL LABOR DOLLARS	<u>12,318,179</u>	<u>11,337,990</u>	<u>11,091,317</u>	<u>102,752,312</u>	<u>87,688,707</u>
14						
15	RATIO OF OVERTIME DOLLARS TO					
16	STRAIGHT TIME DOLLARS	9.74	9.55	7.93	3.41	1.21
17						
18	O & M LABOR DOLLARS - GAS	9,491,742	9,393,990	10,547,571	8,695,260	9,220,571
19	RATIO OF O & M LABOR DOLLARS TO					
20	TOTAL LABOR DOLLARS	77.05	82.85	95.10	8.46	10.52
21						
22	TOTAL EMPLOYEE BENEFITS	5,173,635	4,761,956	4,658,353	33,184,504	36,643,446
23	EMPLOYEE BENEFITS EXPENSE - GAS	3,986,532	3,945,476	4,429,980	4,154,040	5,611,670
24	RATIO OF EMPLOYEE BENEFITS EXP					
25	TO TOTAL EMPLOYEE BENEFITS	77.05	82.85	95.10	12.52	15.31
26						
27	TOTAL PAYROLL TAXES	923,863	850,349	831,849	6,154,961	6,986,762
28	PAYROLL TAXES EXPENSED - GAS	711,881	704,549	791,068	795,076	1,062,745
29	RATIO OF PAYROLL TAXES EXP TO					
30	TOTAL PAYROLL TAXES	77.05	82.85	95.10	12.92	15.21
31						
32	AVERAGE EMPLOYEE LEVELS				949	763
33	YEAR END EMPLOYEE LEVELS				771	561
34	EMPLOYEE LEVELS BY MONTHS	JAN.			949	956
35	(TEST YEAR AND TWO MOST	FEB.			949	996
36	RECENT CALENDAR YEARS)	MAR.			949	948
37		APR.			1,038	907
38		MAY			954	804
39		JUN.			987	625
40		JUL.			922	660
41		AUG.			977	711
42		SEP.			965	677
43		OCT.			1,035	718
44		NOV.			891	596
45		DEC.			771	561

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
NON-EXEMPT PAYROLL ANALYSIS
BY EMPLOYEE CLASSIFICATIONS/PAYROLL DISTRIBUTION
2002-2006 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-9.1
PAGE 4 OF 4
WITNESS RESPONSIBLE:
W. D. WATHEN

		MOST RECENT FIVE CALENDAR YEARS					
LINE NO.	DESCRIPTION	2002	2003	2004	2005	2006	TEST YEAR
1	MANHOURS						
2	STRAIGHT TIME HOURS	6,682	6,128	22,135	193,625	235,099	240,502
3	OVERTIME HOURS	21	9	145	3,610	9,978	9,941
4	TOTAL MANHOURS	<u>6,703</u>	<u>6,137</u>	<u>22,280</u>	<u>197,235</u>	<u>245,077</u>	<u>250,443</u>
5							
6	RATIO OF OVERTIME HOURS TO						
7	STRAIGHT TIME HOURS	0.31	0.15	0.66	1.86	4.24	4.13
8							
9	LABOR DOLLARS						
10	OTHER EARNINGS	632	420	468	0	0	0
11	STRAIGHT TIME DOLLARS	79,555	74,103	238,479	5,538,782	4,901,557	4,234,024
12	OVERTIME DOLLARS	385	96	1,876	93,772	213,749	77,884
13	TOTAL LABOR DOLLARS	<u>80,572</u>	<u>74,619</u>	<u>240,623</u>	<u>5,632,554</u>	<u>5,115,306</u>	<u>4,311,908</u>
14							
15	RATIO OF OVERTIME DOLLARS TO						
16	STRAIGHT TIME DOLLARS	0.48	0.13	0.70	1.69	4.36	1.84
17							
18	O & M LABOR DOLLARS - GAS	452,238	450,932	506,307	683,264	940,521	1,039,016
19	RATIO OF O & M LABOR DOLLARS TO						
20	TOTAL LABOR DOLLARS	561.28	604.31	210.42	12.13	18.39	24.10
21							
22	TOTAL EMPLOYEE BENEFITS	33,840	31,340	101,062	1,958,926	1,918,462	2,048,156
23	EMPLOYEE BENEFITS EXPENSE - GAS	189,940	189,391	212,649	270,680	379,786	493,533
24	RATIO OF EMPLOYEE BENEFITS EXP						
25	TO TOTAL EMPLOYEE BENEFITS	561.29	604.31	210.41	13.82	19.80	24.10
26							
27	TOTAL PAYROLL TAXES	6,043	5,596	18,047	367,597	336,783	323,393
28	PAYROLL TAXES EXPENSED - GAS	33,918	33,820	37,973	50,753	66,576	77,926
29	RATIO OF PAYROLL TAXES EXP TO						
30	TOTAL PAYROLL TAXES	561.28	604.36	210.41	13.81	19.77	24.10
31							
32	AVERAGE EMPLOYEE LEVELS				123	113	116
33	YEAR END EMPLOYEE LEVELS				101	94	100
34	EMPLOYEE LEVELS BY MONTHS	JAN.			123	106	104
35	(TEST YEAR AND TWO MOST	FEB.			123	110	102
36	RECENT CALENDAR YEARS)	MAR.			123	130	115
37		APR.			131	177	125
38		MAY			117	111	123
39		JUN.			150	127	127
40		JUL.			154	45	133
41		AUG.			134	172	126
42		SEP.			115	104	113
43		OCT.			108	92	121
44		NOV.			92	87	108
45		DEC.			101	94	100

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
COMPUTATION of GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-10a thru WPC-10e

SCHEDULE C-10
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	PERCENT OF INCREMENTAL GROSS REVENUE
1	Operating Revenues	100.00000%
2		
3		
4	Less: Uncollectible Accounts Expenses	1.47670%
5	PUCO Maintenance Assessment	0.13420%
6	Consumers' Counsel Assessment	0.02960%
7		<u>1.64050%</u>
8	Income before Federal Income Tax (Line 1 - Line 6)	98.35950%
9		
10	Federal Income Tax (35% x 98.36%)	<u>34.42583%</u>
11		
12	Operating Income Percentage (Line 8 - Line 10)	<u>63.93368%</u>
13		
14	Gross Revenue Conversion Factor (100% / 63.934%)	<u>1.5641209</u>

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
COMPARATIVE BALANCE SHEETS
AS OF MARCH 31, 2007 AND DECEMBER 31, 2002-2006

SCHEDULE C-11.1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	DATE CERTAIN	2006	2005	2004	2003	2002
1	ASSETS						
2	UTILITY PLANT						
3	UTILITY PLANT		8,385,084,754	8,309,868,075	6,814,040,280	6,290,592,432	6,073,225,551
4	CONSTRUCTION WORK IN PROGRESS		560,522,785	523,748,367	257,429,861	117,330,721	243,592,640
5	TOTAL UTILITY PLANT		8,945,607,539	8,833,616,442	7,071,470,141	6,408,023,153	6,316,818,191
6	LESS: ACCUMULATED PROVISION FOR DEPRECIATION		2,915,129,608	2,756,147,871	2,750,215,102	2,551,601,044	2,503,693,826
7	NET UTILITY PLANT		6,030,477,931	6,077,468,571	4,321,255,039	3,856,422,109	3,813,124,365
8	OTHER PROPERTY AND INVESTMENTS						
9	NONUTILITY PROPERTY - NET		1,523,343	1,523,985	1,164,684	1,179,751	1,185,649
10	INVESTMENT IN SUBSIDIARY COMPANIES		546,572,331	532,888,028	206,205,799	239,344,225	253,569,225
11	NONCURRENT PORTION OF ALLOWANCES		331,397,572	442,031,647	19,083,584	0	0
12	OTHER INVESTMENTS		648,744	447,093	2,718,624	1,079,944	1,079,450
13	SPECIAL FUNDS		0	0	0	10,000	10,000
14	TOTAL OTHER PROPERTY AND INVESTMENTS		880,141,990	976,888,753	229,172,691	255,854,818	237,023,120
15	CURRENT AND ACCRUED ASSETS						
16	CASH		10,660,195	37,660,233	(227,887)	183,260	44,495,716
17	SPECIAL DEPOSITS		20,059,525	30,257,039	58,311,078	136,923	3,071,247
18	WORKING FUNDS		17,689	16,736	16,689	3,019,283	(4,399,865)
19	TEMPORARY CASH INVESTMENTS		0	0	0	0	0
20	NOTES AND ACCOUNTS RECEIVABLE - NET		75,785,092	115,130,969	204,343,628	143,049,756	114,326,969
21	RECEIVABLES FROM ASSOCIATED COMPANIES		156,301,791	177,716,965	233,886,785	144,355,988	166,284,028
22	MATERIALS, SUPPLIES AND FUEL		111,551,956	120,069,813	109,311,192	100,604,430	79,732,003
23	ALLOWANCES		100,976,082	40,197,014	46,981,494	37,173,789	9,177,626
24	GAS STORED - CURRENT		18,600,207	66,319,017	57,560,226	43,400,361	36,207,304
25	PREPAYMENTS		88,180,975	65,940,398	54,641,044	28,189,141	14,660,144
26	INTEREST AND DIVIDENDS RECEIVABLE		0	0	0	5,000	0
27	RENTS RECEIVABLE		0	0	352,518	674,600	446,785
28	MISCELLANEOUS CURRENT AND ACCRUED ASSETS		2,499,421	8,866,999	118,140,608	26,056,444	103,476
29	DERIVATIVE INSTRUMENT ASSETS		90,617,400	120,016,065	723,984,479	196,142,817	109,412,483
30	TOTAL CURRENT AND ACCRUED ASSETS		675,250,413	785,211,150	1,607,301,854	813,093,229	521,983,498
31	DEFERRED DEBITS						
32	UNAMORTIZED DEBT EXPENSE		7,875,778	8,016,923	15,753,198	16,474,773	17,735,222
33	OTHER REGULATORY ASSETS		593,941,991	619,826,457	565,291,208	645,154,684	668,681,437
34	PRELIMINARY SURVEY AND INVESTIGATION CHARGES		707,869	676,727	392,577	140,080	140,080
35	CLEARING ACCOUNTS		189,005	317,208	196,436	171,316	39,097
36	TEMPORARY FACILITIES		(1,130,737)	(1,068,794)	(596,294)	(710,697)	(355,855)
37	MISCELLANEOUS DEFERRED DEBITS		2,441,000,345	2,450,697,957	61,690,557	65,464,424	54,909,595
38	UNAMORTIZED LOSS ON REACQUIRED DEBT		7,948,133	8,088,010	11,276,826	12,643,639	14,070,103
39	ACCUMULATED DEFERRED INCOME TAXES		68,369,356	48,071,177	100,677,858	114,121,403	175,235,900
40	UNRECOVERED PURCHASED GAS COSTS		(3,832,299)	(6,777,447)	(327,142)	894,078	14,165,278
41	TOTAL DEFERRED DEBITS		3,114,969,462	3,127,850,218	754,555,222	800,691,769	920,094,064
42							
43							
44	TOTAL ASSETS		10,800,839,796	10,967,418,692	6,912,284,806	5,959,601,053	5,620,011,579

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
COMPARATIVE BALANCE SHEETS
AS OF MARCH 31, 2007 AND DECEMBER 31, 2002-2006

SCHEDULE C-11.1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	DATE CERTAIN	MOST RECENT FIVE CALENDAR YEARS				
			2006	2005	2004	2003	2002
1	LIABILITIES AND NET WORTH						
2	PROPRIETARY CAPITAL						
3	COMMON STOCK ISSUED	762,136,231	762,136,231	762,136,231	762,136,231	762,136,231	762,136,231
4	PREFERRED STOCK ISSUED	0	0	20,484,900	20,484,900	20,484,900	20,484,900
5	PREMIUM ON CAPITAL STOCK	0	0	362,457,437	362,457,437	362,457,437	362,457,437
6	OTHER PAID-IN CAPITAL	5,605,406,639	5,601,303,731	262,541,995	243,469,113	245,820,585	245,585,338
7	CAPITAL STOCK EXPENSE	0	0	(21,750,868)	(21,750,868)	(21,750,868)	(21,750,868)
8	RETAINED EARNINGS	73,842,011	53,218,068	488,508,646	417,551,927	402,295,761	311,524,768
9	UNAPPROPRIATED UNDISTRIBUTED SUB EARNINGS	13,768,399	1,178,700	198,744,917	192,680,058	187,697,325	176,127,212
10	ACCUMULATED OTHER COMPREHENSIVE INCOME	(34,281,249)	(38,638,226)	(47,208,554)	(37,831,227)	(32,463,793)	(25,746,020)
11	TOTAL PROPRIETARY CAPITAL	6,420,872,031	6,376,198,504	1,995,916,704	1,936,197,571	1,926,677,578	1,830,818,998
12	LONG TERM DEBT						
13	BONDS	226,800,000	226,800,000	290,800,000	290,800,000	400,800,000	886,300,000
14	OTHER LONG TERM DEBT	1,344,000,000	1,344,000,000	1,356,720,663	1,356,720,663	1,252,720,663	1,052,720,663
15	UNAMORTIZED PREMIUM ON LONG TERM DEBT	10,150,817	10,601,918	251,824	355,723	539,623	4,458,431
16	UNAMORTIZED DISCOUNT ON LONG TERM DEBT - DEBIT	(50,418,349)	(50,976,599)	(35,149,104)	(36,488,095)	(37,838,404)	(6,318,895)
17	TOTAL LONG TERM DEBT	1,530,532,468	1,530,425,329	1,612,623,383	1,511,428,351	1,626,221,892	1,727,160,199
18	OTHER NONCURRENT LIABILITIES						
19	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	34,631,366	36,467,871	32,001,501	28,580,639	22,442,563	16,887,894
20	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	2,389,391	2,499,119	3,900,750	3,389,559	4,681,371	4,354,464
21	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	125,230,167	119,758,132	70,666,172	66,298,626	64,501,739	63,843,848
22	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	5,886,511	5,889,477	5,897,995	5,897,995	5,897,995	7,199,132
23	ASSET RETIREMENT OBLIGATIONS	33,065,633	32,577,548	35,044,025	1,926,388	1,881,610	0
24	TOTAL OTHER NONCURRENT LIABILITIES	201,185,088	197,192,147	147,510,443	106,063,207	99,405,278	92,285,338
25	CURRENT AND ACCRUED LIABILITIES						
26	NOTES PAYABLE	0	0	0	0	0	0
27	ACCOUNTS PAYABLE	250,476,451	293,643,206	360,916,333	285,263,207	204,360,856	187,314,743
28	NOTES PAYABLE TO ASSOCIATED COMPANIES	26,852,790	231,473,073	84,445,511	188,870,180	0	0
29	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	250,810,363	83,411,187	238,172,792	94,537,301	145,624,880	153,714,455
30	CUSTOMER DEPOSITS	17,245,964	16,556,550	12,643,407	11,305,239	10,132,510	10,371,064
31	TAXES ACCRUED	190,763,400	290,949,648	170,087,590	149,506,980	134,056,427	151,555,080
32	INTEREST ACCRUED	22,692,796	24,010,429	23,063,565	18,038,332	20,319,493	21,622,577
33	DIVIDENDS DECLARED	(399)	0	0	0	0	0
34	TAX COLLECTIONS PAYABLE	1,456,473	613,948	466,798	453,225	367,416	389,078
35	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	51,499,776	66,655,488	190,649,278	44,483,000	12,552,055	18,294,854
36	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	4,713,063	4,067,119	3,809,207	2,410,755	2,282,554	1,596,903
37	DERIVATIVE INSTRUMENT LIABILITIES	109,711,321	111,463,035	735,782,911	180,387,306	89,455,661	50,614,051
38	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	597,036	915,090	3,157,180	8,147,626	12,814,318	17,733,957
39	TOTAL CURRENT AND ACCRUED LIABILITIES	929,859,054	1,123,758,773	1,823,194,572	933,393,151	631,986,170	643,186,762
40	DEFERRED CREDITS						
41	CUSTOMER ADVANCES FOR CONSTRUCTION	4,881,046	5,129,655	4,908,092	4,494,073	4,400,639	4,468,434
42	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	11,879,359	12,264,589	64,855,917	70,494,302	76,166,470	81,902,488
43	OTHER DEFERRED CREDITS	361,390,672	360,449,580	157,769,584	146,332,131	139,067,448	142,268,209
44	OTHER REGULATORY LIABILITIES	6,855,548	6,855,548	6,542,780	5,340,413	77,624,115	77,624,115
45	UNAMORTIZED GAIN ON REACQUIRED DEBT	694,465	694,857	736,341	777,825	819,309	860,793
46	ACCUMULATED DEFERRED INCOME TAXES	1,392,700,044	1,351,449,710	1,098,226,900	1,142,060,029	1,098,147,519	1,019,436,243
47	TOTAL DEFERRED CREDITS	1,718,391,155	1,736,843,939	1,333,039,704	1,369,498,773	1,396,225,500	1,326,560,282
48							
49							
50	TOTAL LIABILITIES	10,800,839,796	10,987,418,692	6,912,284,806	5,959,601,053	5,690,516,408	5,620,011,579

DUKE ENERGY OHIO
CASE NO. 07-580-GA-AIR
COMPARATIVE INCOME STATEMENTS
2002-2006 AND THE TWELVE MONTHS ENDING MARCH 31, 2007

SCHEDULE C-11.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	DESCRIPTION	TEST YEAR	MOST RECENT FIVE CALENDAR YEARS				
			2006	2005	2004	2003	2002
1	UTILITY OPERATING INCOME						
2	OPERATING REVENUES	7,113,528,781	8,413,258,882	11,237,218,476	9,283,119,232	7,000,037,571	4,714,721,716
3	OPERATING EXPENSES						
4	OPERATION EXPENSES	6,082,006,839	7,414,281,409	10,240,058,710	8,309,790,268	6,037,202,061	3,795,434,598
5	MAINTENANCE EXPENSES	106,021,470	100,367,564	108,198,401	113,272,684	93,205,904	85,025,835
6	DEPRECIATION EXPENSE	189,068,245	180,410,204	148,177,778	142,674,526	149,026,727	163,234,717
7	DEPRECIATION ASSET RETIREMENT COST	209,358	335,324	80,889	84,044	65,176	0
8	AMORT. & DEPL. OF UTILITY PLANT	29,043,702	28,503,739	21,266,269	19,666,625	17,921,747	15,342,444
9	AMORT. OF UTILITY PLANT ACQ. ADJ.	22,793,448	17,109,162	0	(11,138,928)	22,238	5,736
10	AMORT. OF PROPERTY LOSSES, UNRECOVERED						
11	PLANT AND REGULATORY STUDY COSTS	0	0	0	0	0	0
12	REGULATORY DEBITS	83,090,810	81,204,015	88,369,602	44,646,076	36,851,755	47,681,549
13	REGULATORY CREDITS	8,871,143	6,510,044	(24,053,000)	0	0	0
14	TAXES OTHER THAN INCOME TAXES	224,371,051	219,975,481	214,054,828	196,690,818	194,965,410	192,833,890
15	INCOME TAXES - FEDERAL	201,056,998	208,590,878	190,172,038	63,823,473	82,452,618	24,472,461
16	INCOME TAXES - OTHER	39,084,191	34,397,697	8,478,200	17,634,777	10,134,148	3,698,835
17	PROVISION FOR DEFERRED INCOME TAXES	(23,717,896)	(23,107,001)	74,416,467	42,631,846	57,064,908	115,853,733
18	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(123,036,070)	(108,405,770)	(113,456,235)	(5,615,149)	16,297,460	(9,035,743)
19	INVESTMENT TAX CREDIT ADJ. - NET	(1,618,444)	(1,778,541)	(2,364,838)	(2,394,464)	(2,413,268)	(2,437,224)
20	(LESS) GAINS FROM DISP. OF UTILITY PLANT	(312,496)	(312,496)	0	0	0	0
21	(LESS) GAINS FROM DISPOSITION OF ALLOWANCES	40,096,591	2,634,177	(125,447,889)	(4,069,674)	(15,103,212)	(13,938,037)
22	LOSSES FROM DISPOSITION OF ALLOWANCES	0	0	340,250	0	0	0
23	ACCRETION EXPENSE	269,952	539,258	100,482	65,003	91,173	0
24	TOTAL UTILITY OPERATING EXPENSES	6,882,064,718	8,161,257,945	10,827,021,902	8,987,592,028	6,878,995,030	4,419,372,792
25	NET UTILITY OPERATING INCOME	231,464,063	252,000,937	410,196,573	295,525,304	321,342,541	295,348,924
26	OTHER INCOME AND DEDUCTIONS						
27	OTHER INCOME						
28	NONUTILITY OPERATING INCOME	(3,607,218)	1,018,849	50,400,006	31,882,010	9,849,127	29,743,265
29	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	13,768,399	11,174,148	16,285,380	19,862,733	40,875,131	23,804,203
30	INTEREST AND DIVIDEND INCOME	22,461,334	23,426,770	14,189,022	8,335,362	13,452,812	7,989,977
31	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	2,399,629	2,273,585	399,504	478,304	2,585,872	(437,893)
32	MISCELLANEOUS NONOPERATING INCOME	(1,024,808,482)	(1,039,395,336)	6,595,630,028	7,339,465,798	4,888,356,110	1,595,588,529
33	GAIN ON DISPOSITION OF PROPERTY	0	8,805	52,777	4,240,561	3,212,736	67,374
34	TOTAL OTHER INCOME	(989,856,338)	(1,001,495,179)	8,678,942,377	7,404,263,668	4,957,821,788	1,658,915,455
35	OTHER INCOME DEDUCTIONS						
36	LOSS ON DISPOSITION OF PROPERTY	0	12,517	485,791	143,947	94,917	424,891
37	MISCELLANEOUS INCOME DEDUCTIONS	(902,613,364)	(1,006,509,599)	6,655,542,901	7,320,412,800	4,877,412,830	1,595,202,639
38	TOTAL OTHER INCOME DEDUCTIONS	(902,613,364)	(1,006,497,082)	6,668,029,692	7,320,556,747	4,877,507,747	1,595,627,530
39	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS						
40	TAXES OTHER THAN INCOME TAXES	638,829	853,732	2,279,575	1,525,452	22,474	167,306
41	INCOME TAXES - FEDERAL	(28,280,872)	(17,356,208)	16,104,041	20,007,351	(9,850,308)	15,937,735
42	- OTHER	(7,547,982)	(6,852,524)	5,973,376	0	0	(9,590,213)
43	PROVISION FOR DEFERRED INCOME TAXES	9,046,183	13,633,207	(21,874,489)	894,749	1,744,665	1,062,007
44	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(7,529,326)	1,333,918	19,035,576	13,292,388	3,890,390	(1,120,256)
45	INVESTMENT TAX CREDIT ADJ. - NET	0	(391,812)	(1,990,318)	(3,277,704)	(3,322,761)	(3,325,318)
46	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	(33,673,368)	(8,769,687)	19,727,763	32,442,236	(7,534,610)	3,130,265
47	NET OTHER INCOME AND DEDUCTIONS	(53,369,606)	13,771,590	(8,814,078)	51,264,685	87,848,551	58,157,600
48	INTEREST CHARGES						
49	INTEREST ON LONG TERM DEBT	90,036,746	91,075,338	50,217,168	86,320,558	103,878,119	88,548,707
50	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	2,553,312	2,404,619	2,453,300	2,612,941	2,489,011	1,403,871
51	AMORTIZATION OF LOSS ON REACQUIRED DEBT	959,510	991,700	1,366,814	1,368,464	10,615,203	962,078
52	AMORTIZATION OF PREMIUM ON DEBT - CREDIT	(2,471,821)	(2,056,696)	(143,699)	(143,699)	(191,243)	(250,104)
53	AMORTIZATION OF GAIN ON REACQUIRED DEBT	(41,484)	(41,484)	(41,484)	(41,484)	(41,484)	(41,484)
54	INTEREST ON DEBT TO ASSOC. COMPANIES	7,728,019	7,249,902	5,719,983	2,552,559	106,887	6,184,582
55	OTHER INTEREST EXPENSE	6,998,518	11,262,644	8,432,561	3,199,917	2,076,599	1,953,650
56	ALLOWANCE FOR BWD FUNDS USED DUR CONST. - CR.	(21,370,895)	(17,792,778)	(7,577,895)	(5,919,335)	(9,653,640)	(9,011,622)
57	NET INTEREST CHARGES	84,385,935	93,153,245	100,420,555	89,947,721	109,079,046	89,810,768
58	NET INCOME	93,705,502	172,619,282	300,955,940	256,842,468	306,112,046	293,695,846

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WITNESS RESPONSIBLE:
W. D. WATHEN

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

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					TEST YEAR	FIVE PROJECTED CALENDAR YEARS				
		2002	2003	2004	2005	2006		2008	2009	2010	2011	2012
1	REVENUE BY CUSTOMER											
2	CLASS-\$ (A) -											
3	REGULATED -											
4	RESIDENTIAL	198,843,529	302,984,124	348,189,478	397,025,171	353,867,636	417,147,979	388,728,359	386,747,746	384,077,481	382,101,474	382,042,712
5	COMMERCIAL	78,398,736	121,398,165	133,350,221	151,288,499	139,215,310	171,149,994	156,009,644	154,866,975	153,473,580	151,957,316	151,265,001
6	INDUSTRIAL	13,644,136	21,078,814	21,966,323	23,662,984	21,525,610	33,749,715	24,583,909	22,382,243	21,359,582	20,650,611	19,775,420
7	OTHER	11,243,018	14,807,346	13,049,024	14,345,594	13,384,297	18,887,609	20,916,881	20,626,781	20,338,027	20,076,719	19,756,707
8	TOTAL RETAIL	302,129,419	480,068,449	516,555,046	586,322,228	527,992,853	640,935,297	590,238,793	584,623,745	579,248,650	574,786,120	572,839,840
9	TRANSPORTATION -											
10	RESIDENTIAL	14,852,911	15,800,871	9,095,194	9,062,430	11,745,742	16,251,955	18,053,388	18,804,011	19,606,556	20,405,989	21,207,941
11	COMMERCIAL	9,518,327	10,497,155	11,986,566	12,562,809	12,203,939	13,088,166	15,738,933	16,284,104	16,830,289	17,344,517	17,839,142
12	INDUSTRIAL	3,129,691	4,360,011	5,032,675	5,040,233	4,373,345	4,594,375	4,666,866	4,350,309	4,285,239	4,283,193	4,185,713
13	OTHER	14,006,323	13,826,810	14,686,618	14,827,492	14,364,281	15,095,714	16,116,972	16,685,740	17,184,568	17,428,236	17,577,518
14	TOTAL TRANSPORTATION	41,507,252	44,474,847	40,751,053	41,492,954	42,687,307	49,028,210	54,576,159	56,114,164	57,886,662	59,462,915	60,810,314
15												
16	TOTAL RETAIL SALES (REV)	343,636,671	504,543,296	557,306,099	627,815,192	570,680,160	689,963,507	644,814,952	640,737,909	637,135,312	634,249,035	633,650,154
17												
18	NO. OF CUSTOMERS BY											
19	CLASS (YEAR END)											
20	REGULATED -											
21	RESIDENTIAL	328,179	340,381	350,123	353,820	338,796	342,972	339,013	342,533	346,087	349,530	352,798
22	COMMERCIAL	32,397	32,053	32,637	32,240	30,964	22,934	31,181	31,637	31,933	32,187	32,430
23	INDUSTRIAL	1,383	1,312	1,307	1,235	1,202	1,181	1,188	1,199	1,205	1,206	1,205
24	OTHER	1,108	980	950	915	887	893	906	912	926	928	922
25	TOTAL RETAIL	364,067	374,726	385,017	388,210	371,849	367,980	372,288	376,281	380,151	383,851	387,355
26	TRANSPORTATION -											
27	RESIDENTIAL	38,192	28,002	27,604	25,845	44,884	51,740	52,310	52,817	53,330	53,826	54,298
28	COMMERCIAL	5,294	5,294	5,302	5,243	6,548	7,148	7,229	7,333	7,401	7,460	7,516
29	INDUSTRIAL	290	384	378	375	384	422	425	428	429	430	430
30	OTHER	473	565	631	653	708	734	742	751	757	758	753
31	TOTAL TRANSPORTATION	45,249	34,245	33,915	32,116	52,530	60,044	60,706	61,329	61,917	62,474	62,987
32												
33	TOTAL RETAIL CUSTOMERS	409,316	408,971	418,932	420,326	424,378	428,024	432,994	437,610	442,088	446,325	450,352

(A) Contains Billed and Unbilled Sales.

DUKE ENERGY OHIO
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WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
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LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					TEST YEAR	FIVE PROJECTED CALENDAR YEARS				
		2002	2003	2004	2005	2006		2008	2009	2010	2011	2012
1	NO. OF CUSTOMERS BY											
2	CLASS (AVERAGE)...											
3	REGULATED -											
4	RESIDENTIAL	323,240	334,062	345,047	349,389	342,091	342,507	336,925	340,620	344,192	347,683	351,034
5	COMMERCIAL	31,563	32,486	32,170	31,848	31,176	22,643	30,870	31,288	31,655	31,927	32,174
6	INDUSTRIAL	1,306	1,344	1,281	1,236	1,216	1,173	1,183	1,203	1,203	1,204	1,205
7	OTHER	1,106	1,093	976	925	899	881	901	912	923	929	925
8	TOTAL RETAIL	357,215	368,985	379,474	383,398	375,382	367,204	369,879	374,014	377,973	381,743	385,339
9	TRANSPORTATION -											
10	RESIDENTIAL	41,802	35,146	28,377	28,153	38,683	50,092	52,009	52,542	53,058	53,560	54,044
11	COMMERCIAL	5,902	4,964	5,393	5,575	6,036	7,200	7,156	7,253	7,336	7,399	7,457
12	INDUSTRIAL	348	332	382	392	423	423	423	427	430	430	430
13	OTHER	472	494	804	649	687	731	738	747	754	758	755
14	TOTAL TRANSPORTATION	48,524	40,936	34,756	34,769	45,786	58,446	60,326	60,958	61,574	62,147	62,686
15												
16	TOTAL RETAIL CUSTOMERS	405,739	409,931	414,230	418,167	421,168	425,650	430,205	434,982	439,547	443,890	448,024
17												
18	AVERAGE REVENUE PER											
19	CUSTOMER.....											
20	REGULATED -											
21	RESIDENTIAL	615	907	1,009	1,136	1,034	1,218	1,154	1,135	1,116	1,099	1,088
22	COMMERCIAL	2,484	3,736	4,145	4,750	4,465	7,559	5,054	4,950	4,848	4,760	4,701
23	INDUSTRIAL	10,447	15,684	17,148	19,145	17,702	28,772	20,778	18,759	17,761	17,148	16,408
24	TRANSPORTATION -											
25	RESIDENTIAL	355	450	320	322	304	324	347	358	370	381	392
26	COMMERCIAL	1,613	2,115	2,219	2,253	2,022	1,818	2,199	2,242	2,294	2,344	2,392
27	INDUSTRIAL	8,993	13,102	13,175	12,858	11,509	10,861	11,035	10,200	10,014	9,963	9,736

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WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					FIVE PROJECTED CALENDAR YEARS					
		2002	2003	2004	2005	2006	TEST YEAR	2008	2009	2010	2011	2012
1	REVENUE BY CUSTOMER											
2	CLASS: \$.....											
3												
4												
5												
6												
7												

SAME AS SCHEDULE C-12.1

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WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
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LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS					TEST YEAR	FIVE PROJECTED CALENDAR YEARS				
		2002	2003	2004	2005	2006		2008	2009	2010	2011	2012
1	SALES BY CUSTOMER											
2	CLASS (A) -											
3	REGULATED -											
4	RESIDENTIAL	28,555,868	31,647,448	30,411,350	29,978,541	25,298,116	28,040,070	25,504,935	25,533,406	25,664,887	25,775,526	25,881,989
5	COMMERCIAL	12,052,866	13,412,138	12,226,708	11,896,238	10,395,732	10,105,821	10,847,837	10,869,157	10,940,009	10,980,165	11,003,758
6	INDUSTRIAL	2,384,394	2,522,643	2,166,734	2,004,650	1,757,385	2,100,547	1,612,868	1,656,448	1,612,868	1,599,236	1,551,506
7	OTHER	1,905,631	1,807,708	1,287,388	1,213,068	1,124,242	1,471,146	1,554,902	1,572,710	1,590,725	1,608,554	1,604,755
8	TOTAL RETAIL	44,898,759	49,388,937	46,092,180	45,092,497	38,575,475	41,717,584	39,719,410	39,631,720	39,808,489	39,963,481	40,072,008
9	TRANSPORTATION -											
10	RESIDENTIAL	3,982,084	3,639,106	2,639,016	2,564,802	2,680,040	4,234,867	4,319,492	4,321,922	4,342,416	4,357,311	4,368,791
11	COMMERCIAL	5,030,128	4,738,619	5,049,268	5,322,329	4,581,596	5,480,621	5,483,463	5,495,867	5,533,704	5,552,346	5,553,682
12	INDUSTRIAL	1,976,931	2,316,336	2,662,907	2,644,598	2,228,025	2,484,233	2,328,563	2,145,240	2,096,670	2,081,518	2,016,711
13	OTHER	20,832,525	19,330,127	19,676,178	19,446,277	18,890,035	19,723,466	20,091,995	20,716,436	21,370,832	21,693,700	21,905,567
14	TOTAL TRANSPORTATION	31,821,668	30,024,188	30,027,369	29,578,006	28,365,686	31,923,287	32,223,543	32,679,284	33,343,621	33,684,875	33,864,750
15												
16	TOTAL RETAIL SALES (MCF)	76,720,427	79,414,125	76,119,549	75,070,503	66,965,171	73,640,871	71,938,952	72,311,005	73,152,111	73,648,356	73,876,758
17												
18	NO. OF CUSTOMERS BY											
19	CLASS (YEAR END)											
20	REGULATED -											
21	RESIDENTIAL	329,179	340,381	350,123	353,820	338,796	342,972	339,013	342,533	346,087	349,530	352,798
22	COMMERCIAL	32,397	32,053	32,637	32,240	30,964	22,934	31,181	31,637	31,933	32,187	32,430
23	INDUSTRIAL	1,383	1,312	1,307	1,235	1,202	1,181	1,188	1,199	1,205	1,206	1,205
24	OTHER	1,108	980	950	915	887	893	908	912	928	928	922
25	TOTAL RETAIL	364,067	374,726	385,017	388,210	371,849	367,880	372,288	376,281	380,151	383,651	387,355
26	TRANSPORTATION -											
27	RESIDENTIAL	39,192	28,002	27,604	25,845	44,884	51,740	52,310	52,817	53,330	53,826	54,298
28	COMMERCIAL	5,294	5,294	5,302	5,243	6,548	7,148	7,229	7,333	7,401	7,460	7,518
29	INDUSTRIAL	290	384	378	375	350	422	425	428	429	430	430
30	OTHER	473	565	631	653	708	734	742	751	757	758	753
31	TOTAL TRANSPORTATION	45,249	34,245	33,915	32,116	52,530	60,044	60,706	61,329	61,917	62,474	62,987
32												
33	TOTAL RETAIL CUSTOMERS	409,316	408,971	418,932	420,328	424,379	428,024	432,984	437,610	442,068	446,325	450,352

(A) Contains Billed and Unbilled Sales.

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WITNESS RESPONSIBLE:
W. D. WATHEN

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		2002	2003	2004	2005	2006		2008	2009	2010	2011	2012
1	NO. OF CUSTOMERS BY											
2	CLASS (AVERAGE)											
3	REGULATED -											
4	RESIDENTIAL	323,240	334,062	345,047	349,389	342,091	342,507	336,925	340,620	344,192	347,683	351,034
5	COMMERCIAL	31,563	32,496	32,170	31,848	31,176	22,643	30,870	31,288	31,655	31,927	32,174
6	INDUSTRIAL	1,306	1,344	1,281	1,236	1,216	1,173	1,183	1,193	1,203	1,204	1,205
7	OTHER	1,106	1,093	976	925	899	881	901	912	923	929	925
8	TOTAL RETAIL	357,215	368,995	379,474	383,398	375,382	367,204	369,879	374,014	377,973	381,743	385,339
9	TRANSPORTATION -											
10	RESIDENTIAL	41,802	35,146	28,377	28,153	38,683	50,092	52,009	52,542	53,056	53,560	54,044
11	COMMERCIAL	5,902	4,964	5,393	5,575	6,036	7,200	7,156	7,253	7,336	7,399	7,457
12	INDUSTRIAL	348	332	382	392	380	423	423	427	428	430	430
13	OTHER	472	494	604	649	687	731	738	747	754	758	755
14	TOTAL TRANSPORTATION	48,524	40,936	34,756	34,769	45,786	58,446	60,326	60,958	61,574	62,147	62,686
15												
16	AVERAGE SALES PER											
17	CUSTOMER -											
18	REGULATED -											
19	RESIDENTIAL	88	95	88	86	74	82	76	75	75	74	74
20	COMMERCIAL	382	413	380	374	333	446	351	347	346	344	342
21	INDUSTRIAL	1,826	1,877	1,691	1,622	1,445	1,791	1,518	1,388	1,341	1,328	1,287
22	TRANSPORTATION -											
23	RESIDENTIAL	95	104	93	91	69	85	83	82	82	81	81
24	COMMERCIAL	852	955	936	955	761	761	766	758	754	750	746
25	INDUSTRIAL	5,681	6,977	6,971	6,746	5,863	5,873	5,506	5,030	4,900	4,842	4,691

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
ANALYSIS OF RESERVE FOR UNCOLLECTIBLE ACCOUNTS
2004-2006 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2007

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

SCHEDULE C-13
PAGE 1 OF 1
WITNESSES RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	<u>Most Recent Three Calendar Years</u>			Test Year * Ending Dec 31, 2007
		2004	2005	2006	
1	Reserve at Beginning of Year	16,606	0	0	0
2	Current Year's Provision	0	0	0	0
3	Recoveries	0	0	0	0
4	Amount Charged Against Reserve	(16,606)	0	0	0
5	Reserve at End of Year	0	0	0	0
6	Net Write Off Ratio (Line 4 - Line 3) / Line 5	0%	0%	0%	0%
7	Uncollectible Expense/Provision Ratio (Line 2 / Line 5)	0%	0%	0%	0%

Notes:

(a) Commencing February 2002, all retail account receivables are sold to Cinergy Receivables LLC therefore transferring the risk of uncollectibility to the purchaser and eliminating the need for a future provision. The "charged amounts against the reserve" for 2002 & 2003 represent the reversal of all previously recorded bad debt provision.

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

CASE NO. 07-589-GA-AIR

IN THE MATTER OF THE APPLICATION
OF THE DUKE ENERGY OHIO
FOR AUTHORITY TO INCREASE
ITS GAS DISTRIBUTION RATES FOR SERVICE TO ALL
JURISDICTIONAL CONSUMERS

SECTION D

SECTION D
RATE OF RETURN
DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR

Test Year: Twelve Months Ended June 30 2005

Date Certain: March 31, 2007

Schedules

D-1A	Rate of return summary corporate
D-1B	Rate of return summary consolidated
D-2A	Embedded cost of short-term debt corporate
D-2B	Embedded cost of short-term debt consolidated
D-3A	Embedded cost of long-term debt corporate
D-3B	Embedded cost of long-term debt consolidated
D-4A	Embedded cost of preferred stock corporate
D-4B	Embedded cost of preferred stock consolidated
D-5A	Comparative Financial Data corporate
D-5B	Comparative Financial Data consolidated

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
RATE of RETURN SUMMARY
AS OF MARCH 31, 2007

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE D-1A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	CLASS of CAPITAL	REFERENCE	AMOUNT (\$)	% of TOTAL	COST	WEIGHTED COST
1	Long-term debt	D-3	1,752,639,770	44.24%	5.87%	2.60%
2						
3	Preferred stock	D-4	0	0.00%	0.00%	0.00%
4						
5	Common equity	WPD-1a	2,209,036,300	55.76%	11.00%	6.13%
6						
7	Total capital		<u>3,961,676,070</u>	<u>100.00%</u>		<u>8.73%</u>
8						
9	Accumulated deferred investment					
10	tax credit - Acct 255		<u>18,250,030</u>			
11						
12	Accumulated deferred income					
13	taxes - Acct 281 (accel amort)		<u>0</u>			
14						
15	Accumulated deferred income					
16	taxes - Acct 282		<u>1,323,861,631</u>			
17						
18	Accumulated deferred income					
19	taxes - Acct 283		<u>168,443,579</u>			

Note: Long-term debt and common equity have been adjusted to remove the impact of purchase accounting and to eliminate the impact of the generation assets contributed to DE-Ohio by Duke Energy North America ("DENA").

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-589-GA-AIR
RATE of RETURN SUMMARY
AS OF MARCH 31, 2007

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
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SCHEDULE D-1B
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	CLASS of CAPITAL	REFERENCE	AMOUNT (\$)	% of TOTAL	COST	WEIGHTED COST
1	Long-term debt	D-3	9,374,522,374	31.24%	6.30%	1.97%
2						
3	Preferred stock	D-4	0	0.00%	0.00%	0.00%
4						
5	Common equity		20,634,070,202	68.76%	11.00%	7.56%
6						
7	Total capital		30,008,592,576	100.00%		9.53%
8						
9	Accumulated deferred investment					
10	tax credit - Acct 255		171,084,066			
11						
12	Accumulated deferred income					
13	taxes - Acct 281 (accel amort)		(48,478,505)			
14						
15	Accumulated deferred income					
16	taxes - Acct 282		4,507,400,794			
17						
18	Accumulated deferred income					
19	taxes - Acct 283		2,038,895,037			

Note: The capital structure has not been adjusted to remove the impact of purchase accounting.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
EMBEDDED COST OF SHORT-TERM DEBT

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING		INTEREST RATE (C)	INTEREST REQUIREMENT (D)
		Notes Payable & Commercial Paper (B)	Current Maturities of LTD		
		(\$)		(%)	(\$)
1	Duke Energy Ohio				
2	Money Pool	29,852,790	-	5.3000%	1,582,198
3	Capitalized Leases	-	4,713,062	5.1070%	240,696
4	Other long-term debt	-	100,000,000	6.8700%	6,870,000
5	Total Ohio	29,852,790	104,713,062		8,692,894
6	Duke Energy Kentucky				
7	Money Pool	17,611,185	-	5.3000%	933,383
8	Capitalized Leases	-	1,511,853	5.7320%	86,659
9	Total Kentucky	17,611,185	1,511,853		1,020,052
10	Total Ohio Consolidated	47,463,975	106,224,915		9,712,946
11	Total Short-term Debt / Weighted Average Cost		153,688,890	6.32%	

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-589-GA-AIR
EMBEDDED COST OF SHORT-TERM DEBT

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SCHEDULE D-2B
PAGE 1 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING		INTEREST RATE (C)	INTEREST REQUIREMENT (D)
		Notes Payable & Commercial Paper (B)	Current Maturities of LTD		
		(\$)		(%)	(\$)
1	Duke Energy Ohio				
2	Money Pool	29,852,790	-	5.3000%	1,582,198
3	Capitalized Leases	-	4,713,062	5.1070%	240,696
4	Other long-term debt	-	100,000,000	6.8700%	6,870,000
5	Total Ohio	<u>29,852,790</u>	<u>104,713,062</u>		<u>8,692,894</u>
6	Duke Energy Kentucky				
7	Money Pool	17,611,185	-	5.3000%	933,393
8	Capitalized Leases	-	1,511,853	5.7320%	86,659
9	Total Kentucky	<u>17,611,185</u>	<u>1,511,853</u>		<u>1,020,052</u>
10	Total Ohio Consolidated	<u>47,463,975</u>	<u>106,224,915</u>		<u>9,712,946</u>
11	Duke Energy Indiana				
12	Capitalized Leases	-	3,806,429	5.2430%	199,571
13	Other long-term debt	-	265,000,000	7.8500%	20,802,500
14	Other long-term debt	-	1,309,855	6.0000%	78,591
15	Total Indiana	<u>-</u>	<u>270,116,284</u>		<u>21,080,662</u>
16	Cinergy Global Resources, Inc.				
17	Global Greece Holdings - Attiki	-	9,365,776	5.2430%	491,048
18	Duke Energy Shared Services, Inc.				
19	Money Pool	144,482,541		5.3000%	7,657,575
20	Cinergy Corp.				
21	Commercial Paper	405,560,000		5.3900%	21,859,884
22	Money Pool elimination	(191,946,516)		5.3000%	(10,173,165)
23	Cinergy Investments				
24	Notes Payable	138,467	-	-	-
25	Cincap IV LLC - Structured Transaction	-	21,623,872	7.8100%	1,688,824
26	Cincap V LLC - Structured Transaction	-	3,716,802	9.2300%	343,051
27	Cinergy Solutions of St. Paul EWS - Note	-	280,069	6.5000%	18,204
28	Delta Township Utilities - Senior Debenture	-	459,878	7.2700%	33,433
29	Spruce Mountain - Acquisition Related Issue	-	5,375,407	12.0000%	645,049
30	Other	-	(289,584)	-	-
31	Total Cinergy Consolidated	<u>405,698,467</u>	<u>416,873,419</u>		<u>53,357,321</u>

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-589-GA-AIR
EMBEDDED COST OF SHORT-TERM DEBT

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2B
PAGE 2 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING		INTEREST RATE (C)	INTEREST REQUIREMENT (D)
		Notes Payable & Commercial Paper (B)	Current Maturities of LTD		
		(\$)		(%)	(\$)
32	Duke Energy Carolinas				
33	Commercial Paper	18,491,505	-	5.3300%	985,597
34	FMB	-	247,924	8.9500%	22,189
35	FMB	-	500,000,000	3.7500%	18,750,000
36	Sr Unsecured	-	110,000,000	4.6110%	5,072,100
37	Sr Unsecured	-	248,926,000	6.6000%	16,429,116
38	Sr Unsecured	-	110,245,000	1.7500%	1,929,288
39	Sr Unsecured	-	666,667	9.2100%	61,400
40	Sr Unsecured	-	1,533,333	7.4500%	114,233
41	Sr Unsecured	-	2,333,333	6.9000%	161,000
42	Electric Center Mortgage	-	1,367,161	6.7700%	92,557
43	Fair Value Hedge	-	5,097,940	-	-
44	Unamortized debt discount/premium	-	(1,265,508)	-	-
45	Total Carolinas	<u>18,491,505</u>	<u>979,151,860</u>		<u>43,617,480</u>
46	Duke Energy International				
47	Capital Leases:				
48	Aguaytia Capital Leases	-	95,000	7.8100%	7,420
49	Egenor Capital Leases	-	139,827	6.9640%	9,738
50	Other:				
51	Aguaytia Credit Facility Cap Ex	-	1,592,000	8.1900%	130,385
52	Aguaytia Credit Facility Cap Ex	-	1,500,000	7.5000%	112,500
53	Aguaytia Note Float CR	-	190,000	7.6000%	14,440
54	Aguaytia Senior Secured Notes- Fixed	-	8,273,000	6.1640%	511,602
55	DEI El Salvador Bond Floating	-	4,313,000	8.8700%	382,563
56	DEI Guatemala Bond Floating	-	8,863,000	8.3700%	741,833
57	Parapananema Bond Fixed	-	62,623,000	10.0000%	6,262,300
58	Parapananema Bond Floating	-	4,951,000	13.6800%	677,297
59	Parapananema Bond Floating	-	1,256,000	14.1900%	178,226
60	Total Duke Energy International	<u>-</u>	<u>93,795,827</u>		<u>9,028,304</u>
61	DukeNet				
62	Capitalized Leases	-	30,000	8.2000%	2,460
63	Duke Royal				
64	Capitalized Leases	-	638,946	8.0000%	51,116
65	Capitalized Leases	-	66,818	5.9500%	3,976
66	Total Duke Energy Consolidated	<u>424,189,972</u>	<u>1,490,556,860</u>		<u>106,060,657</u>
67	Total Short-term Debt / Weighted Average Cost		<u>1,914,746,832</u>	<u>5.54%</u>	

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
EMBEDDED COST OF LONG-TERM DEBT

DATE OF LONG TERM DEBT: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-3A
PAGE 1 OF 2
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	DEBT ISSUE TYPE, COUPON RATE	DATE ISSUED (DAY/MO/YR)	MATURITY DATE (DAY/MO/YR)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST (I)
1	Duke Energy Ohio									
2	Capital Leases:									
3	Meters (1999 Acquisitions)	20-Dec-99	20-Sep-08	3,455,456	1,317,374				1,317,374	91,138
4	Meters (2000 Acquisitions)	20-Dec-00	20-Sep-09	5,609,562	2,723,022				2,723,022	170,511
5	Meters (2001 Acquisitions)	20-Dec-01	20-Sep-10	5,513,360	3,173,295				3,173,295	195,621
6	Meters (2002 Acquisitions)	20-Dec-02	20-Sep-11	5,866,187	3,806,035				3,806,035	174,095
7	Meters (2003 Acquisitions)	20-Dec-03	20-Sep-12	7,837,224	5,807,083				5,807,083	281,315
8	Meters (2004 Acquisitions)	25-Dec-04	25-Sep-13	8,548,831	7,068,567				7,068,567	362,381
9	Meters (2005 Acquisitions)	30-Dec-05	30-Dec-14	7,867,454	7,121,856				7,121,856	356,385
10	Meters (2006 Acquisitions)	28-Dec-06	30-Dec-15	8,482,976	8,327,217				8,327,217	426,036
11	Bonds:									
12	1st. Mtge.	1-Jan-94	1-Jan-24	21,400,000	21,400,000				21,400,000	1,182,191
13	1st. Mtge.	1-Jan-94	1-Jan-24	25,300,000	25,300,000				25,300,000	1,397,637
14	Pollution Control Bonds:									
15	1995 Ser. A - Variable Rate	1-Sep-95	1-Sep-30	42,000,000	42,000,000				42,000,000	1,645,841
16	1996 Ser. B - Variable Rate	1-Sep-96	1-Sep-30	42,000,000	42,000,000				42,000,000	1,869,722
17	PCB-OAQDQ-A - Variable Rate	1-Sep-02	1-Sep-37	42,000,000	42,000,000				42,000,000	1,558,908
18	PCB-OAQDQ-B - Variable Rate	1-Sep-02	1-Sep-37	42,000,000	42,000,000				42,000,000	1,558,908
19	PCB	10-Nov-04	1-Nov-39	47,000,000	47,000,000				47,000,000	1,715,342
20	PCB	10-Nov-04	1-Nov-39	47,000,000	47,000,000				47,000,000	1,744,492
21	PCB	21-Aug-01	1-Aug-33	12,100,000	12,100,000				12,100,000	471,652
22	Other Long-Term Debt:									
23	Series	1-Jun-95	1-Jun-25	150,000,000	150,000,000				150,000,000	10,528,538
24	Series	15-Sep-02	15-Sep-12	500,000,000	500,000,000				500,000,000	28,908,125
25	Series	1-Oct-97	1-Oct-07	100,000,000	100,000,000				100,000,000	6,987,992
26	Series	1-Apr-98	1-Apr-08	100,000,000	100,000,000				100,000,000	6,502,400
27	Series	16-Jun-03	15-Jun-33	200,000,000	200,000,000				200,000,000	10,945,800
28	Series	16-Jun-03	15-Jun-33	200,000,000	200,000,000				200,000,000	10,894,453
29	TriState Improvement	23-Mar-06	28-Feb-11	26,304,756	26,304,756				26,304,756	1,539,169
30	Loss on Reacquisition of Debt							7,848,133	(7,848,133)	959,509
31	Gain on Reacquisition of Debt							(684,486)	684,486	(41,484)
32	Unamortized discount, premium, and debt expense					(40,287,531)	7,875,780		(48,143,311)	993,135
33	Current Maturities				(104,713,062)	(71,950)	(71,343)	(214,194)	(104,489,475)	(7,831,052)
34	Total Ohio			1,650,285,806	1,531,736,143	(40,339,481)	7,804,437	6,949,453	1,476,642,772	85,586,770

DATE OF LONG TERM DEBT: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):.

[illegible]

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-389-GA-AIR
EMBEDDED COST OF LONG-TERM DEBT

DATE OF LONG TERM DEBT: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-3B
PAGE 1 OF 6
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	DEBT ISSUE TYPE COUPON RATE	DATE ISSUED (DAY/MON/YR) (A)	MATURITY DATE (DAY/MON/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) OR PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST (I)
1	Duke Energy Ohio									
2	Capital Leases:									
3	Meiers (1999 Acquisitions)	20-Dec-99	20-Sep-08	3,455,456	1,317,374				1,317,374	91,138
4	Meiers (2000 Acquisitions)	20-Dec-00	20-Sep-09	5,608,562	2,723,022				2,723,022	170,511
5	Meiers (2001 Acquisitions)	20-Dec-01	20-Sep-10	5,513,360	3,173,295				3,173,295	195,621
6	Meiers (2002 Acquisitions)	20-Dec-02	20-Sep-11	5,866,187	3,806,035				3,806,035	174,095
7	Meiers (2003 Acquisitions)	20-Dec-03	20-Sep-12	7,837,224	5,807,083				5,807,083	231,315
8	Meiers (2004 Acquisitions)	25-Dec-04	25-Sep-13	8,548,831	7,068,567				7,068,567	362,381
9	Meiers (2005 Acquisitions)	30-Dec-05	30-Dec-14	7,867,454	7,121,856				7,121,856	356,385
10	Meiers (2006 Acquisitions)	28-Dec-06	30-Dec-15	8,482,976	8,327,217				8,327,217	426,036
11	Bonds:									
12	1st. Mtge.	1-Jan-94	1-Jan-24	21,400,000	21,400,000				21,400,000	1,182,191
13	1st. Mtge.	1-Jan-94	1-Jan-24	25,300,000	25,300,000				25,300,000	1,397,637
14	Pollution Control Bonds:									
15	1995 Ser. A - Variable Rate	1-Sep-95	1-Sep-30	42,000,000	42,000,000				42,000,000	1,645,841
16	1996 Ser. B - Variable Rate	1-Sep-95	1-Sep-30	42,000,000	42,000,000				42,000,000	1,669,722
17	PCB-OAQDQ-A - Variable Rate	1-Sep-02	1-Sep-37	42,000,000	42,000,000				42,000,000	1,558,908
18	PCB-OAQDQ-B - Variable Rate	1-Sep-02	1-Sep-37	42,000,000	42,000,000				42,000,000	1,558,908
19	PCB	10-Nov-04	1-Nov-39	47,000,000	47,000,000				47,000,000	1,715,342
20	PCB	10-Nov-04	1-Nov-39	47,000,000	47,000,000				47,000,000	1,744,492
21	PCB	21-Aug-01	1-Aug-33	12,100,000	12,100,000				12,100,000	471,652
22	Other Long-Term Debt:									
23	Series	1-Jun-95	1-Jun-25	150,000,000	150,000,000				150,000,000	10,528,538
24	Series	15-Sep-02	15-Sep-12	500,000,000	500,000,000				500,000,000	28,906,125
25	Series	1-Oct-97	1-Oct-07	100,000,000	100,000,000				100,000,000	6,987,992
26	Series	1-Apr-98	1-Apr-08	100,000,000	100,000,000				100,000,000	6,502,400
27	Series	16-Jun-03	15-Jun-33	200,000,000	200,000,000				200,000,000	10,846,800
28	Series	16-Jun-03	15-Jun-33	200,000,000	200,000,000				200,000,000	10,884,463
29	Tristate Improvement	23-Mar-06	28-Feb-11	26,304,756	26,304,756				26,304,756	1,539,169
30	Loss on Reacquisition of Debt							7,848,133	(7,848,133)	959,509
31	Gain on Reacquisition of Debt							(684,486)	684,486	(41,484)
32	Unamortized discount, premium, and debt expense						7,875,750		(48,143,311)	993,135
33	Current Maturities							(214,194)	(104,499,475)	(7,631,052)
34	Total Ohio			1,650,285,806	1,531,736,143	(40,399,481)	7,804,437	6,949,453	1,476,842,772	85,586,770

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-589-GA-AIR
EMBEDDED COST OF LONG-TERM DEBT

DATE OF LONG TERM DEBT: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-3B
PAGE 2 OF 6
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	DEBT ISSUE TYPE, COUPON RATE	DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) or PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST (I)
35	Duke Energy Kentucky									
36	Capital Leases:									
37	Meters (1999 Acquisitions)	20-Dec-99	20-Sep-08	909,880	348,810				348,810	23,993
38	Meters (2000 Acquisitions)	20-Dec-00	20-Sep-09	3,832,158	1,860,225				1,860,225	116,484
39	Meters (2001 Acquisitions)	20-Dec-01	20-Sep-10	1,411,952	812,689				812,689	50,098
40	Meters (2002 Acquisitions)	20-Dec-02	20-Sep-11	1,074,181	696,938				696,938	31,879
41	Meters (2003 Acquisitions)	20-Dec-03	20-Sep-12	2,068,445	1,532,639				1,532,639	74,246
42	Meters (2004 Acquisitions)	25-Dec-04	25-Sep-13	2,017,084	1,667,818				1,667,818	85,503
43	Meters (2005 Acquisitions)	30-Dec-05	30-Dec-14	2,079,031	1,882,001				1,882,001	94,180
44	Meters (2006 Acquisitions)	28-Dec-06	30-Dec-15	2,406,336	2,362,152				2,362,152	120,852
45	Erlanger Lease	1-Oct-05	30-Sep-20	1,981,202	1,981,202				1,981,202	177,262
46	Pollution Control Bonds:									
47	2006 Ser. A - Variable Rate	2-Aug-06	1-Aug-27	50,000,000	50,000,000				50,000,000	1,813,665
48	2006 Ser. B - Variable Rate	2-Aug-06	1-Aug-27	26,720,000	26,720,000				26,720,000	1,049,836
49	Other Long-Term Debt:									
50	Series									
51	Series	15-Dec-04	15-Dec-14	40,000,000	40,000,000				40,000,000	2,025,000
52	Series	30-Apr-98	30-Apr-08	20,000,000	20,000,000				20,000,000	1,321,125
53	Series	10-Mar-06	10-Mar-16	50,000,000	50,000,000				50,000,000	2,916,328
54	Series	10-Mar-06	10-Mar-36	65,000,000	65,000,000				65,000,000	4,092,465
55	Loss on Recacquisition of Debt	15-Sep-99	15-Sep-09	20,000,000	20,000,000				20,000,000	1,606,008
56	Unamortized discount, premium, and debt expense					(704,496)	3,927,161	3,904,843	(3,904,843)	305,267
57	Current Maturities				(1,511,853)				(4,531,657)	300,850
58	Total Kentucky			289,500,069	283,350,601	(704,496)	3,927,161	3,904,843	274,814,101	16,122,067
59	Total Ohio Consolidated			1,939,785,875	1,815,086,744	(41,043,977)	11,731,598	10,854,286	1,751,456,873	101,708,837

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-588-GA-AIR
EMBEDDED COST OF LONG-TERM DEBT

DATE OF LONG TERM DEBT: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL, UPDATED, REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-3B
PAGE 3 OF 6
WITNESS RESPONSIBLE:
S. G. DEMAY

LINE NO.	DEBT ISSUE TYPE, COUPON RATE	DATE ISSUED (DAY/MO/YR) (A)	MATURITY DATE (DAY/MO/YR) (B)	PRINCIPAL AMOUNT (C)	FACE AMOUNT OUTSTANDING (D)	UNAMORT. (DISCOUNT) or PREMIUM (E)	UNAMORT. DEBT EXPENSE (F)	UNAMORT. LOSS ON REACQUIRED DEBT (G)	CARRYING VALUE (H=D+E-F-G)	ANNUAL INTEREST COST (I)
60	Duke Energy Indiana									
61	Capital Leases:									
62	Meters (1999 Acquisitions)	20-Dec-99	20-Sep-08	5,730,942	2,184,891				2,184,891	151,154
63	Meters (2000 Acquisitions)	20-Dec-00	20-Sep-09	5,978,370	2,902,050				2,902,050	181,722
64	Meters (2001 Acquisitions)	20-Dec-01	20-Sep-10	5,010,280	2,883,739				2,883,739	177,771
65	Meters (2002 Acquisitions)	20-Dec-02	20-Sep-11	3,758,910	2,437,517				2,437,517	111,497
66	Meters (2003 Acquisitions)	20-Dec-03	20-Sep-12	6,044,715	4,478,903				4,478,903	216,973
67	Meters (2004 Acquisitions)	25-Dec-04	25-Sep-13	4,379,410	3,621,108				3,621,108	185,642
68	Meters (2005 Acquisitions)	30-Dec-05	30-Dec-14	4,250,530	3,847,708				3,847,708	182,548
69	Meters (2006 Acquisitions)	28-Dec-06	30-Dec-15	6,401,225	6,283,690				6,283,690	321,486
70	Bonds:									
71	1st. Mlge. Series BBB	30-Apr-99	15-Jul-09	124,665,000	124,665,000				124,665,000	10,172,664
72	1st. Mlge. Series CCC	30-Apr-99	15-Jan-22	60,055,000	53,055,000				53,055,000	4,798,253
73	1st. Mlge. Series DDD	30-Apr-99	1-Sep-32	38,000,000	38,000,000				38,000,000	3,223,403
74	Secured Medium-term Notes									
75	Series A, 8.55% to 8.57%	26-Dec-91	21-Dec-11	7,500,000	7,500,000				7,500,000	656,104
76	Series B, 6.37% to 8.24%	1992-1993	2008, 2022	70,000,000	70,000,000				70,000,000	5,066,469
77	Other Long-Term Debt:									
78	Series	15-Mar-98	15-Mar-28	100,000,000	2,658,000				2,658,000	195,198
79	Series	1-Jun-98	31-Dec-32	86,398,500	77,486,271				77,486,271	4,649,176
80	Series	6-Jun-06	15-Jun-16	325,000,000	325,000,000				325,000,000	19,959,895
81	Series	18-Sep-03	15-Sep-13	400,000,000	400,000,000				400,000,000	20,250,000
82	Series	18-Oct-05	15-Oct-35	350,000,000	350,000,000				350,000,000	21,747,726
83	Series	30-Apr-99	15-Mar-09	97,342,000	97,342,000				97,342,000	8,450,150
84	Series	20-Oct-99	15-Oct-07	265,000,000	265,000,000				265,000,000	21,210,749
85	Pollution Control Bonds:									
86	Variable Rate Series	12-Sep-02	1-Mar-19	24,600,000	24,600,000				24,600,000	901,416
87	Variable Rate Series	16-May-00	1-Apr-22	10,000,000	10,000,000				10,000,000	385,670
88	Variable Rate Series	7-Mar-03	1-Apr-22	35,000,000	35,000,000				35,000,000	1,277,021
89	Variable Rate Series	12-Sep-02	1-Mar-31	23,000,000	23,000,000				23,000,000	877,480
90	Variable Rate Series	16-May-00	1-May-35	44,025,000	44,025,000				44,025,000	1,656,835
91	Variable Rate Series	26-Jul-05	1-Jul-35	50,000,000	50,000,000				50,000,000	2,296,991
92	Variable Rate Series	12-Dec-03	1-Dec-38	40,250,000	40,250,000				40,250,000	1,577,264
93	Variable Rate Series	12-Dec-03	1-Dec-38	40,250,000	40,250,000				40,250,000	1,581,434
94	Variable Rate Series	13-Aug-04	1-Aug-39	55,000,000	55,000,000				55,000,000	2,068,490
95	Variable Rate Series	7-Dec-04	1-Dec-39	77,125,000	77,125,000				77,125,000	2,942,478
96	Variable Rate Series	27-Oct-05	1-Oct-40	50,000,000	50,000,000				50,000,000	1,881,698
97	Variable Rate Series	27-Oct-05	1-Oct-40	50,000,000	50,000,000				50,000,000	1,885,870
98	Variable Rate Series	27-Oct-05	1-Oct-40	50,000,000	50,000,000				50,000,000	1,885,870
99	Loss on Reacquisition of Debt							27,410,052	(27,410,052)	3,364,490
100	Gain on Reacquisition of Debt							(698,112)	698,112	(41,472)
101	Unamortized discount, premium, and debt expense					(8,728,745)	18,084,518		(26,813,262)	1,630,946
102	Current Maturities				(270,116,284)	9,142	46,508	(101,934)	(270,051,716)	(21,633,491)
103	Total Indiana			2,541,884,892	2,145,604,693	(8,719,603)	18,131,026	26,610,006	2,092,143,959	125,485,117

DATE OF LONG TERM DEBT: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
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SCHEDULE D-3B
PAGE 6 OF 6
WITNESS RESPONSIBLE:
S. G. DE MAY

[illegible]

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
EMBEDDED COST OF PREFERRED STOCK

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-4A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	DIVIDEND RATE, TYPE, PAR VALUE	DATE ISSUED (A)	AMOUNT OUTSTANDING (B)	PREMIUM OR DISCOUNT (C)	ISSUE EXPENSE (D)	GAIN OR LOSS ON REACQUIRED STOCK (E)	NET PROCEEDS (F=B+C-D+E)	COST RATE AT ISSUE (G)	ANNUALIZED DIVIDENDS (H=G*B)
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Duke Energy Ohio does not have any preferred stock outstanding.

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-589-GA-AIR
EMBEDDED COST OF PREFERRED STOCK

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-4B
PAGE 1 OF 1
WITNESS RESPONSIBLE:
S. G. DE MAY

LINE NO.	DIVIDEND RATE, TYPE, PAR VALUE	DATE ISSUED (A)	AMOUNT OUTSTANDING (B)	PREMIUM OR DISCOUNT (C)	ISSUE EXPENSE (D)	GAIN OR LOSS ON REACQUIRED STOCK (E)	NET PROCEEDS (F=B+C-D+E)	COST RATE AT ISSUE (G)	ANNUALIZED DIVIDENDS (H=G*B)
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Duke Energy does not have any preferred stock outstanding.

DUKE ENERGY OHIO
CASE NO. 07-589-GA-AIR
COMPARATIVE FINANCIAL DATA

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL, UPDATED, REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE D-5A
PAGE 1 OF 5
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Description	Test Year	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	PLANT DATA (\$000 omitted): (a)											
2	Gas Plant											
3	Intangible	4,849	4,584	4,105	4,105	2,434	2,435	2,300	1,249	1,249	37	-
4	Production-Mfg. Gas	9,569	9,559	9,532	9,394	8,728	8,781	8,334	7,794	7,740	7,626	7,022
5	Underground Storage	-	-	-	-	-	-	-	-	-	-	-
6	Storage-Local	-	-	-	-	-	-	-	-	-	-	-
7	Transmission	-	-	-	-	-	-	-	-	-	-	-
8	Distribution	1,036,946	1,026,155	953,838	894,738	809,089	731,835	673,780	625,893	593,560	571,940	548,002
9	General	11,014	10,911	10,688	10,475	9,063	10,565	11,930	13,855	12,337	12,784	13,706
10	Total Gas Plant-Gross	1,062,378	1,057,209	978,225	908,711	829,314	753,616	696,344	649,891	620,886	592,397	568,730
11	Less: Accum. Provision for Depr. and Amort.	309,490	302,614	283,291	286,694	283,613	242,687	231,437	219,855	200,530	189,605	179,410
12	Gas Plant in Service-Net	752,888	748,595	694,934	622,017	545,701	510,929	464,907	429,035	417,356	403,792	389,320
13	Electric Plant (b)											
14	Intangible	57,226	55,885	50,693	40,665	24,170	15,600	7,962	3,167	2,875	2,106	-
15	Production Plant-Steam	2,762,626	2,750,945	3,202,024	3,151,564	2,983,229	2,925,710	2,779,719	2,758,251	2,714,466	2,703,826	2,684,143
16	Production Plant-Hydro	-	-	-	-	-	-	-	-	-	-	-
17	Production Plant-Other	1,770,198	1,765,961	332,404	327,718	327,193	328,599	328,781	299,032	303,879	282,928	263,175
18	Distribution	601,876	597,946	494,999	476,575	462,275	462,036	467,016	435,505	428,440	419,415	405,845
19	Transmission	1,577,925	1,537,989	1,498,074	1,457,510	1,392,412	1,328,920	1,266,136	1,211,934	1,151,134	1,129,857	1,084,936
20	General	35,938	34,099	37,281	38,439	37,657	39,737	41,653	53,769	51,901	53,661	55,521
21	Total Electric Plant-Gross	6,805,789	6,742,844	5,616,475	5,432,471	5,226,936	5,100,602	4,891,272	4,761,652	4,650,695	4,571,833	4,493,820
22	Less: Accum. Provision for Depr. and Amort.	2,392,394	2,349,804	2,382,150	2,300,944	2,215,341	2,188,680	2,061,377	1,983,877	1,859,467	1,742,478	1,631,538
23	Electric Plant in Service-Net	4,413,395	4,393,040	3,234,325	3,131,527	3,011,595	2,911,922	2,829,895	2,777,775	2,792,228	2,829,355	2,862,282
24	Common Plant											
25	Common Plant	224,086	222,995	217,590	204,897	232,592	217,259	203,690	166,821	146,773	167,456	167,005
26	Less: Accum. Provision for Depr. and Amort.	90,317	86,696	74,774	84,595	81,647	72,327	64,172	52,035	44,095	54,440	51,581
27	Common Plant in Service-Net	133,779	136,309	142,816	140,302	150,945	144,932	139,518	114,786	102,678	113,016	115,424
28	Plant Held for Future Use (c)	4,619	4,619	1,750	1,750	1,750	1,750	1,773	1,773	1,773	1,773	1,773
29	Acquisition Adjustments (c)	265,274	270,958	-	-	-	-	-	-	-	-	-
30	Construction Work in Progress	580,523	523,748	257,430	117,331	243,593	225,665	287,055	204,156	138,763	108,104	103,514
31	Net Utility Plant	5,130,478	5,077,469	4,321,255	4,092,987	3,962,584	3,795,198	3,693,148	3,527,525	3,452,798	3,456,040	3,472,013
32	Composite depreciation rates											
33	Duke Energy Ohio - Gas (%)	N/A	2.80%	3.00%	2.70%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%
34	Duke Energy Ohio - Electric (%)	N/A	2.70%	2.30%	2.30%	2.50%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
35	Duke Energy Ohio - Common (%)	N/A	3.90%	2.40%	2.40%	2.30%	2.30%	2.40%	2.80%	2.20%	2.40%	2.90%

(a) Completed Construction Not Classified is included with Plant in Service by function.

(b) Beginning with the first quarter of 2001, Chenergy Corp. reported DEO Electric production assets as non-regulated property, plant & equipment.

(c) Net of accumulated provision for depreciation and amortization.

DUKE ENERGY OHIO
CASE NO. 07-539-GA-AIR
COMPARATIVE FINANCIAL DATA

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE D-5A
PAGE 2 OF 5
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Description	Test Year	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	CAPITAL STRUCTURE:											
2	Total debt (\$000)	1,752,640	1,994,129	1,884,744	1,944,512	1,788,075	1,908,786	1,863,829	1,354,399	1,342,945	1,479,568	1,484,124
3	Preferred trust securities (\$000)	-	-	-	-	-	-	-	-	-	-	-
4	Preferred stock (\$000)	-	-	20,485	20,485	20,485	20,486	20,486	20,486	20,686	20,717	20,793
5	Common equity (\$000)	2,099,918	8,379,243	1,975,729	1,918,713	1,930,708	1,810,334	1,737,090	1,695,830	1,659,155	1,666,443	1,610,588
6	CONDENSED INCOME STATEMENT DATA: (b)											
7	Operating revenues (\$000,000)	7,113.5	8,413.3	11,237.2	9,283.1	7,000.0	4,714.7	4,496.9	3,064.6	2,419.9	2,739.3	2,316.6
8	Operating expenses (excluding PIT and SIT) (\$000,000)	6,793.3	8,051.6	10,699.8	8,871.6	6,515.1	4,286.6	4,024.8	2,583.8	1,973.3	2,318.5	1,846.1
9	Operating income (\$000,000)	320.2	361.7	537.4	411.5	484.9	428.1	472.1	480.8	446.6	420.8	470.5
10	Total income taxes (\$000,000)	88.8	109.7	157.2	116.0	163.6	132.8	143.2	163.5	144.8	133.5	161.9
11	AFUDC - Debt and Equity (\$000,000)	(19.0)	(15.5)	(7.2)	(5.4)	(7.1)	(9.4)	(3.8)	1.3	1.1	(0.9)	(2.1)
12	Other income - net (\$000,000) (a)	(55.8)	11.5	(9.2)	50.8	85.3	58.6	94.6	41.7	23.8	25.1	40.0
13	Extraordinary item (\$000,000)	0.0	(1.9)	(3.0)	0.0	30.9	0.0	0.0	0.0	0.0	0.0	0.0
14	Net income (\$000,000)	93.7	172.6	301.0	256.8	300.1	263.7	326.7	268.8	233.6	215.8	239.2
15	Net income applicable to Common Stock (\$000,000)	93.7	172.6	301.0	256.8	300.1	263.7	326.7	268.8	233.6	215.8	239.2
16	INCOME AVAILABLE FOR FIXED CHARGES: (b)											
17	Interest charges (\$000)	84,386	93,163	100,427	89,948	109,079	89,811	98,801	92,271	92,090	96,827	109,380
18	Net income before preferred dividend requirements of subsidiaries (\$000)	93,709	172,619	300,956	256,842	300,112	263,696	327,500	267,567	234,432	216,671	240,025
19	Preferred dividend requirements of subsidiaries (\$000)	-	-	846	846	846	846	846	847	856	859	872
20	Cost of reacquisition of Preferred Stock (\$000)	-	-	-	-	-	-	-	-	-	-	-
21	Earnings available for common equity (\$000)	93,709	172,619	300,110	255,996	299,266	262,850	326,654	266,820	233,576	215,812	239,153
22	AFUDC - % of net income before preferred dividend requirements of subsidiaries	(20.28)	(8.98)	(2.39)	(2.10)	(2.37)	(3.56)	(1.16)	0.49	0.47	(0.42)	(0.87)
23	AFUDC - % of earnings available for common equity	(20.28)	(8.98)	(2.40)	(2.11)	(2.37)	(3.58)	(1.16)	0.49	0.47	(0.42)	(0.88)
24	COST OF CAPITAL:											
25	Embedded cost of long-term debt (%)	5.87%	5.42%	6.12%	5.91%	6.12%	6.21%	6.47%	0.00%	0.00%	0.00%	0.00%
26	Embedded cost of preferred stock (%)	0.00%	0.00%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%	4.27%

(a) Net of interest and other charges. Includes deferred income taxes.

(b) Financial information from 2003 to 2001 has not been restated for EITF 02-3 and discontinued operations to conform to 2003 presentation. Financial information prior to 2001 has not been restated.

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE D-5A
PAGE 3 OF 5
WITNESS RESPONSIBLE:
S. G. DE MAY

Line No.	Description	Test Year	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	STOCK AND BOND RATINGS:						NOT APPLICABLE					
2												
3	FIXED CHARGE COVERAGE:											
4	Pre-tax interest coverage	2.33	3.33	4.83	4.61	4.29	5.00	5.30	5.18	4.71	3.42	2.47
5	Pre-tax interest coverage (excluding AFUDC)	2.12	3.15	4.76	4.55	4.20	4.91	5.22	5.08	4.61	3.36	2.26
6	After tax interest coverage	1.84	2.48	3.82	3.47	3.38	3.53	4.16	3.71	3.37	2.54	1.91
7	Indenture provision coverage	-	-	-	-	-	-	-	-	-	-	-
8	Fixed charge coverage	2.33	3.33	4.83	4.61	4.29	5.00	5.30	5.18	4.71	3.42	2.47
9												
10	Percentage of Construction Expenditures											
11	Financed Internally	-	77	100	69	100	100	5	37	100	100	100

DUKE ENERGY OHIO
CASE NO. 07-589-GA-IR
COMPARATIVE FINANCIAL DATA

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE D-5A
PAGE 4 OF 5
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Description	Test Year	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	COMMON STOCK RELATED DATA: (a)											
2	Shares outstanding - year end (000)											
3	Shares outstanding - weighted average (monthly) (000)											
4	Earnings per share - weighted average (\$)											
5	Earnings per share - weighted average - assuming dilution (\$)											
6	Dividends paid per share (\$)											
7	Dividends declared per share (\$)											
8	Dividend pay out ratio (declared basis) (%)											
9	Market price - High-Low (\$)											
10	1st quarter - High											
11	- Low											
12	2nd quarter - High											
13	- Low											
14	3rd quarter - High											
15	- Low											
16	4th quarter - High											
17	- Low											
18	Book value per share (year-end) (\$)											
19	- Low											
20												
21												
22	RATE OF RETURN MEASURES:											
23	Return on common equity (average) (%)	2.21	4.13	15.46	13.34	16.04	14.87	19.03	15.90	14.05	13.17	29.70
24	Return on total capital (average) (%)	1.53	2.82	7.75	6.76	8.05	7.16	9.76	8.76	7.55	6.87	15.36
25	Return on net plant in service (average) (%)	5.42	5.40	10.21	7.69	8.80	8.44	9.74	9.57	9.07	8.56	8.86
26	- Gas %	1.83	0.27	4.25	6.06	6.74	5.44	6.01	6.08	5.23	4.42	7.18
27	- Electric %	6.03	6.37	11.45	7.61	9.16	8.95	10.33	9.64	9.63	9.14	9.08

NOT APPLICABLE

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S): See Below

SCHEDULE D-5A

WITNESS RESPONSIBLE:

W. D. WATHEN

[illegible]

DUKE ENERGY (CONSOLIDATED)
CASE NO. 07-589-GA-IR
COMPARATIVE FINANCIAL DATA

DATE OF CAPITAL STRUCTURE: MARCH 31, 2007
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
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SCHEDULE D-5B
PAGE 1 OF 5
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Description	Test Year	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	PLANT DATA (\$000 omitted): (a)(v)											
2	Gas Plant	5,313	5,101	4,363	4,363	3,315	3,303	2,560	1,266	1,266	44	6
3	Intangible	15,415	15,405	14,957	14,735	13,501	13,157	12,171	11,631	11,234	11,074	10,418
4	Production-Mfg. Gas	144	144	144	144	123	171	132	119	140	157	93
5	Underground Storage (b)											
6	Storage-Local	16,624	16,587	14,798	14,242	14,148	14,148	14,129	14,066	14,066	14,182	7,959
7	Transmission	1,323,538	1,315,809	1,223,182	1,133,882	1,062,713	960,184	892,425	820,200	781,750	744,167	710,784
8	Distribution	12,988	12,785	12,631	12,398	10,996	12,859	14,933	17,538	15,955	16,538	17,622
9	General											
10	Total Gas Plant-Gross	1,380,022	1,365,831	1,270,075	1,178,784	1,104,796	1,003,668	926,356	855,279	824,403	786,184	746,879
11	Less: Accum. Provision for Depr. and Amort.	415,157	405,612	384,936	366,310	351,805	334,767	319,621	304,324	282,239	269,927	243,493
12	Gas Plant in Service-Net	964,865	959,219	885,139	813,454	752,991	669,101	606,735	550,955	542,164	516,257	503,386
13												
14	Electric Plant (d)											
15	Intangible	397,143	463,781	178,176	156,384	105,717	93,207	64,325	47,242	30,138	21,693	16,078
16	Production Plant-Steam	9,543,643	9,462,873	6,102,502	5,805,881	5,552,544	5,346,202	4,927,933	4,839,074	4,764,293	4,723,940	4,671,345
17	Production Plant-Hydro	1,763,709	1,716,428	25,170	25,019	25,072	25,122	25,039	24,644	23,859	22,678	22,540
18	Production Plant-Other (c)	4,213,143	4,149,313	1,782,533	1,678,923	1,683,765	1,457,304	1,459,391	500,460	499,154	473,115	471,709
19	Production Plant-Nuclear	5,129,805	5,113,008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	Transmission	3,681,233	3,551,676	1,315,155	1,270,957	1,232,589	1,191,719	1,171,118	1,102,535	1,087,701	1,060,119	1,029,870
21	Distribution	11,450,048	11,016,927	3,638,905	3,514,022	3,361,037	3,234,370	3,080,649	2,956,047	2,797,896	2,686,185	2,555,257
22	General	919,310	809,334	220,435	214,253	218,338	217,287	215,718	225,916	209,494	231,231	210,155
23	Total Electric Plant-Gross	37,102,034	36,283,340	13,262,876	12,665,429	12,179,062	11,565,811	10,944,173	9,685,918	9,412,635	9,218,961	8,976,964
24	Less: Accum. Provision for Depr. and Amort.	14,957,283	15,443,074	5,444,074	5,166,582	4,812,507	4,654,159	4,380,252	4,186,139	3,923,581	3,715,047	3,488,322
25	Electric Plant in Service-Net	22,144,751	20,840,266	7,818,802	7,498,847	7,366,555	6,911,652	6,563,921	5,509,779	5,489,054	5,503,914	5,478,642
26												
27	Common Plant											
28	Common Plant	245,774	245,592	244,278	228,481	267,298	248,938	253,979	211,424	189,125	186,364	188,172
29	Less: Accum. Provision for Depr. and Amort.	102,162	97,992	85,952	74,165	99,476	88,065	80,621	85,151	54,058	62,273	58,517
30	Common Plant in Service-Net	143,612	147,600	158,316	154,316	167,822	160,873	173,358	146,273	135,067	124,091	129,655
31												
32	Plant Held for Future Use (e)	8,463	8,432	1,902	1,502	1,903	2,210	2,233	2,233	2,233	3,324	4,242
33												
34	Acquisition Adjustments (e)	97,992	101,928	4,835	4,998							
35												
36	Construction Work in Progress	1,864,632	1,833,298	702,234	414,498	453,408	626,479	637,829	411,184	249,054	189,883	181,168
37												
38	Net Utility Plant	25,225,315	23,690,743	9,571,298	8,888,015	8,742,679	8,370,315	7,983,876	6,630,424	6,417,472	6,344,449	6,297,103
39												
40	Composite depreciation rates											
41	Gas (%)	N/A	2.70%	3.0%	3.0%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%
42	Electric Duke Energy Ohio and Subsidiary Cos. (%)	N/A	2.70%	2.3%	3.0%	2.6%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
43	Electric Duke Energy Indiana (%)	N/A	3.80%	4.1%	3.7%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
44	Electric Duke Energy Carolinas (%)	N/A	4.10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	Common Duke Energy Ohio and Subsidiary Cos. (%)	N/A	4.00%	2.5%	5.6%	2.5%	2.5%	2.9%	3.3%	2.7%	2.6%	3.0%

(a) Completed Construction Not Classified is included with Plant in Service by function.

(b) FERC Account 117 and Utility Account 2520 for Lawrenceburg Gas Company.

(c) In 2007, Brownsville, Caledonia, Madison and Cadiz were added to Production Plant - Other as non-regulated plant. In 2004, Madison and Cadiz were acquired by DEI.

(d) Beginning with the first quarter of 2001, Cinergy Corp. reported DEO Electric production assets as non-regulated property, plant & equipment.

(e) Net of provision for depreciation and amortization.

(f) The Duke Energy merger became effective on April 1, 2006. Years 1997 - 2005 are Cinergy Corp.

DUKE ENERGY (CONSOLIDATED)
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SCHEDULE D-5B
PAGE 2 OF 5
WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Description	Test Year	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	CAPITAL STRUCTURE: (c)											
2	Total debt (\$000)	11,538,000	20,173,000	6,005,734	5,471,379	5,377,452	4,983,054	4,025,059	4,101,508	3,605,862	3,665,729	3,371,492
3	Preferred trust securities (\$000)	-	-	-	-	-	308,187	306,327	-	-	-	-
4	Preferred stock (\$000)	-	-	31,743	62,818	62,818	62,828	62,833	62,834	92,597	92,640	177,989
5	Common equity (\$000)	20,634,000	26,102,000	4,577,395	4,115,922	3,700,682	3,283,476	2,941,459	2,788,961	2,653,721	2,541,231	2,599,200
6	CONDENSED INCOME STATEMENT DATA: (b) (d)											
7	Operating revenues (\$000,000)	N/A	15,184.0	5,409.8	4,687.9	4,415.9	4,059.4	3,949.6	8,422.0	5,937.9	5,911.3	4,387.1
8	Operating expenses (excluding FIT and SIT) (\$000,000)	N/A	12,493.0	4,622.9	3,949.6	3,607.3	3,259.8	3,014.3	7,560.3	5,244.7	5,326.2	3,621.4
9	Operating income (\$000,000)	N/A	2,691.0	786.9	738.3	808.6	798.6	935.3	861.7	693.2	585.1	765.7
10	Total income taxes (\$000,000)	N/A	843.0	95.6	103.8	143.5	160.3	235.6	251.6	208.7	117.9	213.0
11	AFUDC - Debt and Equity (\$000,000)	N/A	0.0	19.1	19.1	20.9	30.2	24.1	14.0	9.2	9.1	5.4
12	Other income - net (\$000,000) (a)	N/A	1,008.0	(335.6)	(339.6)	(344.5)	(391.9)	(363.9)	(281.6)	(195.5)	(116.9)	(272.7)
13	Extraordinary item (\$000,000)	N/A	0.0	0.0	0.0	35.3	(36.1)	(14.4)	399.5	403.6	261.0	(109.4)
14	Net income (\$000,000)	N/A	1,863.0	489.7	400.9	469.8	360.6	442.3	399.5	403.6	261.0	253.2
15	Net income applicable to Common Stock (\$000,000)	N/A	1,863.0	489.7	400.9	469.8	360.6	442.3	399.5	403.6	261.0	253.2
16	INCOME AVAILABLE FOR FIXED CHARGES: (b) (d)											
17	Interest charges (\$000)	N/A	1,314,000	283,353	275,238	268,602	243,099	258,723	224,459	234,778	243,587	236,319
18	Net income before preferred dividend requirements of subsidiaries (\$000)	N/A	1,863,000	492,296	404,300	473,205	364,009	445,712	404,051	409,098	267,485	265,807
19	Preferred dividend requirements of subsidiaries (\$000)	N/A	-	2,643	3,432	3,433	3,433	3,433	4,585	5,457	6,517	12,559
20	Cost of reacquisition of Preferred Stock (\$000)	N/A	-	-	-	-	-	-	-	-	-	-
21	Earnings available for common equity (\$000)	N/A	1,863,000	489,653	400,868	469,772	360,576	442,279	399,466	403,641	260,968	253,238
22	AFUDC - % of net income before preferred dividend requirements of subsidiaries	N/A	-	3.88	4.72	4.42	8.30	5.41	3.47	2.26	3.42	2.07
23	AFUDC - % of earnings available for common equity	N/A	-	3.90	4.76	4.45	8.38	5.45	3.51	2.29	3.51	2.17
24	COST OF CAPITAL:											
25	Embedded cost of long-term debt (%)	6.30	6.28	6.42	6.28	6.39	6.72	7.06	7.31	7.21	7.21	7.42
26	Embedded cost of preferred stock (%)	-	-	4.21	5.58	5.58	5.58	5.58	5.58	5.98	5.98	6.80

(a) Net of interest and other charges. Includes deferred income taxes.
(b) Financial information from 2003 10-K. 2002 and 2001 have been restated for EITF 02-3 and Discontinued Operations to conform to 2003 presentation. Financial information prior to 2001 has not been restated.
(c) Per Cinergy's Annual Report on Form 10-K filed with the Securities and Exchange Commission. Total Debt includes Capital Leases
(d) Available data is not comparable due to the spin-off of Spectra Energy Corp.

DUKE ENERGY (CONSOLIDATED)
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SCHEDULE D-5B
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WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Description	Test Year	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	COMMON STOCK RELATED DATA: (a)											
2	Shares outstanding - year end (000)	*	1,257,000	198,199	187,925	178,337	158,663	159,403	158,968	158,923	158,665	157,745
3	Shares outstanding - weighted average (monthly) (000)	*	1,170,000	187,524	180,965	176,535	167,047	159,110	158,938	158,863	158,238	157,685
4	Earnings per share - weighted average (\$)	*	1.59	2.61	2.22	2.66	2.16	2.78	2.51	2.54	1.65	1.61
5	Earnings per share - weighted average - assuming dilution (\$)	*	1.48	2.47	2.14	2.63	2.13	2.75	2.75	2.75	2.75	2.75
6	Dividends paid per share (\$)	*	1.26	1.92	1.84	1.84	1.80	1.80	1.80	1.80	1.80	1.80
7	Dividends declared per share (\$)	*	1.26	1.92	1.84	1.84	1.80	1.80	1.80	1.80	1.80	1.80
8	Dividend pay out ratio (declared basis) (%)	*	79.3	73.6	82.9	69.2	83.3	64.8	71.7	70.9	109.1	111.8
9	Market price - High-Low (\$)											
10	1st quarter - High	20.62	29.77	41.70	41.10	35.87	35.75	35.15	25.88	34.88	38-11/16	35-3/4
11	1st quarter - Low	18.40	27.38	39.05	37.17	29.77	31.00	28.81	20.00	27.38	33	32-5/8
12	2nd quarter - High	21.30	29.85	45.30	41.04	38.75	37.19	35.60	28.13	34.63	37-5/16	35-5/8
13	2nd quarter - Low	18.17	26.94	38.75	34.92	33.25	34.25	32.20	21.19	27.44	31-5/8	32
14	3rd quarter - High	*	30.98	45.95	40.75	36.99	36.21	35.00	33.25	33.00	38-7/8	35-1/4
15	3rd quarter - Low	*	28.84	41.41	36.95	33.14	25.40	28.00	25.56	27.31	30-13/16	32-5/16
16	4th quarter - High	*	34.50	44.60	42.63	38.85	34.19	33.85	35.25	29.63	39-7/8	38-1/8
17	4th quarter - Low	*	29.82	38.19	38.08	35.19	28.25	28.16	28.50	23.44	33-3/4	32
18	Book value per share (year-end) (\$)	*	20.77	23.09	21.94	20.75	19.33	16.45	17.54	16.70	16.02	16.10
19												
20												
21												
22	RATE OF RETURN MEASURES: (a)(b)											
23	Return on common equity (average) (%)	N/A	12.14	11.27	10.26	13.43	11.57	15.44	14.68	15.54	10.27	19.94
24	Return on total capital (average) (%)	N/A	6.55	4.83	4.27	5.38	4.43	5.94	6.01	6.38	4.21	8.32
25	Return on net plant in service (average) - Total Company %	N/A	9.94	6.54	7.23	7.23	8.43	9.99	8.92	6.09	6.04	6.56
26	" " " " - Gas %	N/A	0.64	6.54	7.17	6.58	5.47	6.15	8.21	1.99	(9.69)	8.87
27	" " " " - Electric %	N/A	10.54	6.49	7.24	7.33	8.72	10.38	8.89	6.48	7.51	8.73

* Not required until eight month filing as provided by Section 1.5.

(a) The Duke Energy merger became effective on April 1, 2006. Years 1997 - 2005 are Cinergy Corp.

(b) Available data is not comparable due to the spin-off of Spectra Energy Corp.

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WITNESS RESPONSIBLE:
W. D. WATHEN

Line No.	Description	Test Year (a)	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
1	Other Financial and Operating Data:											
2	Mix of Sales (\$000)											
3	Gas revenues	N/A	431,613	616,781	783,315	835,507	590,471	4,662,916	2,941,753	1,596,146	1,095,629	491,145
4	Electric revenues	N/A	9,893,417	4,063,805	3,611,185	3,383,132	3,338,068	8,181,233	5,384,082	4,312,889	4,783,280	3,861,698
5	Total	N/A	10,325,030	4,680,586	4,394,501	4,218,639	3,928,539	12,844,149	8,325,835	5,909,035	5,878,910	4,352,843
6	Mix of Sales (%)											
7	Gas	N/A	4.2	16.7	18.2	19.8	15.0	36.3	35.3	27.0	18.8	11.3
8	Electric	N/A	95.8	83.3	81.8	80.2	85.0	63.7	64.7	73.0	81.2	88.7
9	Total	N/A	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
10	Mix of Fuel (\$000)											
11	Gas	N/A	1,828,793	513,690	428,087	503,834	309,983	4,431,899	2,674,449	1,353,993	894,945	282,138
12	Electric	N/A	3,402,822	1,085,914	961,688	1,158,196	989,699	5,910,959	3,154,213	2,260,297	2,853,866	1,912,793
13	Total	N/A	5,231,615	1,599,604	1,389,775	1,662,030	1,299,682	10,342,858	5,828,662	3,614,290	3,748,811	2,214,931
14	Mix of Fuel (%)											
15	Gas	N/A	35.0	32.1	30.8	30.3	23.9	42.8	45.9	38.0	23.9	13.2
16	Electric	N/A	65.0	67.9	69.2	69.7	76.1	57.2	54.1	62.0	77.1	88.8
17	Total	N/A	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: The Duke Energy merger became effective on April 1, 2006. Years 1997 - 2005 are Cinergy Corp.
(a) Available data is not comparable due to the spin-off of Spectra Energy Corp.