

Large Filing Separator Sheet

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- Human Resources – Peggy Grobusky
- HR Business Support – Peggy Grobusky
- Enterprise Operations Svcs – Sharon Brooks
- Enterprise Field Services – Carla Deck, Dan Fleck

5.2 Labor Inflation Rates and Labor Loading Rates

The table below contains the labor inflation and loading rates that will be used to begin the 2008 budgeting process. These rates will be adjusted throughout the budgeting process as deemed necessary.

Category	2008	
	Carolinas	Midwest
Labor Inflation		
Non-union employees	3.6%	3.6%
Represented (union) employees	3.6%	Specific to each union
Indirect Labor		
Non-union	N/A	22.0%
Union	N/A	32.0%
Fringe Benefits		
Duke Energy Midwest	N/A	42.95%
Duke Energy Carolinas	27.8%	N/A
Duke Energy Business Services	22.8%	N/A
Duke Energy Global Markets	~\$475,000	N/A
Duke Energy Assets Partners	31.3%	N/A
Payroll Tax	7.54%	7.54%
Incentive	HR provides department specific rates.	HR budgets and allocates to LOBs.

It should be noted that the labor inflation rates above are assumed for planning purposes only and are not meant to be interpreted as the labor rate increase for 2008. Labor budgets entered in the Carolinas must be manually adjusted to reflect the effect of the increase. In the Midwest, the budget tools will calculate the labor inflation effect, and no further manual adjustment is necessary.

5.3 Incentives

HR will continue to provide and budget the overall incentive pool dollars for Midwest employees. This budget will include the following plans at target performance and will be split by lines of business:

- Duke Energy STIP
- UEIP
- Discretionary Pool Plans
- LTI
- Stock Options

Plant specific plans (Commercial Businesses specific) and call center specific plans which are paid quarterly should continue to be budgeted at the responsibility center level.

All other incentives (legacy Duke) will continue to be budgeted through incentive loading rates.

5.4 Budgeting for Managers

Budgeters need to decide if a manager's costs will be budgeted and charged to the responsibility center with his/her direct reports or to a staff responsibility center with other managers. Consistency is needed within each department and function so that budget omissions and variances to actuals are avoided. Function owners should ensure that departmental practices reflect such consistency.

5.5 Budgeting for Bi-Weekly Employees

When budgeting for bi-weekly employees in the Carolinas, please note that the months of February and August include three pay periods. All other months will have two pay periods.

5.6 Transition Pool and Union Redeployment Pools

Costs for transition pool and union redeployment pools will be managed by Human Resources. These estimates will be captured, estimated, and budgeted appropriately for these costs. Estimates will come through the current HR process where tracking of all transition pool/union redeployment is identified and approved.

5.7 Commercial Associate Program

The Corporate Development function will budget most costs for the Commercial Associate Program in 2008. However, if a Commercial Associate is currently assigned to your area or if you anticipate having one work in your area next year, you should budget for any expenses that are not related to labor or IT while the Commercial Associate is working in your area (for example, travel expenses, training costs, etc.).

If you have any questions regarding the Commercial Associate program, including the availability of Commercial Associate employees, timing of rotational assignments, or costs of the program, please contact Guru Nadkarni at (980) 373-7077.

5.8 Military Leave Pay

All responsibility centers with employees incurring military pay should budget for those employees at 100% pay for 156 weeks. Note this is a change from current practices.

5.9 Education Reimbursement (Tuition Refund) Expenses

Effective 1/1/2008, all education reimbursement will be budgeted within the employee benefit rates based upon the revised amounts to be communicated. The approval process will be communicated to all employees at a later date. No tuition refund expenses should be budgeted within the business unit budgets UNLESS the business unit plans to exceed established limits on graduate education reimbursement.

5.10 Dependent Care and Short Term Disability Accruals

Based upon new audit requirements as well as changes to programs, accruals will be established at the enterprise level as appropriate and as directed by the Accounting Research Group. These will be calculated and provided to the business units beginning in 2007 to the extent they are required.

5.11 Service and Retirement Awards

All service and retirement awards will be budgeted by HR and included in the employee benefits load based upon any changes to practices.

6.0 Non-Labor Inflation Rates and Non-Labor Loading Rates

The table below contains the non-labor inflation rates and non-labor loading rates that will be used to begin the 2008 budgeting process. These rates will be adjusted throughout the budgeting process as deemed necessary.

Category	2008	
	Carolinas	Midwest
Non-Labor Inflation	2.3%	2.3%
Stores, Freight, and Handling (SF&H)		
FE&G Fossil/Hydro	8.0%	9.0%
Power Delivery	12.4%	8.0%
Gas Operations	N/A	8.0%
Nuclear - Catawba	13.8%	N/A
Nuclear - McGuire	21.1%	N/A
Nuclear - Oconee	13.0%	N/A
Minor Material		
Duke Energy Ohio	N/A	5.0%
Duke Energy Indiana	N/A	4.0%
Duke Energy Kentucky	N/A	7.0%
Helicopter	N/A	\$1,125 per hour

7.0 Information Technology Budgeting

7.1 Guidelines

The budgeting guidelines provided by the Information Technology group are attached below, followed by a high level summary. Please review the full IT guidelines for additional information.



2008 IT Planning
Assumptions for Bus I

Responsibility centers are responsible for budgeting the following:

- Workstations
- Servers dedicated to a specific function (nuclear IT servers, SOC servers) and supported by that function
- Apache/Tomcat code releases, security patches, and support desk
- Scanner maintenance
- Purchase of new printers, plotters, stand-alone scanners, and related supplies
- Lease of multifunction devices in Carolinas field locations (at generating stations, for example). Maintenance and consumables (toner, drum kits, etc.) are included in the lease cost for Canon devices. However, consumables must be budgeted by responsibility centers for HP devices and fax machines.
- Replacement of legacy Blackberry devices not in the current 8xxx series (regardless of vendor – only exception is for Nextel 7520 with Push to Talk)
- Software license fees associated with dedicated message servers
- National pagers
- New user licenses and first year of maintenance for any of the Enterprise IT Standard Developer or Testing tools

Information Technology will budget the following:

- Server hardware and software
- Server leases/purchases/maintenance
- Server software maintenance/licenses
- Server database maintenance/licenses
- WebLogic maintenance/licenses
- Workstation software (Microsoft operating system, Microsoft Office Professional, license costs, Tier 3 applications)
- Most network printer maintenance
- Most leased multifunction devices in the Carolinas general office (downtown)
- Leased multifunction equipment throughout the Midwest (leased copiers, fax machines, multifunctional products, etc.), including maintenance, consumables, and paper.
- CG&E private paging units
- Cell phones

Workstations

Existing Workstation Lease Costs

For information on current workstation lease costs, Carolinas budgeters should contact the applicable IT support personnel (outlined in Section 6.2 below).

Midwest budgeters can obtain information on current workstation lease costs via the RC Budget Tool. The RC Budget Tool has a link ("PC Inventory") to the Remedy Asset Management System. After entering your

responsibility center, the system will display data relative to PC equipment currently assigned to your responsibility center, including the monthly dollar amount currently being charged to your responsibility center. If using these amounts for budgeting, budgeters should add 8% to cover sales/use taxes. Please note that this is real time data and the dollar amount is subject to change because equipment can be transferred to or from your responsibility center. Please review this data to ensure the correct equipment is assigned to your responsibility center. If you determine that changes need to be made to equipment within your responsibility center, you will have to submit an information change request by clicking on the "Request Accounting Transfer" button on the Remedy Asset Inventory Query Screen. This is the only process for assuring the data will be up to date.

New or Lease Replacement Workstations

Please budget the amounts below for new workstations or lease replacement workstations in 2008. Note that these are 3-year lease costs (i.e., you must divide by 36 to calculate the monthly lease cost). Carolinas budgeters should add 7% to these amounts to cover sales taxes. Midwest budgeters should add 8% to these amounts to cover sales/use taxes.

Type of Workstation	3-Year Lease Cost
General Purpose Desktop	\$736
High-End Desktop	\$1,269
General Purpose Laptop	\$1,119
High-End Laptop	\$1,646
UltraLight Laptop	\$1,526

7.2 Key Contacts

The following IT personnel have been assigned to work with you to determine what IT costs will need to be included in your budgets.

CAROLINAS CONTACTS

	<u>IT Contact</u>	<u>Phone</u>
Finance	Jim Tisdale	(704) 382-7466
Supply Chain	Elaine Bailey	(704) 382-6565
General Counsel	Elaine Bailey	(704) 382-6565
Commercial Businesses	Elaine Bailey	(704) 382-6565
Corporate HR	Tim Pace	(704) 382-9682
HR Business Support	Tim Pace	(704) 382-9682
Enterprise Field Services	Elaine Bailey	(704) 382-6565
Enterprise Ops Services	Teresa Taylor	(704) 382-7541
	Steve Maynor	(704) 382-1389
Strategy, Policy & Reg	Tommie Pfeifer	(704) 382-1714
Duke Power	Mike Booth	(704) 382-8461
Customer Service	Daniel Johnson	(704) 484-5081
New Generation Projects	Christy Wiseman	(704) 382-4912
Project Development & Services	Christy Wiseman	(704) 382-4912
Fossil-Hydro Generation	Christy Wiseman	(704) 382-4912
Nuclear	Steve Deskevich	(704) 382-7128
Customer Origination & Retention	Tim Pace	(704) 382-9682
Power Delivery	Jody Mease	(704) 382-0907
Portfolio Optimization	Laura Heavner	(704) 382-4634
Enterprise Asset Mgt	Mike Booth	(704) 382-8461
Engineering & Tech Svcs	Keith Moyers	(704) 382-9153
IT Ops	Tommie Pfeifer	(704) 382-1714
IT Strategy & Compliance	Elaine Bailey	(704) 382-6565

IT Strategy Arch & Standards	Laura Heavner	(704) 382-4634
IT Data Center Ops	Laura Heavner	(704) 382-4634
Trading & Marketing Apps	Laura Heavner	(704) 382-4634
IT Business Apps	Ray Fink	(704) 382-9573
HR & Corp Apps	Mike Booth	(704) 382-8461
Financial Apps Integration	Mike Booth	(704) 382-8461
Supply Chain & Work Mgmt Apps	Mike Booth	(704) 382-8461

MIDWEST CONTACTS

Customer Applications	Chris Sechrest	(704) 382-9633
Power Delivery and Gas Operations	Margaret Fenner	(513) 287-2291
HR and Corporate Apps	Shirley Brown	(513) 287-3649
Fossil Hydro Generation (FE&G)	Cheryl Brooks	(704) 382-7034
Commercial Asset Management (NANRG)	John Moeller	(513) 419-5131
Cellular Services	Terrell Garren	(704) 382-7784
Server Hardware/Software	Jeff Starke	(513) 287-2524
Workstations	Tim Thomas	(317) 838-1737
Phone Systems	Melissa Ohmer	(513) 287-1032

8.0 Capital Budgeting

8.1 Budget Systems

As stated previously, the Carolinas should enter capital budget dollars in BET, and the Midwest should enter capital budget dollars in PowerPlant.

8.2 Capital vs. Expense

All property will be considered as consisting of:

- Units of property (or retirement units)
- Minor items of property

New Acquisition or Addition to Existing Property

- Addition of a property unit – all related costs are capitalized and accounted for through the appropriate plant account.
- Addition of a minor item of property that did not previously exist – all related costs should be:
 - Expensed, with the costs accounted for through the appropriate expense account, unless a substantial addition results
 - Capitalized if a substantial addition results, with the costs accounted for through the appropriate plant account.
 - A substantial addition occurs when the new minor item being added to the property unit costs at least 25% of the current price for that property unit or, using an appropriate and reasonable functional metric, there is at least a 25% addition.

Repair or Maintenance

- Expense the cost of repair and maintenance for a property unit or minor item of property and account for the cost through the applicable maintenance expense account, unless a substantial betterment occurs.
- Capitalize if a substantial betterment occurs. Capitalize the excess cost of the actual expenditure over the estimated expenditure needed to maintain normal operation without the betterment, adding the cost to the appropriate plant account.
 - A substantial betterment occurs when there is an improvement to a property unit through replacement of a minor item of property that makes the unit more useful or more efficient or that increases capacity. Capitalize only the portion that adds at least 25% betterment. (Subtract the current cost of the original minor item from the betterment.)

Replacement

- When replacing a retirement unit with another retirement unit:
 - Retire the old unit
 - Deduct the cost from the applicable plant account
 - Capitalize the new unit
 - Add the new unit cost to the appropriate plant account
- When replacing a minor unit of property with an identical one, expense the cost of the replacement using the appropriate maintenance expense account.

Reinstallation or Rearrangement

- Follow repair or maintenance steps.

Relocation

- Expensed.

Retirement

A unit of property, or retirement unit, is the level at which utilities set items to be capitalized.

- When a property unit is removed from service, retire the unit and deduct the cost from the appropriate plant account.
- When a minor item of property is removed and not replaced, capitalize the removal and salvage costs. Nonregulated plant cost of removal should be expensed. Retirement of the minor item of property is not required. Retirement of the minor item of property will occur at such time when the retirement unit of which it is a part is retired.

8.3 Capitalized Computer Software

Duke Energy software guidelines reflect instruction provided in Statement of Position (SOP) 98-1.

Eligible Projects

- Software acquired, internally developed, or modified solely to meet internal needs (during software development or modification, no plan exists or is being developed to market the software externally).
- Software whose total cost is \$100,000 or more after the preliminary project stage, excluding AFUDC, allocations, etc. All eligible capital costs are capitalized, not just the portion exceeding \$100,000.
- Software with an expected life of 3 years or more.

Capitalization begins when both of the following have occurred:

- Preliminary project stage is completed. All preliminary stage costs are expensed. The preliminary project stage may include the following types of tasks.
 - Make strategic decisions to allocate resources between alternative projects.
 - Determine performance requirements and system requirements for the new software.
 - Vendor software demonstrations.
 - Explore alternative means of achieving specified performance requirements.
 - Determine that the technology needed to achieve performance requirements exists.
 - Select a consultant for development and installation of software.
 - Select a vendor if purchasing software.
- Project funding for application development stage (purchase/development and implementation) are approved by management. (e.g., 201 approval, work order authorization).

Costs to capitalize:

- Application Development Stage costs. Costs for this stage include but are not necessarily limited to the following:
 - Internal and external costs incurred to develop internal-use software. Examples of these costs include:
 - Payroll and payroll-related costs (fringes & taxes, employee incentive plan, unproductive labor, etc.) for employees charging project directly for designing, coding, testing of software.
 - Materials and contractor services.
 - AFUDC.
 - All costs incurred by systems that feed data to new system so that new system may receive data.
 - Costs incurred in providing basic outputs to other systems (e.g., a new payroll system providing labor distribution to the general ledger).

- Costs to develop software specific training instructions/procedures. The period benefited by development of these instructions/procedures should be the same as the life of the software being developed. Costs of actually training employees are not included here.
- Costs to develop or obtain software that allows for access or conversion of old data by new systems.

Costs not eligible for capitalization:

- Post-implementation / Operation Stage costs should be expensed as incurred. These costs include but may not be limited to:
 - Actual data conversion costs.
 - Internal or external training of employees. SOP 98-1, paragraph 71, states that “training costs are not software development costs and should be expensed as they are incurred because entities do not control the continued employment of the trained employees, are not able to identify the specific future period benefited, and amortization periods would be arbitrary”.
 - Internal or external maintenance costs. When external maintenance costs are combined with software development costs in contracts, the maintenance costs must be separated and charged to expense.
 - All departmental allocations and overheads (e.g., functional and administrative overheads, computer chargebacks, building space allocations, etc.).
 - Costs incurred by other systems to extract data from new system for use in such other systems.
 - All costs relating to re-engineering of functional processes rather than software development.

Asset Accounting should receive a project in-service notification when the software has been loaded into production for use. AFUDC ceases when the project is placed in service.

Capitalization stops when:

- Software is substantially complete and ready for its intended use. Computer software is ready for its intended use after all “substantial testing” is completed.
- When no longer probable that software will be completed and placed in-service. All costs incurred to date will be expensed unless the company can recoup costs as a regulated asset.

Upgrades/Enhancements

- Upgrades and enhancements are defined as modifications to existing internal-use software that result in additional functionality. Additional functionality is defined as modifications to enable software to perform tasks that it was previously incapable of performing. Upgrades and enhancements normally require new software specifications and may also require a change to all or part of the existing software specifications. Upgrades and enhancements which provide a “new look” or “different presentation” of information are not considered additional functionality.
- Upgrades and enhancements must meet the \$100,000 cost minimum for each software program/functionally independent module.
- All guidelines stated above for purchase, development/implementation of new internal-use software are also applicable to upgrades/enhancements.
- When external maintenance costs are combined with software development costs in contracts, the maintenance costs must be separated and charged to expense.
- When obtaining new releases for existing software, those costs directly attributable to new functionality are eligible for capitalization if the cost is \$100,000 or more.
- Additional licenses obtained subsequent to initial installation may be capitalized if the cost is \$100,000 or greater.

Amortization Period

- When determining the amortization period, entities should consider the effects of obsolescence, technology, competition, and other economic factors. Consideration should be given to rapid changes that may be occurring

in the development of software products, software operating systems, or computer hardware and whether management intends to replace any technologically inferior software or hardware. Given the history of rapid changes in technology, software often has had a relatively short useful life.

- Amortization of functionally independent modules should begin when the software/module is ready for its intended use, regardless of whether the software/module will be placed in service in planned stages that may extend beyond a reporting period. Computer software is ready for its intended use after all "substantial testing" is completed.
- Will write off entire unamortized balance in final year of productive life.

Retirement

- Business units should notify Asset Accounting when software is replaced or otherwise retired from service.
- Per FERC Account 111, Accumulated Provision for Amortization of Electric/Gas Utility Plant, "when any property to which this account applies is sold, relinquished, or otherwise retired from service, this account shall be charged with the amount previously credited in respect to such property. The book cost of the property so retired less the amount chargeable to this account and less the net proceeds realized at retirement shall be included in account 421.1, Gain on Disposition of Property, or account 421.2, Loss on Disposition of Property, as appropriate."

8.4 Contacts

A link to the complete Duke Energy capitalization guidelines can be found below:

http://dewwww.duke-energy.com/cntrlrpt/finance_reference_material/Duke%20Energy%20Capitalization%20Guidelines%20Jan%201%202007%20-%20FINAL.pdf

If you have questions regarding the capitalization policies, please contact John Pyrtle at (980) 373-3824 or Jim Dean at (513) 287-2332.

9.0 Service Company Guidelines

9.1 Service Companies

The service company for the Carolinas is Duke Energy Business Services (DEBS). Upon the PeopleSoft upgrade to be implemented in July, its activity will be recorded to one business unit – 20013. The operating unit used with the service company transaction will distinguish whether it is a governance, enterprise, or utility charge.

The service company for the Midwest is Duke Energy Shared Services (DESS). Its activity is recorded on responsibility corporation 500 in the Midwest, which equates to business unit 75500 in the Carolinas.

9.2 Definitions

Allocations – Allocations are the process by which governance and shared services costs are spread across the enterprise. Allocations also include the process by which certain costs are spread between reporting segments (for example, across FE&G).

Allocation Basis – An allocation basis is an approved methodology for how costs can be charged out from the service company.

Governance – Activities performed, and related costs incurred, that support the entire Duke Energy enterprise. Activities generally cannot be performed on a “per unit” basis and are considered “corporate” in nature. Examples include filing the Duke Energy tax return or communicating with Duke Energy’s shareholders.

Shared Services – Activities performed specifically on behalf of more than one business unit/operation. Activities can generally be performed on a “per unit” basis. Examples include use of computers, use of office space, and payroll check processing.

Service Company Agreements – These agreements outline 23 different functions that can be performed by the service company. These functions include but are not limited to:

- Information Systems
- Meters
- Transportation
- Electric System Maintenance
- Marketing & Customer Relations
- Electric Transmission and Distribution Engineering and Construction
- Power Engineering and Construction
- Human Resources
- Materials Management
- Facilities
- Power Planning and Operations
- Public Affairs
- Legal
- Rates
- Finance
- Rights of Way
- Internal Audit
- Environmental Affairs
- Fuels
- Investor Relations
- Planning
- Executive

Specific methodologies have been approved in the service company agreements for allocating costs to the appropriate legal entities and business units, including:

- Three-Factor Formula (1/3 gross margin, 1/3 labor, 1/3 property, plant, and equipment)
- Sales Ratio
- Electric Peak Load Ratio
- Number of Customers Ratio
- Number of Employees Ratio
- Construction Expenditures Ratio
- Circuit Miles of Electric Distribution Lines Ratio
- Circuit Miles of Electric Transmission Lines Ratio
- Number of Central Processing Unit Seconds Ratio
- Revenues Ratio
- Number of Personal Computer Workstations Ratio
- Labor Dollars Ratio
- Electric Peak Load Ratio
- Number of Customers Ratio
- Generating Unit MW Capability Ratio
- Total Property, Plant, and Equipment Ratio
- Inventory Ratio
- Procurement Spending Ratio
- Square Footage Ratio

9.3 Charging Guidance

Costs should be directly charged to the legal entity (Duke Energy Carolinas, Duke Energy Ohio, etc.) benefiting from the services to the extent it is feasible. Otherwise, the service company allocations should be utilized. If you have questions, please contact your financial coordinator.

There are three types of service company allocation pools:

- Governance – Corporate departments with accountability for the management of the overall function and respective issues within Duke Energy; responsible for the governance, compliance, oversight, control, audit, and strategic program design of corporate-wide activities. These costs are charged to Other segment EBIT instead of functional EBIT.
- Enterprise – Support departments implementing the policies set forth, providing day-to-day services to all lines of business (e.g., IT, Corporate Facilities, Accounts Payable, HR Services); the execution of the governance process which benefits all business units. These are costs which are driven by and support the business, but for simplification are allocated by the service company. These costs are charged to functional EBIT.
- Utility – Expenses associated with work processes which support utilities only. The execution of the governance process which only benefits the regulated utilities. These are costs which are driven by and support the utility businesses, but for simplification are allocated by the service company. These costs are charged to functional EBIT.

An updated reference document with the service company allocation codes (operating units for the Carolinas, lines of business for the Midwest) will be provided at a later date, prior to the opening of the budget tools.

IMPORTANT NOTE FOR CAROLINAS BUDGETERS:

The following operating units should **not** be used when budgeting dollars to the Midwest as they represent charges to the Midwest service company (DESS). All budget entries submitted using these operating units will be sent back to the applicable group to be rebudgeted.

R063, R300, R301, R302, R303, R304, R305, R307, R508

10.0 Miscellaneous Budget Items

10.1 Merger Costs To Achieve

Individual responsibility centers should budget for merger costs to achieve (CTA). Sufficient detail should be retained by responsibility centers to be able to identify the CTA budget dollars separately. This detail support should be provided to Mike Hendershott and Jan Yeargin. If you are unsure if a cost should be classified as CTA, please contact Mike Hendershott at (980) 373-7703.

10.2 EPRI Fees

All Carolinas EPRI fees are to be budgeted in responsibility center R138. All Midwest EPRI fees are to be budgeted in responsibility center CTW, using the activity ASSOCDUE. Please select the appropriate operating unit/line of business to allocate the dollars to the appropriate companies. If you have any questions, please contact Mike Crews at (704) 382-5947.

10.3 Midwest ISO

The input of Midwest ISO charges for the O&M budget should be coordinated between Power Delivery, Fossil/Hydro, and Portfolio Optimization. The budget should be split appropriately by account and by line of business.

Appendix – Carolinas

A. Changes for the 2008 Budgeting Process

During 2007, several key changes will be implemented impacting Duke Energy's financial reporting and financial systems. Noted below are three key changes that will impact the Budget Entry Tool (BET) and Budget Spreadsheet Template:

- Implementation of a new, common Code Block
 - Chartfields now called Code Block elements
 - Renamed RC To to Operating Unit
 - Renamed RC From to Responsibility Center
 - Added Allocation Pool as a new element
 - Removed Production Month/Year and Customer Segment from the Code Block
- New financial interfacing architecture will be implemented through the FIHUB.
 - All feeder systems and applications (e.g. BET) will now interface with the FIHUB, resulting in the retirement of the *Financial Interfacing Architecture (FIA)*
 - Budget data will be uploaded to the Budgets Ledger in PeopleSoft through the FIHUB
- Current financial transaction processing environment (PeopleSoft 8.0) will be upgraded to PeopleSoft 8.9
 - Retirement of the mainframe (i.e., RMDS/JHS)
 - New online error reporting process by which users will still be able to verify data. Online reports will be available through a new Finance Reports page available on the Portal.

These changes will impact how budget preparers and administrators perform verifications after uploading budget data. Online error reports will now be used to check Code Block validation and Account to Business Unit derivations. The BET and Budget Spreadsheet Template have undergone minor re-labeling (e.g. from Import Chartfields to Import Code Block). The steps followed to upload budget data using BET will remain the same.

An updated version of the BET manual and a FIHUB Budget Entry Tool Updates job aid will be released in early July for your reference.

B. Resource Types

Below is a list of common resource types and descriptions. Please note that this is not intended to be an all-inclusive list. Contact your financial coordinator with any questions. A Resource Type Mapping job aid is available on the Finance Portal in the 2007 FRE Code Block Training & Reference Materials section. Below is a link to the Finance Portal page:

https://www.duke-employee.com/dukeemployee/server.pt?space=CommunityPage&cached=true&parentname=CommunityPage&parentid=1&in_hi_userid=280368&control=SetCommunity&CommunityID=324&PageID=0

Labor

11000 Labor - Used for straight time labor.

12000 Overtime - Used for all overtime labor.

13000 Exempt Supplemental - Used to record supplemental pay for exempt employees. Must have supervisory approval.

Materials and Supplies

21000 Direct Material/Inventory Cost – Cost of plant materials and supplies issued from stores inventory/stock locations.

Direct Purchases

30000 Direct Purchases – Procurement of intangible and selected tangible materials and supplies. Examples are: Intangible (advertising, company contributions, printing, subscriptions, utility services, non-material purchases); Tangible (office equipment such as calculators, office supplies, tools) (Note - when ordering supplies, use the SUPPLY process)

31000 Direct Material Purchases – procurement of tangible materials & supplies (including purchases for inventory)

33000 Office Supplies and Expenses – purchase of office supplies and miscellaneous expenses

36000 IT Hardware Purchase – purchase of all IT-related hardware

36001 IT Software Purchase – purchase of all IT software

36003 Computer Workstation Leases – leased workstations

Employee Expenses

40000 Travel Expenses - Transportation & lodging costs, seminar/training costs, reimbursed expenses (i.e., airfare, car rental, taxi fares, parking fees) incurred by an employee while on company business

40000 Non-Travel Meals & Entertainment Expenses

- Meals furnished for formal meetings, seminars, group meetings, etc. conducted by the company.
- Meals or entertainment costs incurred for group meetings for social/recognition/recreational purposes for the benefit of employees. (i.e., awards/recognition lunch or dinners, annual Christmas party, group recreational outings)
- Professional exam fees, rotary clubs, dues for country clubs, dining clubs, city clubs, etc.

41000 Meals & Entertainment Expenses

- Employee meals incurred when traveling.

- Employee meals incurred when attending approved seminars, conventions, formal meetings and conferences.
- Meals & entertainment expenses incurred entertaining external customers, prospective customers or company guests. (i.e., golf, employee/customer meals)

Vehicles

50000 Vehicle & Equipment Chargeback -- Costs transferred from automobile and truck expense account and equipment expense account to the appropriate electric capital and operating accounts

Contract Services

60004 Contract Services - Charges from contractors and others for labor and related materials & expenses associated with providing goods and/or services.

69000 Consultant Services

69100 Baseload Contract Labor

69200 Peaking\Unplanned Contracted Labor

69300 Contractor: Compliance or Regulatory

69400 Turnkey Services Contracts

69500 Non-Labor Contracts

63014 Affiliates

Cellular Expenses

66001 – Expenses incurred related to cellular phones, bills, etc.

Accounting Entry

99810 – Miscellaneous accounting entries not covered by other resource types

C. Facility Costs

Real Estate Services Facility Management (FM) will budget all facility costs (i.e., janitorial services, cleaning supplies, lease payments, parking, utilities) for the Carolinas corporate offices and T&D facilities. FM will continue to budget for maintenance and facility projects associated with the Carolinas substation control houses.

Personnel moves that benefit the Carolinas as a whole or are a result of other moves will be budgeted by FM. Personnel moves requested by a department or group should be budgeted within the department's budget. In addition, new facilities, renovation projects, and furniture replacement should be budgeted by the business segment requesting the work.

To obtain pricing estimates in order to budget these upgrades, or for general facility planning or space needs, please contact Benny Biddix at (704) 382-3221. For facility management needs, please contact Tim Becker at (704) 382-4118.

Facility projects are charged to the appropriate accounting as provided by the customer. In-house labor and materials are used to the extent possible and are budgeted in FM. However, special projects that require overtime or outside contractors are charged directly to the customer's responsibility center. This may also include minor materials. In circumstances that require a direct charge to the customer, the customer will be informed and provided an estimate of the charge prior to agreeing to provide the service. For all project management issues, please contact Tim Becker at (704) 382-4118.

Appendix – Midwest

A. Budget Tool Overview and Training

The following tools are used for Duke Midwest responsibility center budget development:

Employee Labor Budgeting (ELB) Tool

- Used to maintain Duke Midwest employee labor pools such as adding or deleting employees from a center; adding summer help, co-ops, etc.
- The ELB Tool is accessed from the BDMS Main Menu.
- Management Reporting
 - Provides direct and fully-loaded dollar views as well as labor hour views using excel pivot table capabilities
 - Head Count Report that shows FTEs by organization (union, non-union, incremental, replacement, etc.)

Responsibility Center (RC) Budget Tool

- The labor hours available to be worked and lost time hours are passed from the ELB Tool to the RC Budget Tool.
- Used to enter Duke Midwest labor hours available to be worked across the code block elements. **Please note that you can only budget hours for labor in the RC Budget Tool, you cannot budget dollars.**
- Overtime can only be entered in hours.
- Also used to enter non-labor dollars.

Responsibility Center (RC) Budget Reporting Tools

- **RC Budget Report Dashboard**
 - Used for budget input verification and to ensure data accuracy
 - Provides flexibility in analyzing data via Excel spreadsheet capabilities
 - Used primarily for direct reporting requirements, but can be used with fully loaded analysis for troubleshooting.
- **Hyperion Standard Reports**
 - Standardized reports that provide drilldown capabilities
 - Used for labor utilization reporting
 - Used for fully loaded standard reporting
 - Used to view new “Income Statement / Balance Sheet” standard report which is required to finalize your budget

Training

For the 2008 planning process, there will be no instructor-led training offered. However, the ELB and RC Budget Tools have not changed from the 2007 planning process (from an input/reporting/process/systematic standpoint). Thus, the supplemental training documentation, eLearning module, and simulations which were created last year are still applicable and are recommended for end-users’ reference. These materials have been updated with any necessary changes from 2007 (primarily found within these Budget Guidelines). All training documentation, simulations, and eLearning courses can be accessed via the Midwest section of the Budgeting Finance Quick Link on the Finance Portal.

Documentation

- Responsibility Center Budgeting User's Guide
- 2008 RC Budget Tool Training Presentation
- Budget Input Form Building – Coordinators

eLearning Course

- RC Budget Overview, which includes simulations illustrating how to:
 - Establish center defaults and input labor information
 - Launch Aggregate – ELB business rule and run Labor Utilization Report
 - Enter labor hours / non-labor dollars and launch other business rules
 - Run the RC budget detail dashboard report
 - Run the Standard Financial Statement View report

B. Budget Development

Below is an outline of the steps to follow when preparing and entering your budget into the Duke Midwest RC Budget and ELB Tools.

Day 1

1. Open BDMS from your desktop to access ELB. When you have accessed ELB, set up the center's defaults for Corporation and Line of Business (LOB). These defaults are used to establish the center's indirect labor.
2. Select Adjust Labor Pool button and make any necessary changes for each labor class.
3. Run Head-Count report to verify FTEs.
4. Interface between ELB and RC Budget Tool will run every 5 minutes.
5. Access the RC Budget Tool via the Midwest section of the Budgeting Finance Quick Link on the Finance Portal.
6. Launch Aggregate ELB business rule.
7. Run the Labor Utilization Report for your center and verify the remaining hours that need to be budgeted (this is the difference between available hours and the indirect labor cost pool (vacation, holidays, etc.) hours).
8. Open your budget input form in Hyperion Planning.
9. Select code block intersections for budgeting (i.e. activity, account, LOB, etc.).
10. Budget remaining labor hours based on the labor utilization report and input the non-labor dollars.
11. Launch business rule Direct Spread – Labor Hours.
12. Launch business rule Aggregate – by RespCtr.
13. Rerun the Labor Utilization Report to ensure all labor hours were budgeted (remaining labor hours for year total should be zero); if not go back to step 8.
14. Follow the instructions in section 5.3 of the Responsibility Center Budgeting User's Guide (available in the Midwest section of the Budgeting Finance Quick Link on the Finance Portal) for installing RC Budget Detail Reports (Dashboard). After successful installation, double click on the RC Budget Reports Dashboard icon on your desktop.
15. Log into the RC Budget Reports Dashboard to view the RC Budget Detail Reports.
16. Run a Direct RC Budget Detail Report to verify accurate input of labor hours and dollars; if needed, go back to step 8 and make changes.
17. Wait overnight to access fully loaded data.

Day 2

18. Access the RC Budget Tool via the Midwest section of the Budgeting Finance Quick Link on the Finance Portal.
19. Log into RC Budget Tool and access Hyperion Standard Reports.
20. Run the Financial Statement View report; if further analysis is not needed skip to step 24.
21. Log into the RC Budget Reports Dashboard to view RC Budget Detail Reports.
22. Run Fully-Loaded RC Budget Detail Reports.
23. If changes are needed to fully loaded labor hours and/or dollars return to step 8 of day 1.
24. Submit budget for approval.
25. Repeat until budget is approved/finalized.

C. Budget Reporting

Direct Reporting (Budget Input Verification)	
Tool	Description
Detail Dashboard (Direct Dollars)	Primary use is to ensure budget data was entered into the RC Budget tool correctly by a single Responsibility Center. This tool is recommended to be used for budget input verification purposes only; all analysis should occur the next day on fully loaded dollars.
Hyperion Reports (Direct Dollars)	Various reports can be run to view budget data (direct dollars) previously entered by the user. All of these reports can be found under the "Budget Input Verification" folder within Hyperion Reports. These reports are ideal if the user wishes to view their direct dollars using two or three code block dimensions.
Summary Dashboard (Direct Dollars)	Warning! Not real-time reporting! The overall database aggregation occurs nightly; therefore, this tool should only be used for a single Responsibility Center. The user can view their detail Responsibility Center data using the code block hierarchies.
ELB Management Reports (Direct Dollars)	Warning! Not real-time reporting! Information entered in the RC Budget tool is fed nightly to the ELB Management reports; therefore, all direct dollar reporting reflects the information as of close of business the day before. This is a relational reporting tool that allows the users to query on direct dollars using pivot table functionality.
Fully Loaded Reporting (Budget Analysis)	
Tool	Description
Hyperion Reports	Financial Statement Report (Standard View) – This report should be generated the following morning (after budget input is complete) so users can view their impact to Duke Midwest financial statement line items. This is the report that will be used by management to hold users accountable. Found under the "Financial Statement Stmt View Reports" folder.
	Budget Analysis Reports – There are various reports under the "Budget Analysis" folder that users should access to perform analysis on the budget data. There are numerous reports targeted for the Responsibility Center, Line of Business (LOB), or Project owner to view how direct or indirect charges affect their bottom line.
	Budget Input Verification – Just as there are budget input verification reports for "direct" dollars, the users can view their budget data in the same manner for "fully loaded" dollars. These reports are ideal if the user wishes to view their budget using two or three code block dimensions. These reports are found under the "Budget Input Verification Reports" folder.
Detail Dashboard (Fully Loaded Dollars)	Warning! The Detail Dashboard is not to be used to view massive amounts of data (i.e., Business Segment-levels or summary rollups at the lowest level). This ad-hoc reporting tool allows the user to view data for analysis purposes.
Summary Dashboard (Fully Loaded Dollars)	This ad-hoc reporting tool allows the Center, LOB, or Project owner to analyze their budget data using the code block hierarchies (i.e., start at a high-level and drill-down to focus analysis).
ELB Management Reports (Fully Loaded Dollars)	Relational reporting tool that allows the users to query on fully loaded budget data using pivot table functionality.

D. Direct and Fully Loaded Views in Hyperion Reports

Difference between Direct and Fully Loaded

Direct

Resource	Account	
1113 - Labor - Union Direct Dollar	502000 - Steam Expenses	\$20,000
2111 - Stock Materials	502000 - Steam Expenses	\$500
2431 - Contract Labor	502000 - Steam Expenses	\$200

1113 - Labor - Union	184610 - Indirect Labor Clearing - Union	\$3,000
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*The \$3,000 is the indirect labor dollars that are assigned to the cost pool found on the balance sheet
Salary = Direct + Indirect (20,000 + 3,000 = 23,000)

Fully Loaded

1113 - Labor - Union	502000 - Steam Expenses				\$20,000
2111 - Stock Materials	502000 - Steam Expenses				\$500
2431 - Contract Labor	502000 - Steam Expenses				\$200
1253 - Payroll Taxes - Union	408220 Account - Payroll Taxes - Nonutility	\$20,000	X	8.8%	\$1,764
1213 - Fringe Benefits - Union	926000 Account - Employee Pension & Benefits	\$20,000	X	55.9%	\$11,176
1233 - Indirect Labor - Union	502000 - Steam Expenses	\$20,000	X	22.3%	\$4,460
2121 - SF&H	502000 - Steam Expenses	\$500	X	8.0%	\$40

*** LOB allocations HAVE occurred.

*** Fully loaded dollars are updated in a nightly batch job.

Labor Loadings			
Payroll Taxes	7.5%	+ 1.32% =	8.8%
Fringe Benefits	47.5%	+ 8.38% =	55.9%
Indirect Labor	32.0%	- 1.32% - 8.38% =	22.3%

By Account

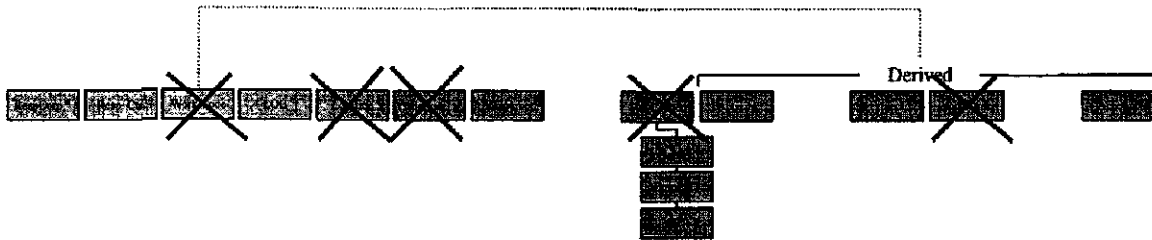
(502000) (926000) (408220) (184600)

By Line Item

	Production Operation	Admin & General	Taxes Other Then Income Taxes	Misc Clearing Accounts	Total
Direct	\$20,700			\$3,000	\$23,700
Fully Loaded	\$25,200	\$11,176	\$1,764		\$38,140

E- Code Block

Code Block Overview



The following code block elements are used in the Midwest budget process:

- Responsibility corporation
- Responsibility center
- LOB
- Resource
- Activity
- Project – optional for O&M budgeting – (other than NOPROJ)
- Account

Please note that service is no longer a required field for budgeting. The service code for all 2008 budgets will be No_Svc.

Adding New Code Block Elements

The following BDMS 3.0 tables will be passed nightly to the RC Tool.

- Corporation
- Centers *
- Activities
- Projects *
- Accounts *
- Line of Business (LOB)

* Have a 'Pass to HP' flag in BDMS 3.0 which limits the members to be passed to the budget tools.

The Resource table will be manually maintained in the RC Tool with no feeds from BDMS 3.0 tables. Any request for new Resource values should be sent to #RC Budget Tool Owners.

Adding/Modifying/Deleting Responsibility Centers

To add a new, modify an existing, or delete a Midwest Responsibility Center, a specific process must be followed. You can access the form and procedure from the Portal. Place your mouse pointer over My Sites → Finance, and then click on Finance. On the right side of the page, click on Midwest Calendars and Forms, and then click on Miscellaneous Midwest Forms. Within the list of documents, you will find two documents titled "Center Request Form" and "Center Request Procedures". Please try to minimize any new code block requests.

F. Employee Labor Budgeting (ELB) Tool

Setup Center Defaults

The ELB Tool automatically calculates the indirect labor hours for a center based on the number of vacation, holiday, and personal days entered into the ELB labor pool screens. Indirect labor is the total number of lost time (non-worked) hours for a center. It is the hours not available to be worked. Based on the total number of indirect labor hours and the center's average hourly rate for each employee class, the ELB Tool will pass the indirect labor dollars to the RC Budget Tool.

Each center is required to have a default LOB and corporation that will be charged for these indirect labor dollars. The guidelines are as follows:

- If you are a Corp 500 or 010 employee you are required to use LOB ALP for indirect labor.
- If you are a Corp 070 or 100 employee it is recommended that you use the ALP LOB for indirect labor, however, you may use any applicable LOB.
- If you are an employee of any other corp you are required to use the LOB associated with that corporation. (For further direction, please contact your Financial Coordinator).

Adjust Labor Pool

All labor information will be downloaded into the ELB tool from the Human Resources Information System (HRIS) on July 3. This download will include all updates to the HRIS database through July 1. Each center's Labor Pool is divided into three labor classes; exempt, non-exempt, and union. The purpose is to identify all internal resources needed for the current Plan. Contractor Resources are not in this section.

Headcount will be budgeted in accordance with the process established by Human Resources. The headcount budgets will be approved by the Human Resources vice presidents. Upon approval of the headcount budgets, responsibility centers should update their labor pools accordingly in the ELB Tool. Note that any approved vacancies will be entered by each responsibility center in the ELB Tool.

The Employee Organization is a sub-classification within the three employee labor classes, and can be classified into three categories: Organizations that increase FTEs, Organizations that decrease FTEs, and Organizations that do not affect FTEs. Below is a listing of common organizations that responsibility centers might use when updating their labor pools. Please reference section 2.2.2 of the RC Budgeting User's Guide for a complete listing of the "organizations" available. If you have questions regarding these organizations please contact your Financial Coordinator.

- **Replacement** – a position that is added to replace an employee that is no longer with Duke Midwest. The employee has not been hired yet and will not increase Duke Midwest's headcount.
- **Replacement Hired** – an employee that is added because they have already been hired in 2007 to replace an employee that is no longer with Duke Midwest. This is not an increase to Duke Midwest's headcount. The employee name is required to be entered.
- **Incremental** – employees that have not been hired yet and are going to be an addition to Duke Midwest's headcount.
- **Incremental Hired** – Employees who have already been hired in 2007 and will be an addition to Duke Midwest's headcount. The employee name is required to be entered.
- **Summer Help** – Typically students that work during the summer months only.
- **Co-ops** – College students that work 3 months then return to school for 3 months throughout the year.
- **Other Adjustments** – Lump sum dollar amount that affects salaries
- **Shared Resources** - (i.e., borrowed/loaned employees). The number of FTEs, and their beginning and end dates is information that is required for budgeting shared resources.
- **Staff Reductions** - Any staff reductions. The beginning date is required for budgeting staff reductions. To ensure the appropriate employee headcount and labor dollars for part time employees, each Full Time Equivalent (FTE) will be budgeted as 1 and their salary at 100%; then reduced 1 FTE by using the Staff

Reduction organization. **Only use Staff Reductions or Other Adjustments for items that will affect the entire center labor pool.**

Other considerations when updating your labor pools include:

- The ELB tool will automatically calculate annual labor increases. The labor rate increase for each type of labor will be input by the Planning and Analysis group. The planned labor increase for union employees will be based on their contract agreement. The rate 3.6% is assumed for non-union employees for planning purposes only and is not meant to be interpreted as the labor rate increase for 2008.
- The information downloaded into ELB will reflect 40 hours of prepaid sick time for union employees if it is applicable to the particular union. **If you are budgeting a union vacancy, you will have to manually enter the 40 hours of prepaid sick time if it is applicable to the particular union.**
- Please be sure to un-claim any employees that will not be part of your responsibility center 1/1/08 or after.

Your labor dollar pool will need to be adjusted for the total amount of promotions, shift differential, etc. The following is a list of examples that may necessitate an adjustment to your Labor Pool or Budgeted Labor Hours:

- Anticipated Promotions
- Special Lump Sum Bonuses
- Shift/Sunday Premium for Union Work
- Additional \$350 per month for Exempt Shift Worker
- Holiday Premium Overtime Pay
- Guaranteed Holiday Pay
- 12 Hour Shift Schedules

Please contact your Financial Coordinator for assistance in budgeting these items.

Based on the information you input into the RC Budget Labor Pools, an average hourly rate per month for each employee labor class is calculated. See Section G of this Appendix for an example of how the monthly average hourly rate is calculated.

Vacation/Holiday/Other Personal Day Entitlements

The labor pools are automatically populated with the proper number of days for holiday, vacation, personal days, diversity days, and floaters for every employee for the 2008 plan year. Any exceptions (for example, an employee may plan to carry over vacation) should be manually entered into ELB. Please be sure to decrease your labor pool for any vacation bank time you are aware that employees may take.

Please reference Section 2.0 of the RC Budgeting User's Guide for additional guidance on updating your labor pools within the ELB Tool.

G. Average Hourly Labor Rate Calculation

Average Hourly Labor Rate Calculation for 2008 Plan Year

The monthly average hourly labor rates used in the RC Budget Tool are calculated as follows:

For this example, let's assume a center has 16 full-time Exempt FTE's. Their total Base wages as shown in the "Adjust Labor Pool" screen is \$1,118,256. Their annual increase amount is \$37,275 (starts in March, 2008).

The following shows the number of worked hours in each month during 2008.

	Hours Per Month
Jan	184
Feb	168
Mar	168
Apr	176
May	176
Jun	168
Jul	184
Aug	168
Sep	176
Oct	184
Nov	160
Dec	184
	<hr/> 2,096 <hr/>

Average Hourly Rate Calculation:

January and February:

Base Dollars / 12 Months / Hours in Month / # of Employees in Center

January $\$1,118,256 / 12 = \$93,188 / 184 \text{ hours} = \$506.46 / 16 = \$31.65$

February $\$1,118,256 / 12 = \$93,188 / 168 \text{ hours} = \$554.69 / 16 = \$34.67$

March thru December:

(Base Dollars / 12 Months) + (Annual Increase Dollars / 10 Months) = Total Monthly Base

Total Monthly Base / Hours in Month / # of Employees in Center

March $(\$1,118,256 / 12 = \$93,188) + (\$37,275 / 10 = \$3,727.50) = \$96,915.50$

$\$96,915.50 / 168 = \$576.88 / 16 = \$36.05$

H. Budget Entry/Planning by Resource

Labor

To reiterate, all labor information will be downloaded into the ELB tool from the Human Resources Information System (HRIS) on July 3 and includes all labor updates made to the HRIS database through July 1. After updating all information in your Labor Pools, run your labor utilization report to determine the number of available hours to be budgeted for each employee labor class. Only internal Duke Midwest labor should be budgeted to the labor resource.

All Midwest labor will be budgeted by hours, not dollars. The dollars will be calculated based on the number of hours entered and the average hourly rate for each center / employee labor class.

Labor can also be adjusted for overtime. Overtime can only be entered through the budget entry screen in the RC Budget tool. Overtime will be spread based on the hours available to be worked in the month.

1111 – Labor Exempt

1121 – Over time Labor – Exempt

1112 – Labor – Non-Exempt

1122 – Overtime Labor – Non-Exempt

1113 – Labor – Union

1123 – Overtime Labor – Union

1131 – Special Pay – Other – Special pays that include non-exempt and union overtime meals, lump sum payments (related to items such as executive benefits and executive car allowances), etc.

1132 – Special Pay – Sal&Wag – Special pays to be included in Salaries & Wages reports such as incentive compensation payments.

Company Materials

2111 – Stock Materials – Material that has a catalog ID in Passport. Material purchases are to be budgeted to the Stock Materials resource (2111) regardless of whether or not they will be issued from a company storeroom or directly delivered to the job site. SF&H and minor material loadings are applied to stock material purchases.

2112 – Non-stock material – Materials that are acquired for work which are not stocked in the Duke Midwest Inventory System (no catalog ID). SF&H loadings are applied to non-stock material purchases. Minor material loadings are not applied.

IMPORTANT NOTE: In 2008, Fossil Hydro stock and non-stock material purchases will receive SF&H loadings.

Contracts

2431 – Contract Labor - is work that is being outsourced. Examples include tree trimming, programmers, DSM inspections, and station maintenance work. Contractor labor does not include research results (EPRI), EEI dues, or lobbying time for IEA. Contractor work can be seasonal, specialized and/or infrequent. Contractor work is typically budgeted directly to the client company (i.e. Corp 010 for a contractor engineer hired to do project work for CG&E) and NOT budgeted to Corp 500 (Service Company). Please do not budget in the contractor resource costs for services that are required to meet external requirements and cannot be performed by company employees due to independence, agreement or ordered requirements (i.e., D&T financial audit); these costs are to be budgeted in the 2411 - Outside Service resource. If you are not certain whether to budget costs to Contractor Labor or Outside Services, please call your Financial Coordinator.

IMPORTANT NOTE: Consulting Services are considered to be an “Outside Service” and are to be budgeted in the 2411 - Outside Service resource.

2432 – Contract Material - is material that is delivered by a vendor to the contractor for the contractor's use. The company reimburses the contractor for the material. Contractor Material purchases are to be budgeted to the 2432 - Contract Material resource and to the specific client company (i.e. Corp 010 for material purchased for a CG&E project).

Payables

2411 – Outside Service – Outside Service is work performed by contractors or external resources that cannot be performed by Duke Midwest employees due to independence, agreement, or ordered requirements (i.e., D&T financial audit). **Budget to the OSSER activity.**

IMPORTANT NOTE: If you are planning to budget outside legal services, please contact Terri Haussin in the Legal department before entering your dollars. Generally, all outside legal services are budgeted by the Legal Department.

2412 – Political Contributions* – Contributions made to a political committee or citizen group. (Note – This resource should not be used for Responsibility Center budgeting; this type of expense is budgeted directly by a particular group as required).

2413 – Business Meals* – Includes costs for any business meals (breakfast, lunch, or dinner) including gratuities, or entertainment for employees and their guests.

2414 – Employee Expenses* – Includes expenses such as travel costs, personal car mileage, and lodging.

2415 – Payables – Other - The primary resource used when budgeting assorted expenses such as office supplies, computer costs, vehicle expenses, general expenses such as membership dues, event tickets, advertising, etc. These are examples and are not considered to be an inclusive list.

*Resource codes 2412, 2413, and 2414 above are not required for budgeting purposes, but are available if the user would like to see actual vs. budget reports at this level of detail.

Other

2421 – Journal Entries & Other – This resource code is used for miscellaneous dollars that do not fit with any other resource code. It is the default resource code within the journal entry tool. Amortizations would be budgeted to this resource.

2422 – Journal Entries – No Constr OH – This resource should not have any budgeted dollars. This is used by Fixed Asset Accounting for closing out work orders.

2423 – Salvage – This resource should not have any budgeted dollars. Used when recording salvage related charges.

2424 – Non-Cash Items - This resource should not have any budgeted dollars. This resource is used by Fixed Asset Accounting.

Transportation (excluding Power Production)

Transportation Usage

Transportation will be entered in dollars, not hours, for the 2008 budget. Please notice that not all transportation resources will be used for budgeting; only the 7 classes shaded below. (Please refer to the Transportation Services web page (<http://web/transportation/fleet.htm>) for the most up to date Vehicle Class Loading Rates and Descriptions.)

New Transportation Resource Hierarchy

2600 - Transportation

2601 - Class 1 Sedans

- 2611 - 1A Basic Sedan (Non-commuting)
- 2612 - 1B Basic Sedan (Commuting)
- 2613 - 1C Executive Class Sedan
- 2619 - 1D Luxury Executive Class Sedan

2602 - Class 2 SUVs

- 2614 - 2A Base SUV (Non-commuting)
- 2615 - 2B Base SUV (Commuting)
- 2616 - 2C Exec. Class SUV

2603 - Class 3 Vans

- 2617 - 3A Mini Van
- 2618 - 3B Full-Size Van

2604 - Class 4 Pickup Trucks

- 2631 - 4A Compact PU 4x2 (Non-commut)
- 2632 - 4B Compact PU 4x4 (Non-commut)
- 2633 - 4C Compact PU (Commuting)
- 2634 - 4D Full - PU 4x2 (Non-commut)
- 2635 - 4E Full - PU 4x4 (Non-commut)
- 2636 - 4F Full - PU (Commuting)
- 2637 - 4G Full - PU 4x2 (Commuting)

2605 - Class 5 Utility Trucks and Other Equip

- 2651 - 5A Utility Body 4x2 Under 1 ton
- 2652 - 5B Utility Body - Heavy Duty
- 2653 - 5C HD Util 4x4; Tract; Dump; Svc
- 2654 - 5D Stake w/Mtd Derr; Trk Tract
- 2655 - 5E Bucket Truck 4x2 (Over 40')
- 2656 - 5F Mtl Handler/Line Trks 4x2
- 2657 - 5G Mtl Hndlr Bkts 6x4/Line Trk
- 2660 - 5H Util Body 4x4 under 1 ton (Non Com)
- 2661 - 5I Util Body 4x2 under 1 ton (Com)
- 2662 - 5J Utility Body 4x4 under 1 ton (Com)
- 2664 - 5X HD Util 4x4 Tractors; Hd Dump Trucks - PSI
- 2665 - 5Y Material Handlers/Line Trucks 4x2 - PSI
- 2663 - 5R Rental Bucket and Derric Trks

2606 - Class 6 Step Vans

- 2658 - 6A Step Vans
- 2659 - 6B Step Vans w/mounted equip

2607 - Class 7 Heavy Equipment

- 2671 - 7A Puller/Generators
- 2672 - 7B Sweep; Frklft; Bkhoe; Trnch
- 2673 - 7C HD Construction Equipment
- 2674 - 7D High Expense Constr Equip
- 2675 - 7E Very High Exp Constr Equip
- 2677 - 7F Low Expense Constr Equip
- 2676 - 9 Trailers & Misc Other Veh

Budgeting - Review actual transportation dollars charged to your center. Reviewing this information will help determine the dollar amounts to be budgeted to the seven different transportation categories. A review of the 2007 budgeted transportation dollars will also help validate the reasonableness of your estimates. If additional vehicles need to be budgeted for 2008, please refer to the annual dollar amounts by budgeted vehicle class to determine the appropriate dollar amount to budgeted (see the following table).

Recommended approach when budgeting for existing vehicles:

Recommended approach when budgeting for existing vehicles:

Review actual transportation dollars that have been charged to your center. Reviewing this information will help determine the dollar amounts to be budgeted to the seven different transportation categories. A review of the 2007 budgeted transportation dollars will also help validate the reasonableness of your estimates. If additional vehicles need to be budgeted for 2008, please refer to the annual dollar amounts by budgeted vehicle class to determine the appropriate dollar amount to budgeted (see the following table).

2008 TRANSPORTATION COST

	ANNUAL COST		TOTAL ANNUAL COST	MONTHLY COST
	RATE	HOURS		
2600 - Transportation				
2601 - Class 1 Sedans				
2611 - 1A Basic Sedan (Non-commuting)	\$3.75	2096	\$ 7,860.00	\$ 655.00
2612 - 1B Basic Sedan (Commuting)	\$4.50	2096	\$ 9,432.00	\$ 786.00
2613 - 1C Executive Class Sedan	\$6.50	2096	\$ 13,624.00	\$ 1,135.33
2619 - 1D Luxury Executive Class Sedan	\$9.00	2096	\$ 18,864.00	\$ 1,572.00
2602 - Class 2 SUVs				
2614 - 2A Base SUV (Non-commuting)	\$5.75	2096	\$ 12,052.00	\$ 1,004.33
2615 - 2B Base SUV (Commuting)	\$7.25	2096	\$ 15,196.00	\$ 1,266.33
2616 - 2C Exec. Class SUV	\$7.50	2096	\$ 15,720.00	\$ 1,310.00
2603 - Class 3 Vans				
2617 - 3A Mini Van	\$5.00	2096	\$ 10,480.00	\$ 873.33
2618 - 3B Full-Size Van	\$6.00	2096	\$ 12,576.00	\$ 1,048.00
2604 - Class 4 Pickup Trucks				
2631 - 4A Compact PU 4x2 (Non-commut)	\$5.25	2096	\$ 11,004.00	\$ 917.00
2632 - 4B Compact PU 4x4 (Non-commut)	\$5.50	2096	\$ 11,528.00	\$ 960.67
2633 - 4C Compact PU (Commuting)	\$5.75	2096	\$ 12,052.00	\$ 1,004.33
2634 - 4D Full - PU 4x2 (Non-commut)	\$5.00	2096	\$ 10,480.00	\$ 873.33
2635 - 4E Full - PU 4x4 (Non-commut)	\$6.00	2096	\$ 12,576.00	\$ 1,048.00
2636 - 4F Full - PU 4x4 (Commuting)	\$7.75	2096	\$ 16,244.00	\$ 1,353.67
2637 - 4G Full - PU 4x2 (Commuting)	\$6.00	2096	\$ 12,576.00	\$ 1,048.00
2605 - Class 5 Utility Trucks and Other Equip				
2651 - 5A Utility Body 4x2 Under 1 Ton	\$8.00	2096	\$ 16,768.00	\$ 1,397.33
2652 - 5B Utility Body - Heavy Duty	\$8.25	2096	\$ 17,292.00	\$ 1,441.00
2653 - 5C HD Util 4x4; Tract; Dump; Svc	\$11.75	2096	\$ 24,628.00	\$ 2,052.33
2654 - 5D Stake w/Mtd Derr; Trk Tract	\$12.50	2096	\$ 26,200.00	\$ 2,183.33
2655 - 5E Bucket Truck 4x2 (Over 40')	\$13.00	2096	\$ 27,248.00	\$ 2,270.67
2656 - 5F Mtl Handler/Line Trks 4x2	\$15.75	2096	\$ 33,012.00	\$ 2,751.00
2657 - 5G Mtl Hndlr Bkts 6x4/Line Trk	\$18.00	2096	\$ 37,728.00	\$ 3,144.00
2660 - 5H Util Body 4x4 under 1 ton (Non Com)	\$7.00	2096	\$ 14,672.00	\$ 1,222.67
2661 - 5I Util Body 4x2 under 1 ton (Com)	\$6.75	2096	\$ 14,148.00	\$ 1,179.00
2662 - 5J Utility Body 4x4 under 1 ton (Com)	\$7.50	2096	\$ 15,720.00	\$ 1,310.00
2664 - 5X HD Util 4x4 Tractors; Hd Dump Tru	\$17.80	2096	\$ 37,308.80	\$ 3,109.07
2665 - 5Y Material Handlers/Line Trucks 4x2 -	\$22.40	2096	\$ 46,950.40	\$ 3,912.53
2663 - 5R Rental Bucket and Der. Trucks	\$45.00	2096	\$ 94,320.00	\$ 7,860.00
2606 - Class 6 Step Vans				
2658 - 6A Step Vans	\$9.50	2096	\$ 19,912.00	\$ 1,659.33
2659 - 6B Step Vans w/mounted equip	\$13.50	2096	\$ 28,296.00	\$ 2,358.00
2607 - Class 7 Heavy Equipment				
2671 - 7A Puller tensioners	\$3.00	2096	\$ 6,288.00	\$ 524.00
2672 - 7B Sweep; Frklt; Bkhoe; Trmch	\$5.50	2096	\$ 11,528.00	\$ 960.67
2673 - 7C HD Construction Equipment	\$22.00	2096	\$ 46,112.00	\$ 3,842.67
2674 - 7D High Expense Constr Equip	\$42.00	2096	\$ 88,032.00	\$ 7,336.00
2675 - 7E Very High Exp Constr Equip	\$78.00	2096	\$ 163,488.00	\$ 13,624.00
2677 - 7F Low Expense Constr Equip	\$1.35	2096	\$ 2,829.60	\$ 235.80
2676 - 9 Trailers & Misc Other Veh				

**** For vehicles that follow LDCS - Do not forget to add hours for overtime/storm work!!!!

Wheels Vehicles

If you have your vehicle leased through the Wheels program please budget those dollars to the Activity **"WHEELSEC"**. If you have questions regarding the Wheels program please contact Ronnie Benzing at 513-287-1164.

Helicopter Usage

Helicopter expense is budgeted by dollar amount. Please use the rate of \$1,125 per hour in your calculation.

Parking

Duke Midwest will continue to pay for managers who park at the 3rd & Main parking garage. Real Estate Services will pay the consolidated bill for manager parking at 3rd & Main and the costs will be distributed to the individual center through a journal entry in 2008. Each center should budget \$140/month per manager for 3rd and Main Parking for 2008.

Parking expenses should be budgeted to the **ADMNSTRA** activity and **PARKING** project.

Any questions about this initiative should be directed to Colleen Von Hoene at 513-287-3144.

I. Facility Costs

Real Estate Services Facility Management (FM) will budget all facility costs (i.e., janitorial services, cleaning supplies, lease payments, parking, utilities) for the Midwest corporate offices and T&D facilities, with the exception of those inside substation fencing. FM will only budget for maintenance of Indiana substation control houses. All other facility and project costs for Midwest buildings inside substation fencing will be budgeted by Power Delivery Performance Support.

Personnel moves that benefit Duke Midwest as a whole or are a result of other moves will be budgeted by FM. Personnel moves requested by a department or group should be budgeted within the department's budget. In addition, new facilities, renovation projects, and furniture replacement should be budgeted by the business segment requesting the work. To obtain pricing estimates in order to budget these upgrades, or for general facility planning or space needs, please contact Tim Ryan at (513) 287-3065. For facility management needs in Ohio or Kentucky, please contact Joe Jett at (513) 287-2807. For facility management needs in Indiana, please contact Chris Arbuckle at (317) 838-1762.

Facility projects are charged to the appropriate accounting as provided by the customer. In-house labor and materials are used to the extent possible and are budgeted in FM. However, special projects that require overtime or outside contractors are charged directly to the customer's responsibility center. This may also include minor materials. In circumstances that require a direct charge to the customer, the customer will be informed and provided an estimate of the charge prior to agreeing to provide the service. For all project management issues, please contact Tim Becker at (704) 382-4118.

J. Cost Pool Guidelines

Stores, Freight and Handling Cost Pool

The costs associated with buying, receiving, storing and issuing materials are aggregated in the Stores, Freight and Handling cost pool and loaded out by attaching an additional charge to material issuances. This additional charge is known as the stores, freight and handling (SF&H) loading.

Please budget all storeroom related costs, including, but not limited to, the following:

- Storeroom labor and expenses
- Purchasing
- Maintenance of stores equipment
- Inventory record keeping
- Handling of scrap materials
- Freight
- Obsolete materials

Important Note: In 2008, FE&G Fossil/Hydro stock and non-stock material purchases will receive a SF&H loading. Therefore, FE&G Fossil/Hydro and Supply Chain should budget these costs to the SF&H cost pool for 2008.

Below is a list of standard activities to be used when budgeting to the SF&H cost pool.

Activity	Activity Description
ADMNSTRA	Administration & General
ASSOCDUE	Association Dues & Fees
CYCLECNT	Cycle Counts
FREIGHT	Freight
HNDLGFEE	EMBU Storeroom Fees
HOLIDAYS	Holidays – Union
HWCOMPTR	Hardware Expense
LOSTTIME	Lost Time (Vacation, Sick, Holidays) – Non-Union
MATADJST	Material Adjustment
MTCECORR	Maintenance Corrective
OFFEQUIP	Office Equip Services
OFFICSUP	Office Supplies & Expenses
OSSER	Outside Services
PAGRCELL	Pagers/Cell Phones
POSTAGE	Postage – assoc w/co bill & ext corresp
PROFDUES	Professional Dues Paid for Employees
SICKNESS	Sickness – Union
SUBSCRIP	Publication Subscription
SWCOMPTR	Software Expense
TRAINREC	Training – Receive
TRAVADMN	Travel Administration
VACATN	Vacations – Union
WHEELSEC	Vehicle Lease

Transportation Cost Pool (excluding Power Production)

The costs associated with acquiring, storing, operating and maintaining the Company's fleet of vehicles are aggregated in the Transportation cost pool and loaded out by applying a cost rate (loading) to the hours of use of the vehicle fleet.

These costs include, but are not limited to, the following items:

- Fleet lease expenses (payments, terminations)
- Maintenance costs (parts and labor)
- Operating costs (fuel costs and costs of providing fuel to vehicles)
- Tax, licensing and registration costs
- Fleet administration

All costs except lease costs, insurance, licenses and taxes (which are centrally budgeted by Transportation Services) related to the company's fleet of vehicles are to be budgeted to the appropriate transportation cost pool centers using the activities identified below. These cost pool centers include the Cincinnati central garage, Plainfield central garage and the West districts.

Transportation loading rates are developed to clear out the cost pool based on vehicle utilization (number of hours per month). Please see Section H of this Appendix for instructions on budgeting dollars for vehicle usage.

Important Note: Power Production (Fossil/Hydro) does not budget ANY cost to the Transportation Cost Pool. All costs associated with acquiring, storing, maintaining and issuing fleet vehicles are budgeted and charged directly to expense.

Below is a list of standard activities to be used when budgeting to the transportation cost pool.

Activity	Activity Description
ADMNSTRA	Administration & General
LEASERNT	Leasing / Rentals
VDEPR	Vehicle Depreciation
VFUELOH	Fuel Over / Under
VFUEL	Vehicle Fuel Purchases
VMaint	Vehicle Maintenance - Chassis
VHYD	Vehicle Maintenance - Hydraulic
VRENT	Equipment rental in the Transportation Services Fleet
VPROCESS	Processing of New and Old Vehicles
VGARAGE	General Garage Activities
VMISC	Miscellaneous Transportation Department Expenses
VEHINS	Vehicle Insurance
VEHREG	License Fees and Taxes
VLEASE	Lease Rental Cost

Functional Construction Overheads

There are two types of functional overheads: direct and indirect. Direct functional budget dollars (a.k.a. budget schedule 898) represent labor dollars budgeted in direct support of construction projects. Indirect functional budget dollars (a.k.a. budget schedule 899) represent both labor and non-labor dollars budgeted to support more than one construction project and are truly overhead in nature. See below for additional information.

Departments that provide *direct and indirect* construction support, such as Engineering & Construction, will budget a portion of their labor to budget schedules 898 and/or 899. These schedules contain projects that are **required** when budgeting. For assistance, please contact your Financial Coordinator.

The general guidelines for being able to charge construction overheads is that anyone directly involved in construction activities can charge construction overheads. Anyone who directly supports those who are directly involved in construction activities can also charge construction overheads. However, anyone who supports someone who supports those directly involved in construction activities should not be charging the overhead pool. This is the general "2-levels-away" concept.

Budget Schedule 898 - Direct Functional Construction Overheads

This schedule is used by departments that provide direct construction support to construction projects. For example, if a person (or department) is assigned 100% to support the construction of an SCR at Gibson Station then all of that person's (or department's) labor will be charged directly to that construction project, via Schedule 898. This schedule is used to identify capital work that will be charged directly to capital projects/work orders throughout the year. Following below is a standardization that has been established for the Account/Corp/Project to help users budget correctly for their direct functional construction overheads. If you don't know the appropriate combination to use, please consult your Financial Coordinator.

References	Account - Account Description	Corp	Projects						
			1070ST	107GAS	107GLP	107GNL	107PRODB	107SUB	107TRN
1	107000 - CWIP UTILITY PLANT	010	X	X	X	X		X	X
1	107000 - CWIP UTILITY PLANT	070	X	X	X	X	X	X	X
1	107000 - CWIP UTILITY PLANT	100	X		X	X	X	X	X
2	107005 - CWIP UTILITY PLANT - CA	500	X	X	X	X	X	X	X
1	107500 - NON-REG CWIP - ELECTRIC	NON-REG					X		
2	107505 - NON-REG CWIP - ELECTRIC - CA	500					X		
1	107530 - NON-REG CWIP - OTHER	NON-REG			X	X			
3	107530 - NON-REG CWIP - OTHER	500			X	X			
2	107535 - NON-REG CWIP - OTHER - CA	500			X	X			
1	107850 - NON-UTILITY CWIP	NON-REG			X	X			
2	107852 - NON-UTILITY CWIP - OTHER	500			X	X			
2	107855 - NON-UTILITY CWIP - CA	500			X	X			
1	108410 - RWIP - UTILITY PLANT	010, 070, 100	X	X	X	X		X	X
2	108415 - RWIP - UTILITY PLANT - CA	500	X	X	X	X	X	X	X
1	108540 - NON-REG RWIP ELECTRIC	010, 610					X		

References

- 1) Mapped to Balance Sheet on client companies
- 2) For Cost Assignment (CA), mapped to Income Statement on Corp 500
- 3) Mapped to Balance Sheet on Corp 500

Budget Schedule 899 - Indirect Functional Construction Overheads:

This schedule is used by departments that provide construction support to a number of construction projects. For example, a person who works in T&D engineering and performs engineering related work for numerous T&D construction projects throughout the year will budget to the proper function of schedule 899. This schedule contains projects that are established to associate capital overhead work with the proper function. This schedule is for overhead costs that will not be charged directly to capital project work orders but are truly "overhead" in nature. As always, please budget capital costs (in Budget Schedule 898) to be charged directly to specific projects when at all possible to reduce the amount of dollars that is included in the capital overhead pool. Following below is a standard that has been established for the Account/Corp/Project to help users budget correctly for their indirect functional construction overheads. If you don't know the appropriate combination to use please consult your Financial Coordinator.

Budgeting your time to the appropriate functional overhead project (e.g., transmission, distribution, production, gas) will allow the costs to be spread over all of the direct capital projects budgeted to that function. Your Construction Overhead (899) work codes are also to be set up in BDMS to point to the projects to which you budgeted.

Following is a breakdown of the 899 accounts and associated projects that should be used for budgeting:

Account – Account Description	Corp	107DSTOH	107GASOH	107GLPOH	107PRDOV	107SUBOH	107TRNOI
107000 – CWIP Utility Plant	010, 070, 100	X	X	X	X	X	X
107005 – CWIP Utility Plant CA	500	X	X	X	X	X	X

Service Company (Corp. 500) Employees: When you are supporting both CG&E/ULH&P and PSI construction, please allocate using a LOB Allocator code. Budgeting and charging accordingly will allow us to manage the overhead pool and maintain one overhead rate per function.

Please direct questions concerning functional capital overheads to:

- FE&G Power Delivery – Dave Schafer (513-287-2822)
- FE&G Fossil/Hydro – Jim Thorp (317-838-1798)
- FE&G Gas Delivery – Nancy Kemper (513-287-2859)
- NANRG – Dan Baker (513-467-5863) or Debbie Spade (513-287-4125)

Indirect Labor Cost Pool

Indirect labor is a cost associated with employees' non-productive time (ex. Vacation, Holidays) that is aggregated in a cost pool and loaded out by attaching an additional charge to the direct labor dollars.

The ELB tool will automatically calculate your indirect labor cost pool for vacations, holidays, and personal days. The ELB tool will also calculate the provision of the union labor agreement for an additional 40 hours of sick pay. This pay will be reflected in the January indirect labor cost pool budget for each regular Union employee in your center. Individual departments may budget for any additional Sick Time, such as a planned operation, which the user wants to reflect in the plan.

40 hours sick pay is calculated by taking all Union employees with IBEW, IUU, USW (formerly USWA - excludes USWA 8183 and PACE) and sums the total of FTEs for that center. It takes the 40 hours sick pay Xs January's average hourly rate and Xs it by the total number of FTEs. It loads the payroll tax and the fringe benefit rate to get the loaded rate. Then it is put into the table to show up under the cost pool worktype. This will not affect your labor utilization report.

Below is a list of standard activities to be used when budgeting to the indirect labor cost pool.

Activity	Activity Description
ADLEAVE	Adoption Leave – Union and Non-Union
DPLEAVE	Domestic Partner Leave – Union and Non-Union
FMLEAVE	Family Medical Leave - Union and Non-Union
HOLIDAYS	Holidays – Union
LOSTTIME	Lost Time (Vacation, Sick, Holidays) – Non-Union
OTHPDAB	Other Paid Absences/Voluntary Off - Union
PTLEAVE	Paternity Leave – Union and Non-Union
RETBANK	Retirement Bank
SCHDMTG	Scheduled Safety and Training Meetings - Union
SICKNESS	Sickness – Union
STDIS	Short Term Disability
UNIONBUS	Union Business – Union
VACATN	Vacations – Union
WEATHOTH	Inclement Weather - Other - Union
WEATHTRN	Inclement Weather - Training - Union
WRKCOMP	Workers Comp - Union and Non-Union

K. Segment-Specific Guidelines

Labor and Employee Related Expenses – Generation Resources

All exempt, non-exempt, and union employees under Generation Resources will be in Corp 500.

Labor and Employee Related Expenses – Generating Stations

All non-exempt and union employees will be in either Corp 010 (CG&E) or Corp 100 (PSI).

Contracted Services and Materials

All non-employee related expenses (services and/or materials) are to be budgeted directly to the Client Company that benefits from these services and/or materials. To budget directly to a Client Company, use the appropriate Client Company corporation and your individual responsibility center.

Specific Budget Items

Switchyard Equipment

As in past years, FE&G budgets the labor associated with work on the switchyard equipment (i.e., step-up transformers) owned by NANRG, and NANRG budgets the materials. Any materials budgeted for work that FE&G will be doing should be budgeted to the applicable activities and accounts.

Obsolete Material

For the 2008 budget, we will be budgeting for obsolete materials. Stations and Storerooms will be responsible for identifying and reviewing obsolete material. Obsolete material provisions will need to be established and budgeted for.

Planned Outages

Any scheduled outages should be budgeted to applicable outage project. If you have any questions, please contact Jenny Bulach (513-287-2796) for FE&G or Jon Johnston (513-419-5729) for NANRG.

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Supplemental Information (C)(13)

Copy of general system layout maps for the service territory.

Response: The Company filed a request for waiver of this filing requirement on June 25, 2008. The Company will make System maps available for inspection to all parties in the case at its Company's offices.

Sponsoring Witness: James E. Mehring

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Supplemental Information (C)(14)

For the materials and supplies component listed on Schedule B-5.1 provide the following:

- (a) Explanation of computation for percentage of materials and supplies used for construction, additions and extensions.
- (b) Electric and gas utilities shall list the monthly balances by production, transmission and distribution, and all other materials and supplies.
- (c) Electric and gas utilities shall list the monthly withdrawals for each of the functions specified in (C)(14)(b) of Chapter II of this appendix. Telephone, water, and sewer utilities shall provide monthly withdrawals in total.

Response:

- (a) See Attachment.
- (b) See Attachment.
- (c) See Attachment.

Sponsoring Witness: William Don Wathen Jr.

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
MATERIAL AND SUPPLIES BALANCES
EXPLANATION OF PERCENTAGE OF M&S USED FOR
CONSTRUCTION, ADDITIONS AND EXTENSIONS

SUPPLEMENTAL (C)(14)(a)
WITNESS RESPONSIBLE:
W. D. WATHEN

The computation of the percentage of materials and supplies used for construction, additions and extensions is shown on Supplemental (C)(14)(c).

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
MATERIAL AND SUPPLIES BALANCES, BY MONTH
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
PAGE 1 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN

Month	Electric M&S	New Construction (A)	Electric M&S Less New Construction	M&S By Function		
				Production (A)	Transmission (A)	Distribution (A)
		34.31%		84.41%	1.03%	14.56%
March 2007	49,140,504	16,860,107	32,280,397	27,247,883	332,488	4,700,026
April	53,420,747	18,328,658	35,092,089	29,621,232	361,449	5,109,408
May	54,434,839	18,676,593	35,758,246	30,183,535	368,310	5,206,401
June	55,138,739	18,918,101	36,220,638	30,573,841	373,073	5,273,724
July	55,334,527	18,985,276	36,349,251	30,682,403	374,397	5,292,451
August	55,106,913	18,907,182	36,199,731	30,556,193	372,857	5,270,681
September	54,052,401	18,545,379	35,507,022	29,971,477	365,722	5,169,823
October	53,085,992	18,213,804	34,872,188	29,435,614	359,184	5,077,390
November	53,207,485	18,255,488	34,951,997	29,502,981	360,006	5,089,010
December	53,187,622	18,248,673	34,938,949	29,491,967	359,871	5,087,111
January 2008	54,557,152	18,718,559	35,838,593	30,251,356	369,138	5,218,099
February	54,946,146	18,852,023	36,094,123	30,467,049	371,769	5,255,305
March	55,471,778	19,032,367	36,439,411	30,758,507	375,326	5,305,578
Total	701,084,845	240,542,210	460,542,635	388,744,038	4,743,590	67,055,007
13 Month Avg. Bal.	53,929,603	18,503,247	35,426,357	29,903,388	364,892	5,158,077
Date Certain Bal.	55,471,778	19,032,367	36,439,411	30,758,507	375,326	5,305,578

(A) Source: Supplemental (C)(14)(c)

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 06-709-EL-AIR
DETAIL OF MATERIAL & SUPPLIES
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 2 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 154090 (A)	ACCOUNT 154100 (A)	ACCOUNT 154110 (A)	ACCOUNT 154160 (A)	ACCOUNT 154170 (A)	ACCOUNT 154190 (A)	ACCOUNT 154250 (A)
1	March 2007	\$ 1,759,109	\$ 422,476	\$ 9,251,530	\$ (1,760)	\$ -	\$ 1,388,107	\$ (1,952,310)
2	April	2,853,892	808,445	13,747,629	(1,760)	0	1,005,167	(1,973,288)
3	May	2,848,172	832,619	14,530,228	(1,760)	0	1,492,150	(1,984,502)
4	June	2,855,559	829,043	15,020,827	(3,437)	0	1,351,375	(2,000,510)
5	July	2,945,729	756,495	14,370,494	(1,677)	0	1,395,825	(2,004,626)
6	August	2,789,349	805,335	14,109,804	(1,677)	0	1,439,610	(2,069,212)
7	September	2,880,708	811,833	13,123,800	(1,677)	0	1,556,951	(2,045,071)
8	October	2,925,714	844,797	12,835,139	(1,677)	0	1,547,275	(1,993,977)
9	November	2,944,394	910,224	12,435,985	(1,677)	0	1,156,759	(1,988,054)
10	December	2,902,346	984,478	12,808,475	(1,677)	0	953,826	(1,971,998)
11	January 2008	3,036,303	1,002,895	13,528,496	(1,677)	0	855,547	(2,017,284)
12	February	3,107,850	892,554	13,750,313	0	0	594,223	(2,039,416)
13	March	3,174,908	928,595	14,083,080	0	0	594,223	(2,039,416)
14	Total	37,024,033	10,839,780	173,583,800	(20,456)	0	15,329,038	(28,089,664)
15	13 Month Avg. Balance	\$ 2,848,003	\$ 833,829	\$ 13,353,369	\$ (1,574)	\$ -	\$ 1,179,157	\$ (2,006,897)
16		I	I	I	I	I	I	I
		V	V	V	V	V	V	V
		To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
DETAIL OF MATERIAL & SUPPLIES
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 3 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
08/12/08

LINE NO.	MONTH	ACCOUNT 154300 (A)	ACCOUNT 154350 (A)	ACCOUNT 154380 (A)	ACCOUNT 154400 (A)	ACCOUNT 154410 (A)	ACCOUNT 154450 (A)	ACCOUNT 154480 (A)
1	March 2007	\$ 320,620	\$ (1,040,889)	\$ (260,217)	\$ -	\$ 129,044	\$ 4,333,488	\$ 17,426,132
2	April	268,735	(1,041,790)	(260,448)	0	130,251	4,361,526	17,608,617
3	May	329,070	(1,035,436)	(258,859)	0	121,799	4,386,474	18,050,626
4	June	325,445	(1,043,917)	(260,979)	0	116,093	4,375,981	18,298,196
5	July	311,486	(1,043,644)	(260,911)	0	86,911	4,384,061	18,385,532
6	August	290,067	(1,032,770)	(258,193)	0	77,877	4,416,486	18,543,482
7	September	261,009	(1,028,261)	(257,065)	0	44,083	4,401,732	18,956,903
8	October	320,233	(1,033,118)	(258,280)	0	28,752	4,242,436	18,804,627
9	November	320,329	(1,049,600)	(262,400)	0	22,244	4,246,248	18,920,487
10	December	362,597	(1,050,002)	(262,501)	0	11,836	4,233,511	18,903,989
11	January 2008	334,153	(1,053,416)	(263,354)	0	6,379	4,452,894	19,154,974
12	February	318,694	(1,042,977)	(260,744)	0	(46,410)	4,525,507	19,470,569
13	March	304,660	(1,042,977)	(260,744)	0	(28,397)	4,467,759	19,700,942
14	Total	4,066,985	(13,538,777)	(3,384,695)	0	701,152	56,827,903	242,265,276
15	13 Month Avg. Balance	\$ 312,846	\$ (1,041,444)	\$ (260,381)	\$ -	\$ 53,936	\$ 4,371,377	\$ 18,635,790
16		I V	I V	I V	I V	I V	I V	I V
	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
DETAIL OF MATERIAL & SUPPLIES
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 4 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 154500(A)	ACCOUNT 154503(A)	ACCOUNT 154550 (A)	ACCOUNT 154560 (A)	ACCOUNT 154620 (A)	ACCOUNT 154630 (A)	ACCOUNT 154840 (A)
1	March 2007	\$ 5,487,266	\$ 8,308,040	\$ 181,268	\$ 1,988,196	\$ 342,844	\$ 1,061,496	\$ 6,457
2	April	5,535,924	8,279,516	181,365	1,972,430	333,791	1,054,775	6,770
3	May	5,632,072	8,311,849	181,272	1,962,715	335,156	1,036,178	7,023
4	June	5,754,656	8,298,952	181,267	1,980,191	355,381	1,024,090	10,596
5	July	5,894,694	8,361,726	212,276	1,978,946	349,793	1,031,725	8,385
6	August	5,950,520	8,374,471	211,961	1,957,801	348,123	1,020,582	5,019
7	September	6,183,231	8,442,873	211,995	1,949,076	348,145	1,063,219	7,467
8	October	6,195,218	8,475,841	211,990	1,956,751	364,009	1,076,484	7,804
9	November	6,292,766	8,744,863	211,552	1,990,248	360,237	1,010,297	4,192
10	December	6,367,619	8,672,949	211,517	1,991,245	361,700	1,007,411	6,857
11	January 2008	6,622,576	8,662,725	212,010	1,996,578	355,451	1,038,158	5,310
12	February	6,852,054	8,660,872	212,677	1,972,285	375,420	1,103,704	8,187
13	March	6,852,054	8,660,872	212,659	1,844,237	372,866	1,121,958	6,951
14	Total	79,800,650	110,255,849	2,633,807	25,521,679	4,603,016	13,651,057	90,956
15	13 Month Avg. Balance	\$ 6,123,127	\$ 8,481,219	\$ 202,601	\$ 1,963,206	\$ 354,078	\$ 1,050,081	\$ 7,000
16		I V	I V	I V	I V	I V	I V	I V
		To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e

(A) Company Records

THE GININNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
DETAIL OF MATERIAL & SUPPLIES
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 5 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 154740 (A)	ACCOUNT 154750 (A)	ACCOUNT 154760 (A)	ACCOUNT 154770 (A)	ACCOUNT 154800 (A)	ACCOUNT 154850 (A)	ACCOUNT 154900 (A)
1	March 2007	\$ 1,118,899	\$ 5,183,832	\$ 782,765	\$ -	\$ 1,483,183	\$ 2,159,701	\$ 25,427
2	April	1,119,058	5,269,767	786,907	0	1,476,621	2,089,276	1,749
3	May	1,119,061	5,211,350	800,209	0	1,406,851	2,128,421	3,873
4	June	1,120,015	5,204,256	801,431	0	1,478,701	2,211,812	2,723
5	July	1,118,732	5,204,922	795,642	0	1,482,398	2,308,340	16,158
6	August	1,120,309	5,207,177	769,938	0	1,542,366	2,407,087	1,517
7	September	1,118,588	5,209,142	778,637	0	1,532,658	2,596,634	1,443
8	October	839,745	5,190,497	801,158	0	1,411,601	2,646,767	3,321
9	November	537,738	5,178,367	761,372	0	1,411,911	2,628,862	0
10	December	556,242	5,116,540	759,790	0	1,406,689	2,678,064	0
11	January 2008	554,378	5,208,722	753,266	0	1,454,773	2,748,505	0
12	February	559,107	5,033,976	779,157	0	1,439,240	2,650,841	0
13	March	544,813	5,054,995	803,444	0	1,439,240	2,650,841	0
14	Total	11,446,785	67,231,543	10,191,716	0	18,965,212	31,905,161	56,011
15								
16	13 Month Avg. Balance	\$ 880,522	\$ 5,173,196	\$ 783,978	\$ -	\$ 1,458,852	\$ 2,454,243	\$ 4,309
		I	I	I	I	I	I	I
		V	V	V	V	V	V	V
		To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e	To WPB-5.1e

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
DETAIL OF MATERIAL & SUPPLIES
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 6 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 154980 (A)	ACCOUNT 154985 (A)	ACCOUNT 154980 (A)	ACCOUNT 163000 (A)	ACCOUNT 163100 (A)	ACCOUNT 163200 (A)	ACCOUNT 163300 (A)
1	March 2007	\$ (4,807,856)	\$ (5,318,951)	\$ (78,747)	\$ 46,487	\$ 454,122	\$ -	\$ 1,160,528
2	April	(4,755,735)	(5,261,266)	(112,868)	(324,294)	454,122	0	1,160,528
3	May	(4,991,139)	(5,521,693)	(148,890)	(558,031)	454,122	0	1,160,528
4	June	(5,022,395)	(5,556,271)	(148,150)	(619,713)	454,122	0	1,160,528
5	July	(5,057,704)	(5,595,334)	(182,271)	(6,644)	454,122	0	1,160,528
6	August	(5,105,859)	(5,648,608)	(218,393)	(184,372)	454,122	0	1,160,528
7	September	(5,251,778)	(5,910,038)	(254,514)	(947,146)	454,122	0	1,160,528
8	October	(5,213,998)	(5,758,242)	(255,930)	(1,205,779)	454,122	0	1,160,528
9	November	(5,141,030)	(5,687,517)	57,332	(649,016)	454,122	0	1,160,528
10	December	(5,087,279)	(5,628,053)	31,617	(1,199,717)	454,122	0	1,160,528
11	January 2008	(5,132,978)	(5,678,610)	(4,505)	(1,288,344)	454,122	0	1,160,528
12	February	(5,128,973)	(5,674,178)	(10,683)	(1,091,792)	454,122	0	1,160,528
13	March	(5,128,973)	(5,674,178)	(10,683)	(1,017,308)	454,122	0	1,160,528
14	Total	(65,825,727)	(72,822,949)	(1,332,785)	(9,223,659)	5,903,586	0	15,086,864
15	13 Month Avg. Balance	\$ (5,063,517)	\$ (5,801,785)	\$ (102,522)	\$ (709,513)	\$ 454,122	\$ -	\$ 1,160,528

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
DETAIL OF MATERIAL & SUPPLIES
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 7 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 163500 (A)	ACCOUNT 163600 (A)
1	March 2007	\$ 42,294	\$ (83,494)
2	April	33,671	(89,102)
3	May	23,703	(112,440)
4	June	26,587	(129,721)
5	July	25,177	(139,791)
6	August	30,954	(154,233)
7	September	31,070	(162,886)
8	October	37,319	(206,773)
9	November	40,413	(236,151)
10	December	42,801	(207,935)
11	January 2008	30,809	(171,637)
12	February	33,055	(147,712)
13	March	33,055	(147,712)
14	Total	430,708	(2,009,587)
15	13 Month Avg. Balance	\$ 33,131	\$ (154,584)
16		I	I
		V	V
		To WPB-5.1e	To WPB-5.1e

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
ALLOCATION OF MATERIALS & SUPPLIES TO ELECTRIC DEPARTMENT
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 8 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 154090 (A)	ACCOUNT 154100 (A)	ACCOUNT 154110 (A)	ACCOUNT 154160 (A)	ACCOUNT 154170 (A)	ACCOUNT 154190 (A)	ACCOUNT 154250 (A)
		0.00%	67.00%	100.00%	67.00%	100.00%	100.00%	100.00%
1	Allocation to Electric							
2	March 2007	\$ -	\$ 283,059	\$ 9,251,530	\$ (1,179)	\$ -	\$ 1,388,107	\$ (1,952,310)
3	April	0	541,668	13,747,629	(1,179)	0	1,005,167	(1,973,288)
4	May	0	557,855	14,530,228	(1,179)	0	1,492,150	(1,994,502)
5	June	0	555,459	15,020,827	(2,303)	0	1,351,375	(2,000,510)
6	July	0	506,852	14,370,494	(1,124)	0	1,395,825	(2,004,626)
7	August	0	539,574	14,109,804	(1,124)	0	1,439,610	(2,069,212)
8	September	0	543,928	13,123,800	(1,124)	0	1,556,951	(2,045,071)
9	October	0	566,014	12,835,139	(1,124)	0	1,547,275	(1,993,977)
10	November	0	608,850	12,435,985	(1,124)	0	1,156,759	(1,988,054)
11	December	0	666,301	12,806,475	(1,124)	0	953,826	(1,971,998)
12	January 2008	0	671,933	13,528,486	(1,124)	0	855,547	(2,017,284)
13	February	0	598,011	13,750,313	0	0	594,223	(2,039,416)
14	March	0	822,159	14,083,080	0	0	594,223	(2,039,416)
15	Total	0	7,262,653	173,563,800	(13,708)	0	15,329,038	(25,039,664)
16	13 Month Avg. Balance	\$ -	\$ 558,886	\$ 13,353,389	\$ (1,054)	\$ -	\$ 1,179,157	\$ (2,006,897)

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
ALLOCATION OF MATERIALS & SUPPLIES TO ELECTRIC DEPARTMENT
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 9 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT	ACCOUNT
		154300 (A)	154350 (A)	154380 (A)	154400 (A)	154410 (A)	154450 (A)	154480 (A)	
		67.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
		\$	\$	\$	\$	\$	\$	\$	
1	March 2007	214,815	(1,040,869)	(260,217)	-	129,044	4,333,488	17,426,132	
2	April	180,052	(1,041,790)	(260,448)	0	130,251	4,361,528	17,608,817	
3	May	220,477	(1,035,436)	(258,859)	0	121,799	4,386,474	18,050,626	
4	June	218,048	(1,043,917)	(260,979)	0	116,093	4,375,981	18,298,186	
5	July	208,696	(1,043,644)	(260,911)	0	86,611	4,384,061	18,385,532	
6	August	194,345	(1,032,770)	(258,193)	0	77,877	4,416,486	18,543,482	
7	September	174,876	(1,028,261)	(257,065)	0	44,083	4,401,732	18,956,903	
8	October	214,556	(1,033,118)	(258,280)	0	28,752	4,242,436	18,804,627	
9	November	214,620	(1,049,600)	(262,400)	0	22,244	4,246,248	18,920,467	
10	December	242,940	(1,050,002)	(262,501)	0	11,836	4,233,511	18,903,989	
11	January 2008	223,883	(1,053,416)	(263,354)	0	6,379	4,452,894	19,194,974	
12	February	213,458	(1,042,977)	(260,744)	0	(45,410)	4,525,507	19,470,569	
13	March	204,122	(1,042,977)	(260,744)	0	(28,397)	4,467,768	19,700,942	
14	Total	2,724,888	(13,538,777)	(3,384,695)	0	701,162	56,627,903	242,265,276	
15									
16	13 Month Avg. Balance	\$ 209,607	\$ (1,041,444)	\$ (260,361)	\$ -	\$ 53,936	\$ 4,371,377	\$ 18,635,790	

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
ALLOCATION OF MATERIALS & SUPPLIES TO ELECTRIC DEPARTMENT
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
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WITNESS RESPONSIBLE:
W. D. WATHEN
08/12/08

LINE NO.	MONTH	ACCOUNT 154500(A)	ACCOUNT 154503(A)	ACCOUNT 154550(A)	ACCOUNT 154560(A)	ACCOUNT 154520(A)	ACCOUNT 154630(A)	ACCOUNT 154640(A)
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1	March 2007	\$ 5,467,266	\$ 8,308,040	\$ 181,266	\$ 1,989,198	\$ 229,705	\$ 1,061,496	\$ 6,457
2	April	5,535,924	8,279,816	181,365	1,972,430	223,640	1,054,775	6,770
3	May	5,632,072	8,311,849	181,272	1,982,715	224,555	1,036,178	7,023
4	June	5,754,656	8,298,952	181,267	1,980,191	238,105	1,024,090	10,595
5	July	5,894,694	8,361,726	212,276	1,978,946	234,361	1,031,725	8,365
6	August	5,950,520	8,374,471	211,961	1,957,801	233,242	1,020,562	5,019
7	September	6,183,231	8,442,873	211,995	1,949,076	233,257	1,063,219	7,467
8	October	6,195,218	8,475,841	211,990	1,956,751	243,886	1,076,484	7,804
9	November	6,292,788	8,744,863	211,552	1,990,248	241,359	1,010,297	4,192
10	December	6,367,619	8,672,949	211,517	1,991,245	242,339	1,007,411	6,857
11	January 2008	6,622,576	8,662,725	212,010	1,986,578	238,152	1,039,158	5,310
12	February	6,852,054	8,660,872	212,677	1,972,285	251,531	1,103,704	8,187
13	March	6,852,054	8,660,872	212,659	1,844,237	249,887	1,121,958	6,951
14	Total	79,600,650	110,255,849	2,633,807	25,521,679	3,084,019	13,851,057	90,998
15								
16	13 Month Avg. Balance	\$ 6,123,127	\$ 8,481,219	\$ 202,601	\$ 1,963,206	\$ 237,232	\$ 1,050,081	\$ 7,000

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
ALLOCATION OF MATERIALS & SUPPLIES TO ELECTRIC DEPARTMENT
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 11 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 154740 (A)	ACCOUNT 154750 (A)	ACCOUNT 154760 (A)	ACCOUNT 154770 (A)	ACCOUNT 154800 (A)	ACCOUNT 154850 (A)	ACCOUNT 154900 (A)
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Allocation to Electric							
1	March 2007	\$ 1,118,999	\$ 5,183,832	\$ 782,765	\$ -	\$ 1,483,183	\$ 2,159,701	\$ 25,427
2	April	1,119,058	5,269,767	786,907	0	1,476,621	2,089,276	1,749
3	May	1,119,051	5,211,350	800,209	0	1,405,851	2,128,421	3,673
4	June	1,120,015	5,204,266	801,431	0	1,478,701	2,211,812	2,723
5	July	1,118,732	5,204,922	795,642	0	1,482,398	2,308,340	16,158
6	August	1,120,309	5,207,177	769,938	0	1,542,366	2,407,097	1,517
7	September	1,118,588	5,209,142	776,637	0	1,532,658	2,596,634	1,443
8	October	839,745	5,190,497	801,158	0	1,411,901	2,646,767	3,321
9	November	557,738	5,178,367	781,372	0	1,411,911	2,628,862	0
10	December	558,242	5,116,540	759,790	0	1,409,689	2,678,064	0
11	January 2008	554,378	5,206,722	753,266	0	1,454,773	2,748,505	0
12	February	559,107	5,033,976	779,157	0	1,436,240	2,650,841	0
13	March	544,813	5,054,965	803,444	0	1,439,240	2,650,841	0
14	Total	11,446,785	67,251,543	10,191,716	0	18,965,212	31,805,161	56,011
15								
16	13 Month Avg. Balance	\$ 880,522	\$ 5,173,196	\$ 783,978	\$ -	\$ 1,458,862	\$ 2,454,243	\$ 4,309

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-708-EL-AIR
ALLOCATION OF MATERIALS & SUPPLIES TO ELECTRIC DEPARTMENT
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 12 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT 154880 (A)	ACCOUNT 154985 (A)	ACCOUNT 154990 (A)	ACCOUNT 163000 (A)	ACCOUNT 163100 (A)	ACCOUNT 163200 (A)	ACCOUNT 163300 (A)
		100.00%	100.00%	100.00%	94.08%	100.00%	100.00%	100.00%
	Allocation to Electric							
1	March 2007	\$ (4,807,896)	\$ (5,318,961)	\$ (76,747)	\$ 43,735	\$ 454,122	\$ -	\$ 1,160,528
2	April	(4,755,735)	(5,281,286)	(112,858)	(305,096)	454,122	0	1,160,528
3	May	(4,991,139)	(5,521,693)	(148,990)	(523,114)	454,122	0	1,160,528
4	June	(5,022,395)	(5,556,271)	(146,150)	(583,026)	454,122	0	1,160,528
5	July	(5,067,704)	(5,595,334)	(182,271)	(6,251)	454,122	0	1,160,528
6	August	(5,105,859)	(5,648,808)	(218,393)	(173,457)	454,122	0	1,160,528
7	September	(5,251,778)	(5,810,038)	(254,514)	(891,075)	454,122	0	1,160,528
8	October	(5,213,998)	(5,768,242)	(255,930)	(1,134,397)	454,122	0	1,160,528
9	November	(5,141,030)	(5,687,517)	57,332	(798,754)	454,122	0	1,160,528
10	December	(5,067,279)	(5,628,053)	31,617	(1,128,694)	454,122	0	1,160,528
11	January 2008	(5,132,978)	(5,678,610)	(4,505)	(1,183,258)	454,122	0	1,160,528
12	February	(5,128,973)	(5,674,178)	(10,683)	(1,027,158)	454,122	0	1,160,528
13	March	(5,128,973)	(5,674,178)	(10,683)	(957,083)	454,122	0	1,160,528
14	Total	(65,825,727)	(72,922,949)	(1,332,785)	(8,677,628)	5,903,566	0	15,086,864
15								
16	13 Month Avg. Balance	\$ (5,063,517)	\$ (5,601,765)	\$ (102,522)	\$ (667,510)	\$ 454,122	\$ -	\$ 1,160,528

(A) Company Records

THE CINCINNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
ALLOCATION OF MATERIALS & SUPPLIES TO ELECTRIC DEPARTMENT
THIRTEEN MONTHS ENDED MARCH 31, 2008

SUPPLEMENTAL (C)(14)(b)
Page 13 of 13
WITNESS RESPONSIBLE:
W. D. WATHEN
06/12/08

LINE NO.	MONTH	ACCOUNT	ACCOUNT
		1635300 (A)	163800 (A)
		100.00%	100.00%
1	March 2007	\$ 42,294	\$ (83,494)
2	April	33,671	(89,102)
3	May	23,703	(112,440)
4	June	26,587	(129,721)
5	July	25,177	(139,781)
6	August	30,954	(154,233)
7	September	31,070	(182,886)
8	October	37,319	(206,773)
9	November	40,413	(236,151)
10	December	42,801	(207,935)
11	January 2008	30,609	(171,637)
12	February	33,055	(147,712)
13	March	33,055	(147,712)
14	Total	430,708	(2,009,587)
15			
16	13 Month Avg. Balance	\$ 33,131	\$ (154,584)

THE CININNATI GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
CASE NO. 08-709-EL-AIR
MATERIAL AND SUPPLIES WITHDRAWALS, BY MONTH
12 MONTHS ENDED DECEMBER 31, 2007

SUPPLEMENTAL (C)(14)(c)
WITNESS RESPONSIBLE:
W. D. WATHEN

Month	Production	Transmission	Distribution	Construction		Other	Total
				New	Other		
January	1,550,423.39	14,514.03	249,775.56	1,168,117.48	438,923.49	331,442.05	3,753,196.00
February	1,631,837.30	13,388.23	171,011.57	1,335,784.53	671,434.78	215,050.59	4,038,507.00
March	1,735,507.45	12,799.39	158,248.73	876,868.00	601,639.82	248,076.61	3,633,140.00
April	1,417,209.86	12,679.85	185,348.74	613,447.31	845,894.60	283,802.84	3,358,383.00
May	1,111,726.51	10,054.72	269,296.77	1,227,018.82	852,827.61	348,959.57	3,819,884.00
June	1,575,419.05	54,270.79	267,973.08	1,060,882.07	464,649.32	270,065.69	3,693,260.00
July	2,466,094.73	16,610.15	340,385.09	2,334,979.44	642,504.02	321,018.57	6,121,592.00
August	1,570,249.26	22,994.42	298,948.60	1,412,813.29	1,075,738.57	397,011.86	4,777,756.00
September	1,379,276.11	11,291.43	261,589.91	1,903,861.29	1,143,334.66	268,809.60	4,968,163.00
October	1,876,690.31	18,246.05	442,710.77	1,447,495.98	8,368,702.85	395,882.04	12,549,728.00
November	1,101,524.99	18,000.38	361,336.75	8,544,160.39	1,099,808.00	320,619.49	11,445,450.00
December	1,777,580.40	30,064.28	305,029.16	1,061,734.16	1,366,369.61	301,092.39	4,841,870.00
Total	19,193,539.36	234,913.72	3,311,654.73	22,987,162.76	17,571,827.33	3,701,831.10	67,000,929.00

Percentage	28.65%	0.35%	4.94%	34.31%	26.23%	5.53%	100.00%
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To (C)(14)(b)
Page 1 of 13



To SCH. B-5.1

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Supplemental Information (C)(15)

Where depreciation expense related to specific plant accounts or subaccounts is charged to clearing accounts or allocated and charged to other accounts, provide the following:

- (a) The related plant accounts and/or subaccounts.
- (b) The test year ratios.
- (c) The clearing accounts used, a description of the methodology (including the basis of the calculation) used to allocate costs out of the clearing accounts and the accounts these costs are ultimately charged to:
- (d) If clearing accounts are not used, a description of the methodology (including the basis of the calculation) used to allocate the costs and the accounts these costs are charged to.

Response: See Attached.

Sponsoring Witness: Carl J. Council

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Depreciation Expenses Related to Specific Plant Accounts
As of March 31, 2008

Data: X Actual ___ Estimated
Type of Filing: X Original ___ Updated ___ Revised
Reference: Chap. II (C) (15)

Supplemental (C)(15)
Page 1 of 1
Witness Responsible
C. J. Council

Line No.	F.E.R.C. Acct. No.	Company Acct. No.	Account Title	Test Year Ratio	Clearing Acct. No.	Methodology	Ultimate Acct. No.
1	391	3920	Transportation	(1)	184	(1)	(1)
2	391	3921	Trailers	(1)	184	(1)	(1)
3	393	3960	Power Operated Equipment	(1)	184	(1)	(1)
4	-	1920	Transportation	(1)	184	(1)	(1)
5	-	1921	Trailers	(1)	184	(1)	(1)
6	-	1960	Power Operated Equipment	(1)	184	(1)	(1)

(1) Depreciation on Transportation Equipment is charged to Account 184- Clearing Accounts and cleared to expense or capital based on dollar rates per vehicle hour of use.

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Supplemental Information (C)(16)

The following federal tax information:

- (a) If the taxes included in test year operating income were not calculated in a manner consistent with Schedule C-4, provide an additional schedule showing the methodology used.
- (b) A description of and detailed information on each "other reconciling item."
- (c) Calculation of "other tax deferrals." These calculations should also show the normalization of excess deferred income taxes included in the tax deferrals.
- (d) Case numbers in which the commission granted the utility authorization to normalize any of the tax deferrals reflected in Schedule C-4 (*i.e.*, depreciation, investment tax credit, *etc.*).
- (e) Maximum investment tax credit available for the test year including carry forwards.
- (f) The calculation of test year straight line depreciation.
- (g) The calculation of test year tax accelerated depreciation.
- (h) The amortization period for investment tax credit.
- (i) The ITC option elected in 1971 and 1975 under section 46(f) of the 1954 internal revenue code.

Response:

- (a) The taxes are calculated in a manner consistent with Schedule C-4.
- (b) See attached schedule.
- (c) "Other tax deferrals" were calculated by multiplying temporary reconciling items by the statutory Ohio Franchise Tax rate (1.67% for the final year of the phase-out) and the resulting effective federal income tax rate (34.42%).

In addition, a summary calculation of ARAM activity and excess deferred income tax activity is on the schedule attached. The detail supporting these amounts is high in volume. The detail schedules will be made available to the PUCO Staff during their audit review.

- (d) Normalization of federal income taxes for liberalized depreciation was initially approved in Case No. 79-11-EL-AIR. Normalization for payroll taxes was

initially approved in Case No. 81-67-GA-AIR. Normalization for property tax was initially approved in Case No. 82-485-EL-AIR. In subsequent cases numerous other timing differences were normalized by the Company without Commission objection. In Case No. 90-390-GA-AIR, the Commission authorized prospective normalization on all non-previously normalized "other timing differences."

- (e) There was no investment tax credit available for the test year. There was no carry forward of investment tax credit for the test year.

- (f) Test year straight-line depreciation was calculated as follows:

Book Depreciation	\$ 42,034,479
Book Depreciation on Equity AFUDC	<u>(219,600)</u>
Straight-Line Tax Depreciation	<u>\$ 41,814,879</u>

- (g) A summary calculation of Tax Depreciation is presented below. The detail supporting this amount is high in volume. The detail schedules will be made available to the PUCO Staff during their audit review.

Tax Depreciation booked thru March 2008	\$12,442,737
Tax Depreciation – 9 Months Budget	<u>41,211,205 ⁽¹⁾</u>
Total Test Year Tax Depreciation	<u>\$53,653,942</u>

⁽¹⁾ See WPC-4.1a.

- (h) The weighted-average amortization period for investment tax credit is 33 years.
- (i) The ITC option elected in 1971 under Section 46 of the 1954 Internal Revenue Code was immediate flow through provided under Section 46(e)(3) and the option elected in 1975 was the special rule for ratable flow through provided under Section 46(f)(2) with respect to the additional investment tax credit allowable by reason of the Tax Reduction Act of 1975 for property described in Section 46(a)(6)(D).

Sponsoring Witness: Keith G. Butler

Duke Energy Ohio
Case No. 08-709-EL-AIR
Response to 16(b)
Explanation of Book/Tax Difference

Accounting Depreciation

This M simply adds back the book depreciation expensed for the year. Tax depreciation is accounted for at M-1124 and these numbers should be netted.

Tax-Interest Capitalized

For tax purposes, "Avoided Cost Method" is used, which requires the capitalization of the traced debt amount that equals the total interest incurred on the traced debt and capitalization of the accumulated production expenditures in excess of traced debt.

AFUDC - Debt - Timing

AFUDC Debt - Allowance for funds used during construction (AFUDC) is an amount recorded to represent the cost of funds used to finance construction work in progress (CWIP). For book purposes, AFUDC reduces the net interest charges on the income statement and capitalizes them with other construction costs, to be recovered over the life of the plant through depreciation. For tax purposes AFUDC is not used to decrease interest charges nor is it capitalized to construction costs.

Provision For Injuries And Damages

For book purposes, a provision for injuries and damages is accrued regularly. For tax purposes, injuries and damages are only deductible when paid.

Amortization Of Loss on Re-acquired Debt

Losses occurring as a result of the early extinguishment of debt are treated differently for book and tax purposes. For book purposes, the losses are deferred in several 189 accounts and amortized over the shorter of the remaining life of the original debt or the life of the newly issued debt. For tax purposes, the original issued debt premiums or discounts are written-off at date of reissuance. The amortization of the deferred losses are not deductible for income tax purposes.

Business Meals

For book purposes, the entire amount is deducted as it is incurred. Tax laws only allow one half of the amount to be deducted. Therefore for tax purposes 50% of the expense is added back. For DE-Indiana suite rental and Indiana Electric Assoc Dues are included; for DE-Ohio suite rental is included.

Employee Medical & Hospital Adjustment

For tax purposes, charges based on actual claims or premiums are deductible. Changes to reserve balance are not deductible and should be added back to taxable income.

Loss On Disposition of Property Deduction

This schedule M converts book gains/losses on the disposition of property from a book basis to a tax basis.

Tax Depreciation Deduction

This M calculates tax depreciation for the year. Book depreciation is accounted for at M-1102 and these numbers should be netted.

Uncollectible Accounts Provision Adjustment

For tax purposes, business bad debt is deducted by specific chargeoff method, which is based on actual worthlessness.

For book purposes, business bad debt is deducted when reserved in allowance for doubtful accounts.

Cost Of Removal Adjustment

For income tax purposes, removal costs are deducted as incurred, while for book purposes such costs are expensed as an element of book depreciation.

Book Depr on Trans Equipment Subject To ADR

The PNC lease is an operating lease for books, and a capital lease for tax. Tax depreciation deduction (M-1124) includes the principal as basis and the depreciation as a deduction, thus the principal amount expensed by books must be added back.

Acquisition Adjustment

Additional costs related to the acquisition of KOT were capitalized in 1996 and are being amortized over 10 years for book purposes. For tax purposes these costs are being depreciated over 15 years. Depreciation switched from 15 year MACRS to straight-line depreciation over 15 years in 2002.

Pension Cost FASB-87

For book purposes, the pension liability is calculated by Hewitt Associates and the expense is accrued as determined by Hewitt. For tax purposes, the book expense is added back. A tax deduction is taken when a payment is made to the plan. The deduction includes current year payments through 9/15 and excludes prior year payments through 9/15.

Contributions In Aid Of Construction

Contributions in aid of construction (CIAC) are contributions in cash, property, or services from states, municipalities, other governmental agencies, individuals, and others for construction purposes. A portion of the contributions get reimbursed to the contributors if other customers hook up to the item constructed. These contributions are taken into income when they are made for tax purposes, but for book purposes they are capitalized as plant costs and later depreciated. Additionally, contributions made for property that benefits the "public good" are nontaxable.

Vacation Pay Accruals

For book purposes, all entities treat the vacation deduction on an accrual basis. For tax, Corps 10, 70, 100 - (CGE, PSI, ULH&P) deduct vacation paid for the year as opposed to accrued for the year. Payments made by 3/15 of the year following the year end are also deducted in the current year with the prior year's payment made by 3/15 reversed as it was deducted on the prior return. Also, tax capitalizes a portion of the 3/15 accrual calculation and does not deduct this amount. The calculation is a ratio of construction salaries and wages to total salaries and wages per FERC Form 1 times the 3/15 accrual for tax purposes. The prior year calculation is reversed and the current year calculation is added back as a nondeductible item. The tax treatment for all other corps is to deduct vacation paid on a cash basis as opposed to an accrual basis. No additional amounts are deducted through 3/15 of the following year. A transaction query for balance sheet accounts will capture this.

Post Retirement Benefits – Life Insurance

A company accrues during the years the employee renders the necessary service of the expected cost of providing those benefits to an employee, an employee's beneficiaries, or an employee's covered dependents. For book purposes the liabilities are accrued and reduced when the payment is actually made. For tax purposes the book expense is reversed and at the time of the payment a deduction is allowed. The net result creates the book to tax difference. This M covers benefits associated with insurance.

Post Retirement Benefits – Health Care

Same as M-1152 except this M covers benefits associated with health care.

Post Retirement Benefits – SFAS 112

For book purposes the liabilities are accrued and reduced when the payment is actually made. For tax purposes, the accrual is added back to income and at the time of the payment a deduction is allowed. The net result creates the book to tax difference.

Cost to Achieve Merger Savings

General treatment - Merger costs are being amortized over various lengths of time for book purposes (See reg asset roll forward schedule for length of amortization). For tax purposes, these costs have been deducted as incurred. Exception to general treatment - The PSI rate case was settled in May of 2004, resulting in a change in amounts being amortized related to merger costs. See regulatory roll forward schedule for detail on accounts being amortized. One adjustment on PSI was made to the capitalized costs for tax purposes in regards to the rate case. Per a 1995/1996 return adjustment related to these capitalized amts, \$29,185,204 of the book amount was removed from the M calc and essentially treated the same as book for tax purposes (amortized over 48 months). As a result, there is a separate amortization schedule for the amount added back and not deducted for tax.

Retirees Supplemental Pension Plan

Supplemental Pension costs expensed for book purposes as accrued. For Tax purposes, deductible when paid.

Executive Life Insurance

Life Insurance premiums on the lives of certain executive employees; these premiums are not deductible for tax purposes.

MGP Sites

For book a reserve is set up and accrued based upon the expected environmental issues/claims. Tax reverses the accrual and deducts only when payments are made.

Leased Meters

Gas & Electric meters are leased by Cinergy. On the books it is treated as a capital lease; the company records the meters as an asset and depreciates them. For tax purposes, the depreciation is reversed and the payments are deducted as an operating lease.

Annual Incentive Plan Compensation

For tax purposes, book expense is reversed and the payments are deducted through 3/15 of the following year with prior year payments through 3/15 reversed.

401K Incentive Plan

Book accrues a liability. Tax reverses the liability and deducts only actual payments made. Payments may be deducted through 9/15.

Rate Costs

For tax purposes, these expenses are deducted as incurred. These costs as expended are deductible for tax purposes whereas these costs are deferred for book. Book amortization is added back to taxable income as the deferred asset is expensed.

Amortization of Deferred Intercompany Gains

Cinergy Capital & Trading records \$6,254 per month in depreciation income to offset depreciation expense on PSI. Book depreciation expense is added back with M-1102 on PSI and therefore CC & T depreciation must also be added back as this is an intercompany sale.

263A Adjustment

Based on detailed analysis of certain capital asset account activity.

Duke Merger - Timing

A Transaction Cost Analysis was performed on the Duke merger which determines the treatment of merger costs for tax purposes. Several costs that are deductible for book purposes as part of the transaction are deductible for tax purposes when incurred. Additionally, there are costs that are capitalized and amortized for tax (such as debt related costs) that are expensed with the transaction for book purposes.

Long Term Incentive Plan

For book purposes, LTIP expense is accrued over a period of 36 months and adjusted quarterly for any changes in estimated percentage payouts for each cycle. For tax purposes, annual book accruals are reversed and payments are deducted in the year they are made and included in the W-2 income of the recipient.

RSP Cost Capitalization

As a result of the rate stabilization plan for CG&E that was issued in 2004, book depreciation, property taxes and return on the non-residential portion of the increase in electric distribution rate base since the 1992 electric rate case are deferred for book purposes. This adjustment is to expense these costs as incurred.

Int Reserve on Inc Tax Adj

Accrued interest on income taxes is not deductible for tax purposes and must be added back to taxable income. Deferred tax balance recorded to a deferred non-current tax asset. (190)

Unamortized Debt Premiums

Reg Asset to defer and then amortize Unamortized Debt Premiums related to a long term debt.

Percentage Repair Allowance

Based on analysis of capital asset activity a set percentage of certain costs incurred to repair/replace assets is allowed as a current period tax deduction. This represents a book to tax basis adjustment.

Cash Flow Hedge Reg A/L

Reg Asset to defer and then amortize the cost of certain Cash Flow Hedges related to long term debt.

Non-Cash Overhead Basis Adjustment

Book/Tax basis adjustment for Fixed Assets. Certain Pension and Benefit expenses are capitalized for Book purposes when accrued, but capitalized for Tax when paid.

Reg Asset – Accr Pension Post Ret FAS158

Reg Asset to defer and then amortize Post Retirement costs accrued in accordance with FAS158.

Tax Interest Accrual

Accrued interest on income taxes is not deductible for tax purposes and must be added back to taxable income. Deferred tax balance recorded to a deferred non-current tax asset. (190)

Unallowable Bonus Depreciation

Recognized tax depreciation on a "without federal" and "with state" approach to bonus depreciation.

Ohio Taxable Income Adj. – OH Franchise

Prior to 2000 Electric Utility operations were not subject to the Ohio Franchise Tax. The state law included a provision which in theory allowed a company to recover depreciated tax basis as of 2000 as a deduction as those assets were retired.

DUKE ENERGY OHIO

2006-2007 Balances to Determine Deferred Income
Tax Activity - Electric Distribution

	2006 <u>Fed</u>	2007 <u>Fed</u>	<u>Change</u>
<u>AFUDC Equity</u>			
Electric Distribution	3,519,408	3,510,114	(9,294)
Electric Allocable	237,684	249,498	11,814
Common Property	625,341	545,961	(79,380)
			<u>(76,860) (a)</u>
<u>ARAM</u>			
Electric Distribution	893,418	1,598,959	705,541
Electric Allocable	283,248	270,669	(12,579)
Common Property	474,178	422,077	(52,101)
			<u>640,861</u>
<u>Flow-Thru</u>			
Electric Distribution	33,859,381	31,897,056	(1,962,325)
Electric Allocable	(8,380)	(52,075)	(43,695)
Common Property	1,246,682	1,188,744	(57,938)
			<u>(2,063,958)</u>

(a) Book Depreciation on AFUDC Equity = 76,860 / 35% = 219,600

DUKE ENERGY OHIO, INC.
Case Nos. 08-709-EL-AIR
Supplemental Information (C)(17)

At the time of the filing of the two month update a copy of all advertisements whose costs were charged to advertising expense in the actual months of the test year. Indicate on the copy of the ad the cost of the ad and the account charged. In addition, the utility shall provide the best estimate of the cost of those ads that may be included in the budgeted portion of the test year.

Response:

See Attached.

Sponsoring Witness: Sandra P. Meyer

Vendor	Orig Corp	Resp Corp	Work Code	Invoice Number	LOB	Account	Total Cost	Allocated to DE-Ohio	Allocated to Distribution	Description	Eliminated on Sch C-3.14
Adams County Crossroads	010	010	ADVERTISEJ	032008	ED1	910000	\$ 216.51	\$ 216.51	\$ 217.00	Building a Better Tomorrow	
Belk Printing Technologies	010	010	CUSTAVTEXP	4099	CEG	910000	12,036.04	12,036.04	10,231	Environmental Disclosure - Bill Insert	
Belk Printing Technologies	010	010	CUSTAVTEXP	4505	CEG	910000	3,050.66	3,050.66	2,593	Extended Payment Plan - Bill Insert	
Brown County Chamber of Commerce	010	010	ADVERTISEJ	010308	ED1	910000	50.00	50.00	31	Sponsorship of 2008 Drucker Award of Distinction Business Breakfast Ceremony	31
Classic Graphics	010	010	CHOICEADV	82037	CEN	910000	4,851.55	4,851.55	4,124	Lower Your Winter Bill - Bill Insert	
Classic Graphics	010	010	WINCAMPEXP	81415	CEG	906000	3,992.07	3,992.07	3,393	Electric Customer Choice - Bill Insert	
Custom Advertising	010	010	ADVERTISEJ	13512	ED1	910000	93.45	93.45	38	Polo Shirts	39
Custom Advertising	010	010	ADVERTISEJ	14801	ED1	910000	295.78	295.78	183	Polo Shirts	183
David Ashbrook	010	010	CUSTAVTEXP	032008	GOC	910000	20,000.00	20,000.00	17,000	Production of Energy Efficiency Television Program	
Niagara Conservation Corp	010	010	CUSTAVTEXP	INV1028668	GOC	910000	34,578.00	34,578.00	29,391	Duke Energy / Cincinnati Reds Nightlight Kits	29,391
Sesh Communications	010	010	CUSTAVTEXP	HD02/16/325	GOC	910000	743.00	743.00	632	Display Advertising in Cincinnati Herald	
The Ad Consortium	010	010	EMADVERTIS	DE4004	CEG	910000	1,400.00	1,400.00	1,190	Concepting and Writing of Cincinnati Reds Radio Spots	
Fine Arts Fund	500	010	ADVERTISEJ	012008	ED1	910000	3,255.00	3,255.00	2,014	Fine Arts Fund Advertisement	2,014
Fountain Square Management Grp	500	010	ADVERTISEJ	256	ED1	910000	6,000.00	6,000.00	3,712	Sponsorship of New Year's Eve Fireworks	3,712
Fountain Square Management Grp	500	010	ADVERTISEJ	REFUND	ED1	910000	(3,392.62)	(3,392.62)	(2,099)	Sponsorship of New Year's Eve Fireworks	(2,099)
Northern Ky Chamber Commerce	500	010	ADVERTISEJ	012008	ED1	910000	7,500.00	7,500.00	4,640	Sponsorship of 2008 Annual Dinner Dunlevy / Frontiersman Award	4,640
The Amos Project	500	010	ADVERTISEJ	032008	ED1	910000	1,000.00	1,000.00	619	Full Page Advertisement	619
Total Ads Charged in the Test Year							\$ 95,639.44	\$ 95,639.44	\$ 77,910		\$ 38,530

Adams County Crossroads

Building a better tomorrow.

It's an honor to support and be a part of the many programs and organizations that make our community such a rich and vibrant place to live and work. And that's why at Duke Energy, we believe it's the time we give today that continues to make a difference for a lifetime.



Visit us at www.duke-energy.com.

Belk Printing Technologies

For more information

With in-depth analysis, the environmental characteristics of any form of electric generation will reveal benefits as well as costs. For more information, visit www.duke-energy.com and select the Environment & Sustainability tab at the top of the page or contact us at 1.800.544.6900.

You may also visit the Public Utilities Commission of Ohio at www.puco.ohio.gov or call 1.800.686.PUCO with additional questions.

Environmental Disclosure

2008 Projections/ January - March Actuals

Duke Energy and other Ohio electric utilities are required by the Public Utilities Commission of Ohio to provide environmental information on the mix of fuels used to produce electricity and the environmental characteristics resulting from this production. This disclosure compares projected fuel mix percentages and emission rates for 2008 to actual results for the period January - March 2008.



06/08A

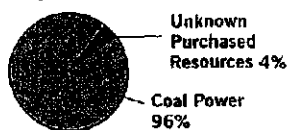


Environmental Disclosure – Quarterly Comparisons The Duke Energy Projected Data for the 2008 Calendar year vs. Actual Data for the Period January 1, 2008 – March 31, 2008

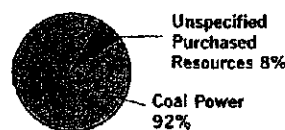
Generation Resource Mix

A comparison between the sources of generation projected to be used to generate this product and the actual resources used during this period.

Duke Energy's Projected Product



Duke Energy's Actual Product



Environmental Characteristics –

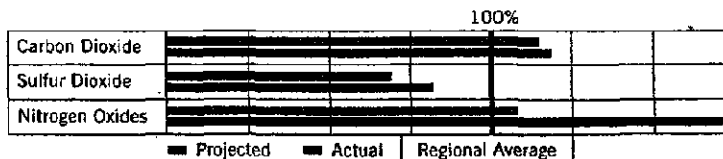
A description of the characteristics associated with each possible generation resource.

Biomass Power
Coal Power
Hydro Power
Natural Gas Power
Nuclear Power
Oil Power
Other Sources
Solar Power
Unspecified Purchase Resources
Wind Power

Air Emissions and Solid Waste
Air Emissions and Solid Waste
Wildlife Impacts
Air Emissions and Solid Waste
Radioactive Waste
Air Emissions and Solid Waste
Unknown Impacts
No Significant Impacts
Unknown Impacts
Wildlife Impacts

Air Emissions –

Product-specific projected and actual air emissions for this period compared to the regional average air emissions.



Radioactive Waste –

Product-specific projected and actual radioactive waste for this period.

Type:	Quantity:	
High-Level Radioactive Waste	0	Lbs./1,000 kWh
Low-Level Radioactive Waste	0	Ft ³ /1,000 kWh

Note: the generation of this product used 8% of Unspecified Purchased Resources. The air emissions and radioactive waste associated with these unspecified resources are not included in these charts.

Belk Printing Technologies

EXTENDED PAYMENT PLANS

Duke Energy offers extended payment plans for customers experiencing difficulty paying their winter heating bills.

Percentage of Income Payment Plan (PIPP)

To qualify for the PIPP program you must:

- have a total household income which is at or below 150% of the federal poverty level
- apply for all energy assistance programs for which you are eligible.

The type of service used at your residence (electric/gas) will determine the amount of your monthly installment. A local Community Action Agency will inform you of your PIPP amount after income verification is complete.

The Special Winter Provision (SWP) Plan

This plan allows customers to pay one-third of their total balance each month during the time the program is in effect.* The remaining two-thirds balance is deferred until April 15, at which time the entire past-due balance is required. The outstanding balance may be placed on a six-month agreement, provided that the customer fulfilled the SWP arrangement according to the program guidelines.

* The SWP plan is available from November 1 - April 15

One-Sixth Payment Plan

Duke Energy also offers a six month extended payment plan, which allows you to pay 1/6 of your entire balance now, with an agreement to pay the remaining balance in five equal monthly installments, along with future bills as they become due.

Six Month Combination Plan

Under this arrangement, you pay 1/6 of the past due amount now, with an agreement to pay the remaining balance in five equal monthly installments, along with your Budget Billing* amounts as they become due.

** Budget Billing is a program that enables you to pay a consistent amount each month based on an average of your historical consumption.*

Separation of Service

If you use gas and electricity and both services are in jeopardy of disconnection for nonpayment, you may pay (or arrange to pay) charges attributable to the service you wish to maintain.

Additional Assistance

The Consumer Credit Counseling Service of Greater Cincinnati (CCCS) can often help individuals having difficulty paying creditors. Contact the CCCS at 800-355-2227 to learn more.



www.duke-energy.com 800.648.7777

2/08B

Classic Graphics

Lower Your Winter Bill

Take steps now to manage your heating costs.



Improve your home's energy efficiency with Duke Energy's online tools and energy-saving tips. We also offer billing plans designed to help you better budget for heating bills this winter season.

Budget Billing

Eliminate month-to-month surprises by enrolling in Duke Energy's Budget Billing program.

Budget Billing provides you with a consistent bill amount and gives you a head start on managing your energy bills this winter and beyond. Quarterly and annual plans are available. To learn more about the program or to enroll:

- visit www.duke-energy.com, or
- call 1.866.2ENERGY

At www.duke-energy.com you'll find

- A link to our year-round Energy Savings page at www.duke-energy.com/savings
- Energy efficiency videos that show you how to lower household energy costs
- Audit tools and calculators

Online Energy Calculator

Our Home Energy Calculator takes just a few minutes to complete and provides estimated energy savings if you were to upgrade your heating system, add insulation or make other energy improvements. As an added bonus, you'll be rewarded with a free Energy Efficiency kit upon completion.

Assistance Programs

- Ohio Home Weatherization provides free home energy improvements for customers meeting income qualifications. For more details, contact People Working Cooperatively at 513.351.7921.
- Home Energy Assistance Program (HEAP) is available to help low-income customers with winter heating bills. Applications are processed through community action agencies.
- HeatShare is a Duke Energy matching assistance program that helps eligible customers subject to service interruption. For more details or to apply, contact The Salvation Army at 513.762.5660.

www.duke-energy.com

1.866.2ENERGY (1.866.236.3749)



01/08B

Classic Graphics

CUSTOMER LIST

Next opt-off date is April 17, 2008

Electric Customer Choice Program

Learn about
customer information
to be shared with
electric suppliers.

Four times a year, Duke energy updates a list of customers eligible to accept solicitation from other retail electric suppliers. All suppliers with access to the list are certified by the Public Utilities Commission of Ohio.

If you wish to have your name, address and usage information excluded from this list, we must be notified by April 17, 2008.

You may notify Duke Energy

- online at www.duke-energy.com
- by mail at Duke Energy, P.O. Box 960,
Mail Drop 309C, Cincinnati, OH 45201
- by phone at 513.421.9500 or 800.544.6900

If you have requested to be excluded in the past, it is not necessary to contact us again. To be reinstated as an eligible customer, please contact us using one of the options above.

For more information about electric choice, visit www.duke-energy.com

Regardless from whom you choose to purchase electricity, Duke Energy will remain your local electric company. We will continue to read your meter and respond to all service concerns or emergencies.



2/08D



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Duke Energy is proud to announce a new and convenient pay station where you can pay your energy bill. ShopRite Grocery at 7911 Reading Rd. Simply bring your bill stub or account number to the cashier, along with your payment (cash, check and money orders) and ShopRite takes care of the rest with no additional fees.

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**Energy Efficiency/Price Value/Customer Satisfaction
Radio Scripts – round 2
2/1**

**Duke Energy
Efficiency 30-second radio
Five videos
All markets**

SFX: Music Under

VO AnnCR: At Duke Energy we do more than simply provide you with a supply of electricity. We also work with you to make sure you don't use more than you need. Because wasted energy is wasted money. That's why we've created a series of free online videos, each filled with low-cost or no-cost tips to help you use this precious resource wisely. You'll find these money saving tips at dukeenergy.com. And while you're doing your part to save electricity, we're taking the lead in finding new cost effective ways to generate and deliver it more efficiently.

**Duke Energy
Efficiency 30-second radio
CFL
Ohio-Kentucky**

SFX: Music Under

VO AnnCR: A new type of electric light bulb is a shining example of how Duke Energy and its customers are working together to conserve electricity. The bulb is known as CFL, short for compact fluorescent light. It's far more energy efficient than incandescent bulbs. In fact, if a home's standard bulbs were replaced with CFL's, the average annual savings on the power bill would be \$60. To encourage savings like that we created a highly successful rebate program to encourage customers to buy CFL's at participating dealers. Because at Duke energy we don't want you spending more on electricity than you have to.

The Ad Consortium

Duke Energy
Efficiency 30-second radio
Power Manager
Indiana-Ohio-Kentucky

SFX: Music Under

VO AnnCR: At Duke Energy we're developing programs to reduce the demand for electricity and avoid building more power plants. One program called Power Manager actually pays you for participating in it. If you allow us to install a radio-controlled device near your air conditioner that will cycle it off for several minutes when demand is especially high, you'll receive a one-time credit on your power bill. Plus credits whenever the device is activated. Find out more at dukeenergy.com. Working together we can protect the environment from additional power plants and save money.

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Supplemental Information (C)(18)

The utility shall provide a breakdown in the same general format as Schedule B-2.3 which shows plant in service data from the last date certain to the end of that year, annually thereafter up to the most recent annual report, and from the most recent annual report to the date certain in the current case.

Response:

See Attachment.

Sponsoring Witness: Carl J. Council

DUKE ENERGY OHIO
Case No. 08-709-EL-AIR
Plant In-Service from the Last Date Certain thru
the Date Certain in this Case
As of March 31, 2008

Data: X Actual ___ Estimated
Type of Filing: X Original ___ Updated ___ Revised ___
Reference: Chap. II (C)(18)

Supplemental (C) (18)
Page 1 of 1
Witness Responsible:
C. J. Council

Line No.	F.E.R.C. Acct. No.	Old		New		Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications			Ending Balance
		Company Acct. No.		Company Acct. No.						Amount	Explanation of Transfer	Other Accts. Involved	
							\$	\$	\$	\$			\$

1 See Workpaper WPB-2.3a through WPB-2.3i.

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Supplemental Information (C)(19)

If the depreciation reserve on Schedule B-3 was allocated to accounts based on a theoretical reserve study, the utility shall provide a copy of such study. If the study is the same as that contained in the applicant's latest depreciation study, reference is sufficient.

Response:

See Attachment.

Sponsoring Witness: Carl J. Council

DUKE ENERGY OHIO, INC.
Case No. 08-709-EL-AIR
Supplemental Information (C)(20)

If the utility is proposing to revise its depreciation accrual rates and if such study has not already been filed with the commission or provide to the staff, the utility shall provide the depreciation study supporting such revisions.

Response:

See Attachment.

Sponsoring Witness: John J. Spanos

DUKE ENERGY OHIO
CINCINNATI, OHIO

DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC AND COMMON PLANT
AS OF DECEMBER 31, 2007



DUKE ENERGY OHIO

Cincinnati, Ohio

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS

RELATED TO ELECTRIC AND COMMON PLANT

AS OF DECEMBER 31, 2007

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania



Gannett Fleming

GANNETT FLEMING, INC.
P.O. Box 67100
Harrisburg, PA 17106-7100

Location:
207 Senate Avenue
Camp Hill, PA 17011

Office: (717) 763-7211
Fax: (717) 763-4590
www.gannettflaming.com

July 22, 2008

Duke Energy Ohio
139 East Fourth Street
Cincinnati, OH 45202

Attention Carl J. Council
Director Asset Accounting

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric and common plant of Duke Energy Ohio as of December 31, 2007. The study results include annual depreciation rates and amounts for regulatory reporting purposes. The attached report presents a description of the methods used in the estimation of depreciation, summaries of annual and accrued depreciation, the statistical support for the life and net salvage estimates and the detailed tabulations of depreciation by year installed for each account.

Respectfully submitted,

GANNETT FLEMING, INC.

JOHN J. SPANOS
Vice President
Valuation and Rate Division

JJS/krm



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PART I. INTRODUCTION

DUKE ENERGY OHIO
DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC AND COMMON PLANT AT DECEMBER 31, 2007

PART I. INTRODUCTION

SCOPE

This report presents the results of the depreciation study prepared for Duke Energy Ohio (the Company) as applied to electric and common plant in service as of December 31, 2007. The study results include annual depreciation rates and amounts for regulatory reporting purposes. The regulatory rates and amounts reflect the straight line whole life method of depreciation. The report also describes the concepts, methods and basic judgments which underlie recommended annual depreciation accrual rates and amounts related to current electric and common plant in service.

The service life and net salvage estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through 2007; a review of Company practice and outlook as they relate to plant operation and retirement; and consideration of current practice in the electric industry, including knowledge of service life and salvage estimates used for other electric properties.

PLAN OF REPORT

Part I, Introduction, includes brief statements of the scope and basis of the study. Part II presents descriptions of the methods used in the service life and net salvage studies and the methods and procedures used in the calculation of depreciation. Part III presents the results of the study, including summary tables, survivor curve charts and life tables

resulting from the retirement rate method of analysis, tabular results of the historical net salvage analyses, and detailed tabulations of the calculated annual accruals and accrued depreciation to be used for regulatory reporting purposes.

BASIS OF STUDY

Depreciation

For all accounts, the annual depreciation was calculated by the straight line method using the average service life procedure. The calculated annual and accrued depreciation were based on attained ages of plant in service and the estimated service life and net salvage characteristics of each depreciable group. Amortization accounting or vintage pooling is proposed for most general plant accounts. The calculations of annual depreciation for regulatory purposes use the whole life basis.

Service Life Estimates

The average service life estimates were based on informed judgment which incorporated analyses of available historical service life data related to the property, a review of management's current plans and operating policies, and a general knowledge of service lives experienced and estimated in the electric industry. The use of survivor curves to reflect the expected dispersion of retirements provides a consistent method of estimating depreciation for utility property. Iowa type survivor curves were used to depict the estimated survivor curves for the plant account property groups. For major structures, the life span technique was used. In this technique, the date of final retirement was estimated for each building, and the estimated survivor curves applied to each vintage were truncated at ages coinciding with the date of final retirement.

The procedure for estimating service lives consisted of compiling historical data for the plant accounts or depreciable groups, analyzing this history through the use of widely

accepted techniques, and forecasting the survivor characteristics for each depreciable group on the basis of interpretations of the historical data analyses and the probable future. The combination of the historical experience and the estimated future yielded estimated survivor curves from which the average service lives were derived.

The Company's service life estimates used in the depreciation calculation incorporated historical data compiled through 2007 from the property records of the Company. Such data included plant additions, retirements, transfers and other activity. Generally, retirement data for the years 1956 through 2007 were used in the actuarial life table computations which were the primary statistical support of the service life estimates.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through field trips conducted during the course of the service life study. Discussions with operating and management personnel also provided information regarding plans for the future which was incorporated in the interpretation and extrapolation of the statistical analyses.

Net Salvage Estimates

The estimates of net salvage were based in part on historical data compiled for the years 1978 through 2007. Gross salvage and cost of removal as recorded to the depreciation reserve account and related to experienced retirements were used. Percentages of the cost of plant retired were calculated for each component of net salvage, on both annual and three-year moving average bases. The most recent five-year average also was calculated for consideration. The estimates of net salvage are expressed as percentages of the cost of plant retired.

**PART II. METHODS USED IN
THE ESTIMATION OF DEPRECIATION**

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current repairs or covered by insurance.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual depreciation based on the straight line method requires the estimation of average life and net salvage. These subjects are discussed in the sections which follow.

SERVICE LIFE AND NET SALVAGE ESTIMATION

Average Service Life

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

Survivor Curves

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1 the remaining life at age 30 years is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the

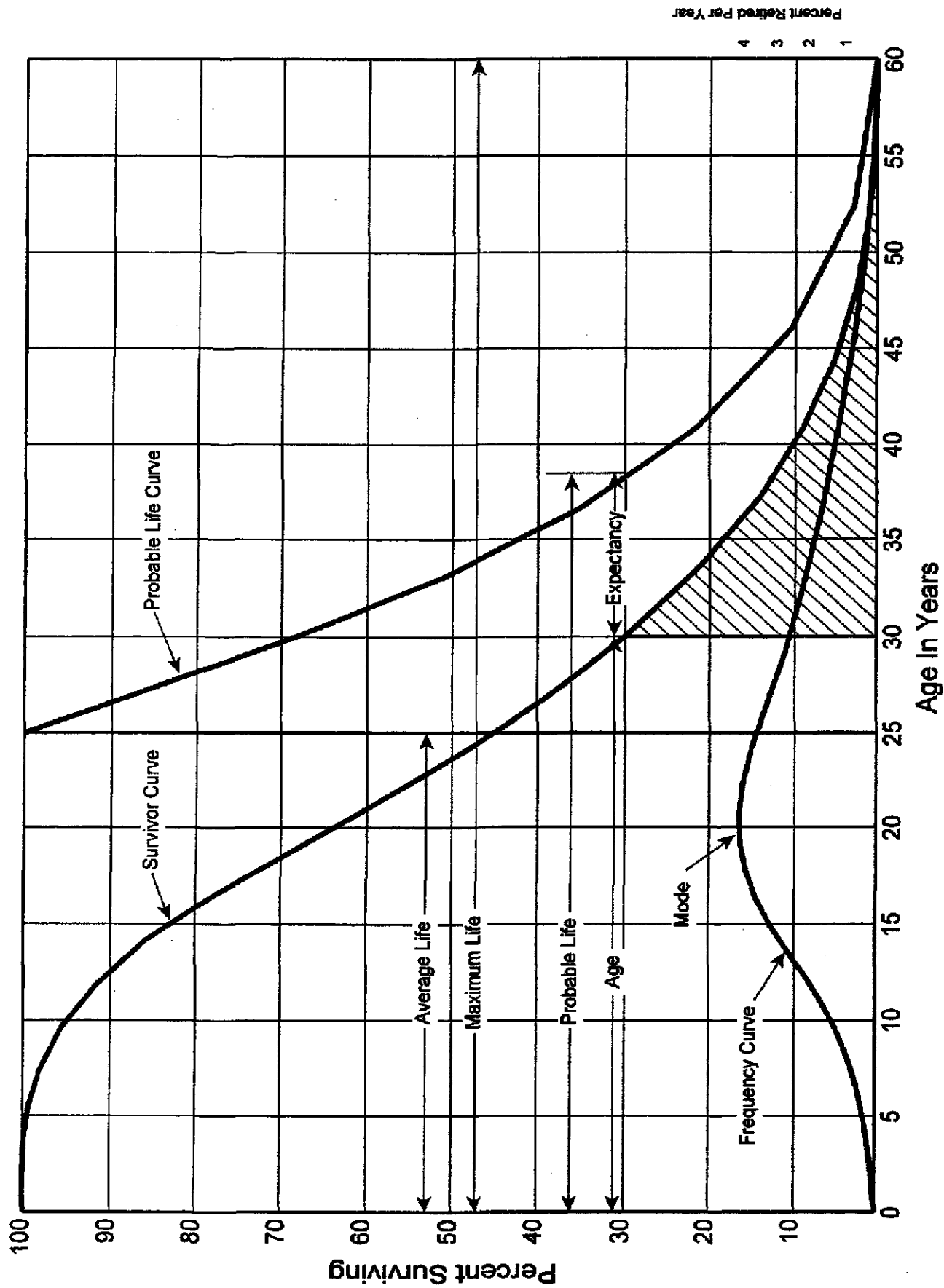


Figure 1. A Typical Survivor Curve and Derived Curves

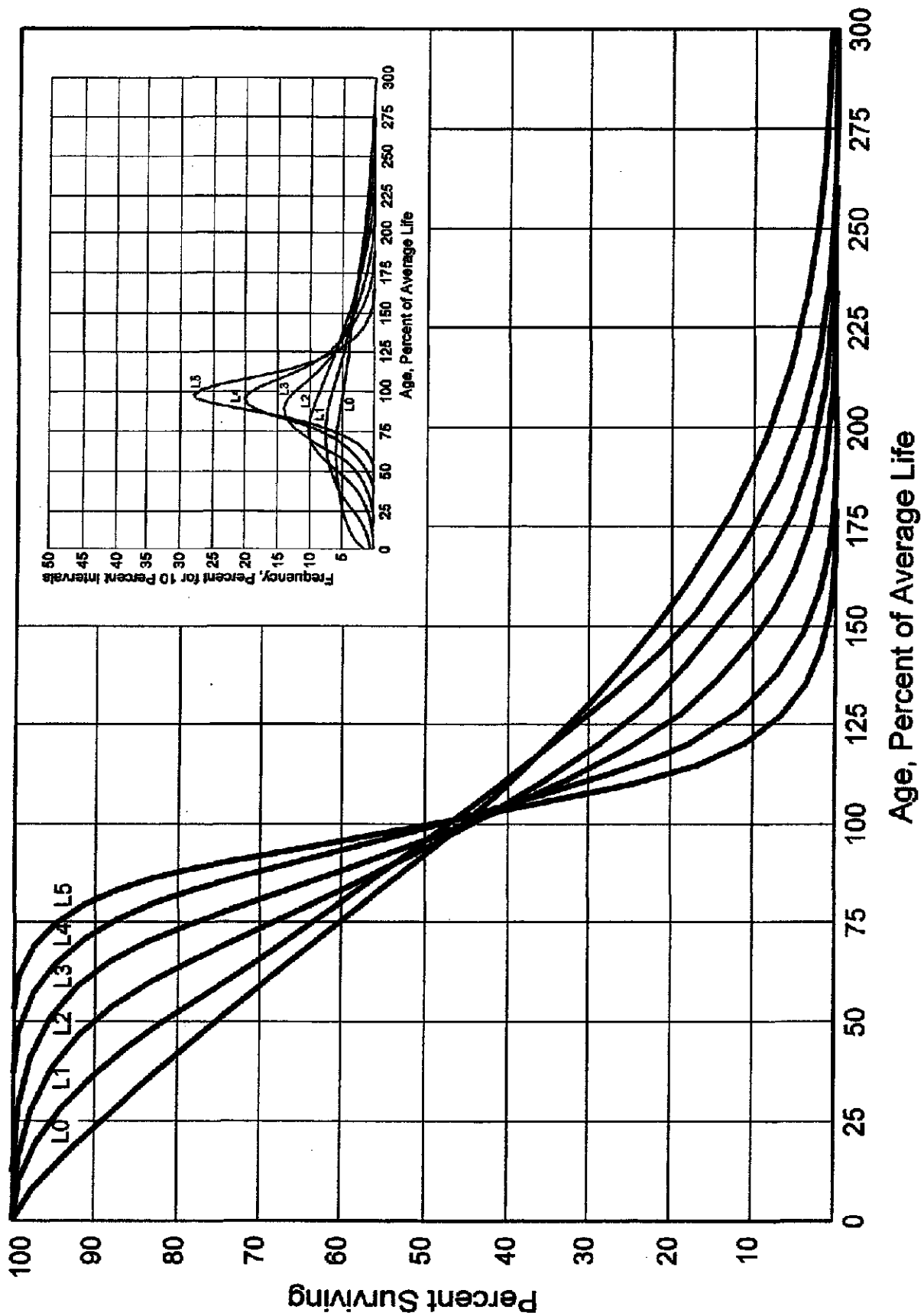


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

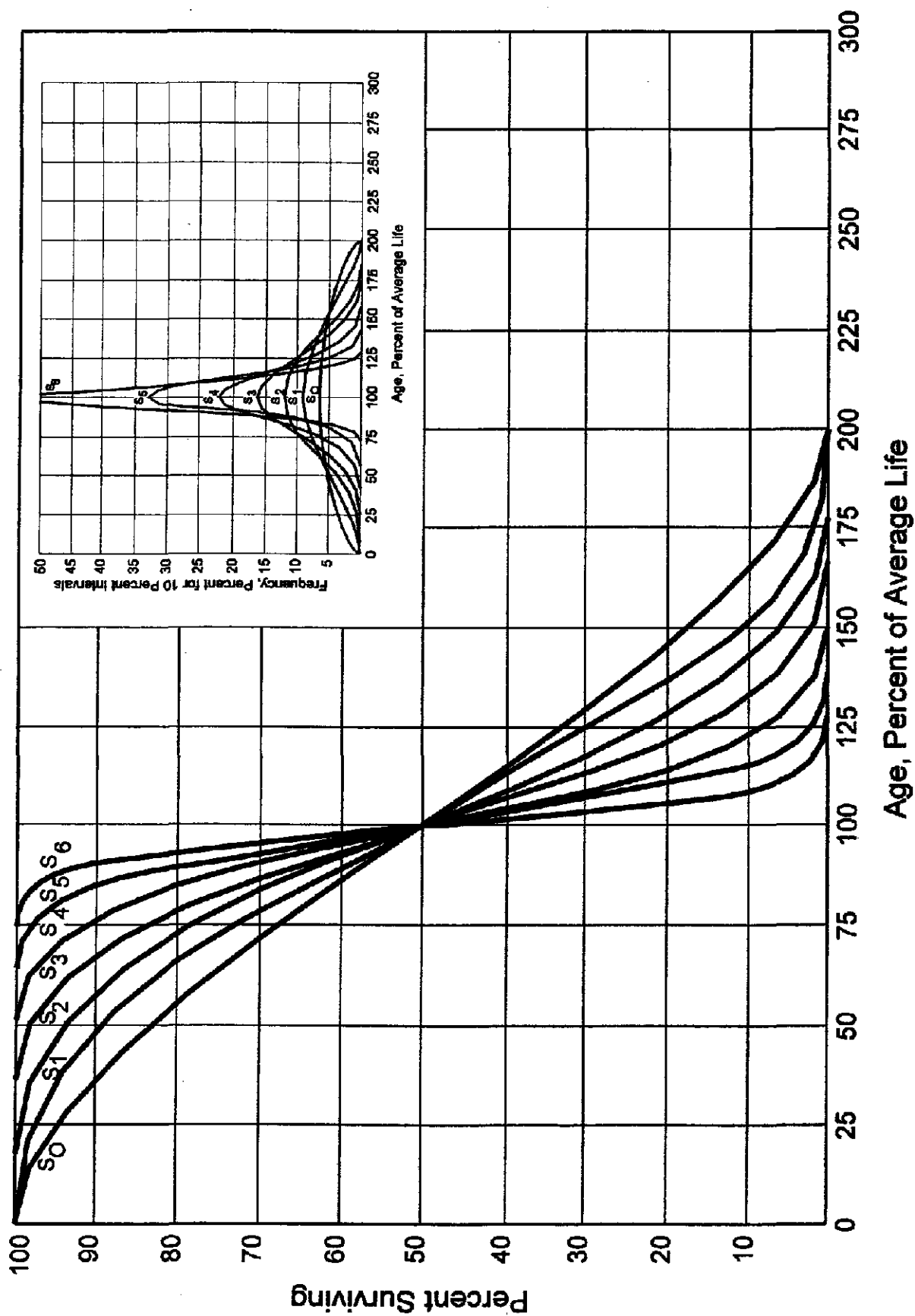


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numerical subscripts represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.¹ These type curves have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."² In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis³ presenting his development of the fourth family consisting of the four O type survivor curves.

¹Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

²Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

³Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

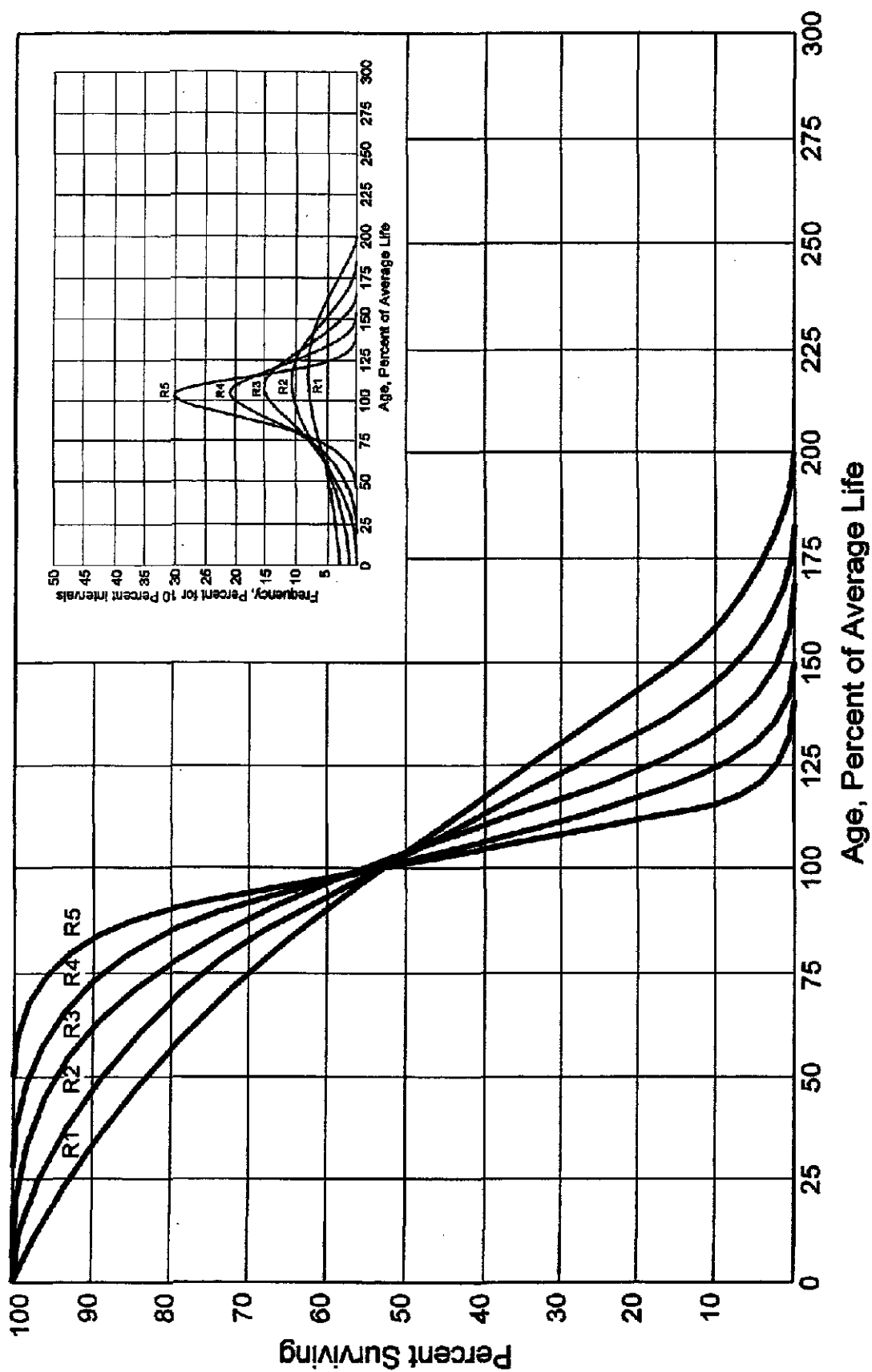


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

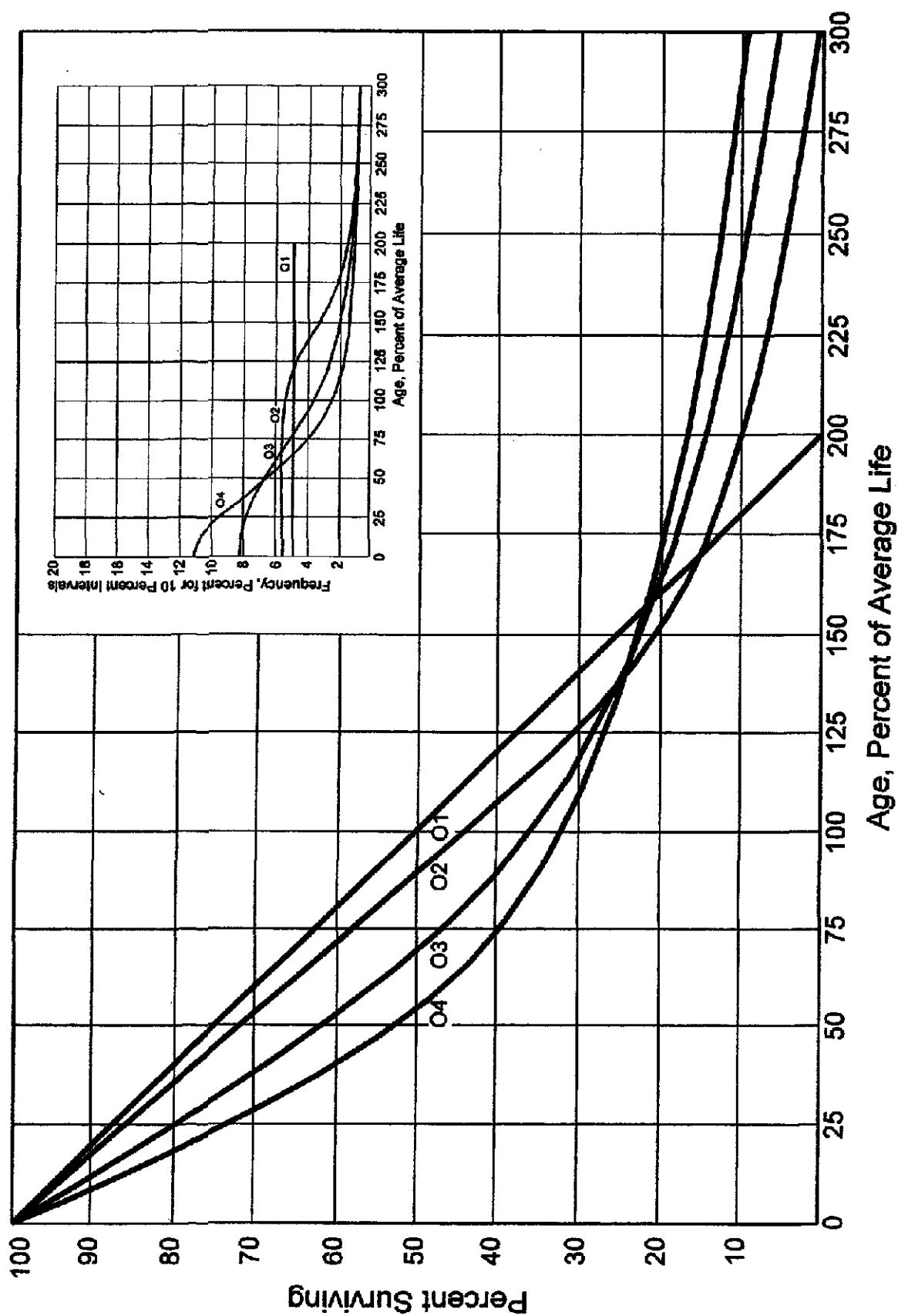


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"⁴ "Engineering Valuation and Depreciation,"⁵ and "Depreciation Systems."⁶

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table, and illustrations of smoothing the stub survivor curve.

⁴Winfrey, Robley, Supra Note 1.

⁵Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁶Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 1998-2007 during which there were placements during the years 1993-2007. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-13. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1993 were retired in 1998. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Table 1 immediately above the stairstep line drawn on the table beginning with the 1998 retirements of 1993 installations and ending with the 2007 retirements of the 2002 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule

TABLE 1. RETIREMENTS FOR EACH YEAR 1998-2007

SUMMARIZED BY AGE INTERVAL

Retirements, Thousands of Dollars												Placement Band 1993-2007	
Year Placed (1)	During Year											Total During Age Interval (12)	Age Interval (13)
	1998 (2)	1999 (3)	2000 (4)	2001 (5)	2002 (6)	2003 (7)	2004 (8)	2005 (9)	2006 (10)	2007 (11)			
1993	10	11	12	13	14	16	23	24	25	26	26	13½-14½	
1994	11	12	13	15	16	18	20	21	22	19	44	12½-13½	
1995	11	12	13	14	16	17	19	21	22	18	64	11½-12½	
1996	8	9	10	11	11	13	14	15	16	17	83	10½-11½	
1997	9	10	11	12	13	14	16	17	19	20	93	9½-10½	
1998	4	9	10	11	12	13	14	15	16	20	105	8½-9½	
1999		5	11	12	13	14	15	16	18	20	113	7½-8½	
2000			6	12	13	15	16	17	19	19	124	6½-7½	
2001				6	13	15	16	17	19	19	131	5½-6½	
2002					7	14	16	17	19	20	143	4½-5½	
2003						8	18	20	22	23	146	3½-4½	
2004							9	20	22	25	150	2½-3½	
2005								11	23	25	151	1½-2½	
2006									11	24	153	½-1½	
2007										13	80	0-½	
Total	53	68	86	106	128	157	196	231	273	308	1,606		

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 1998-2007

Experience Band 1998-2007		SUMMARIZED BY AGE INTERVAL										Placement Band 1993 -2007	
		Acquisitions, Transfers and Sales, Thousands of Dollars											
Year Placed		During Year										Total During Age Interval	Age Interval
		1998 (2)	1999 (3)	2000 (4)	2001 (5)	2002 (6)	2003 (7)	2004 (8)	2005 (9)	2006 (10)	2007 (11)		
1993	-	-	-	-	-	-	-	60 ^a	-	-	-	-	13½-14½
1994	-	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1995	-	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1996	-	-	-	-	-	-	-	-	(5) ^b	-	-	60	10½-11½
1997	-	-	-	-	-	-	-	-	6 ^a	-	-	-	9½-10½
1998	-	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
1999	-	-	-	-	-	-	-	-	-	-	-	6	7½-8½
2000	-	-	-	-	-	-	-	-	-	-	-	-	6½-7½
2001	-	-	-	-	-	-	-	-	(12) ^b	-	-	-	5½-6½
2002	-	-	-	-	-	-	-	-	-	22 ^a	-	-	4½-5½
2003	-	-	-	-	-	-	-	-	(19) ^b	-	-	10	3½-4½
2004	-	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2005	-	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	1½-2½
2006	-	-	-	-	-	-	-	-	-	-	-	-	½-1½
2007	-	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	=	=	=	=	=	=	=	60	(30)	22	(102)	(50)	

^a Transfer Affecting Exposures at Beginning of Year^b Transfer Affecting Exposures at End of Year^c Sale with Continued Use

Parentheses denote Credit amount.

are not totaled with the retirements but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15.

The surviving plant at the beginning of each year from 1998 through 2007 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2003 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000

For the entire experience band 1998-2007, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing

TABLE 3. PLANT EXPOSED TO RETIREMENT
JANUARY 1 OF EACH YEAR 1998-2007
SUMMARIZED BY AGE INTERVAL

Exposures, Thousands of Dollars												Placement Band 1993-2007	
Year Placed (1)	Annual Survivors at the Beginning of the Year										Total at Beginning of Age Interval (12)	Age Interval (13)	
	1998 (2)	1999 (3)	2000 (4)	2001 (5)	2002 (6)	2003 (7)	2004 (8)	2005 (9)	2006 (10)	2007 (11)			
1993	255	245	234	222	209	195	239	216	192	167	167	13½-14½	
1994	279	268	256	243	228	212	194	174	153	131	323	12½-13½	
1995	307	296	284	271	257	241	224	205	184	162	531	11½-12½	
1996	338	330	321	311	300	289	276	262	242	226	823	10½-11½	
1997	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½	
1998	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½	
1999		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½	
2000			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½	
2001				580 ^a	574	561	546	530	501	482	3,057	5½-6½	
2002					660 ^a	653	639	623	628	609	3,789	4½-5½	
2003						750 ^a	742	724	685	663	4,332	3½-4½	
2004							850 ^a	841	821	799	4,955	2½-3½	
2005								960 ^a	949	926	5,719	1½-2½	
2006									1,080 ^a	1,069	6,579	½-1½	
2007										1,220 ^a	7,490	0-½	
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780		

^a Additions during the year.

of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table. The original life table, illustrated in Table 4 on page II-17, is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15
Exposures at age 4½	=	3,789,000
Retirements from age 4½ to 5½	=	143,000
Retirement Ratio	=	$143,000 \div 3,789,000 = 0.0377$
Survivor Ratio	=	$1.000 - 0.0377 = 0.9623$
Percent surviving at age 5½	=	$(88.15) \times (0.9623) = 84.83$

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

**TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD**

Experience Band 1998-2007

Placement Band 1993-2007

(Exposure and Retirement Amounts are in Thousands of Dollars)

<u>Age at Beginning of Interval</u>	<u>Exposures at Beginning of Age Interval</u>	<u>Retirements During Age Interval</u>	<u>Retirement Ratio</u>	<u>Survivor Ratio</u>	<u>Percent Surviving at Beginning of Age Interval</u>
(1)	(2)	(3)	(4)	(5)	(6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.

Column 3 from Table 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 Divided by Column 2.

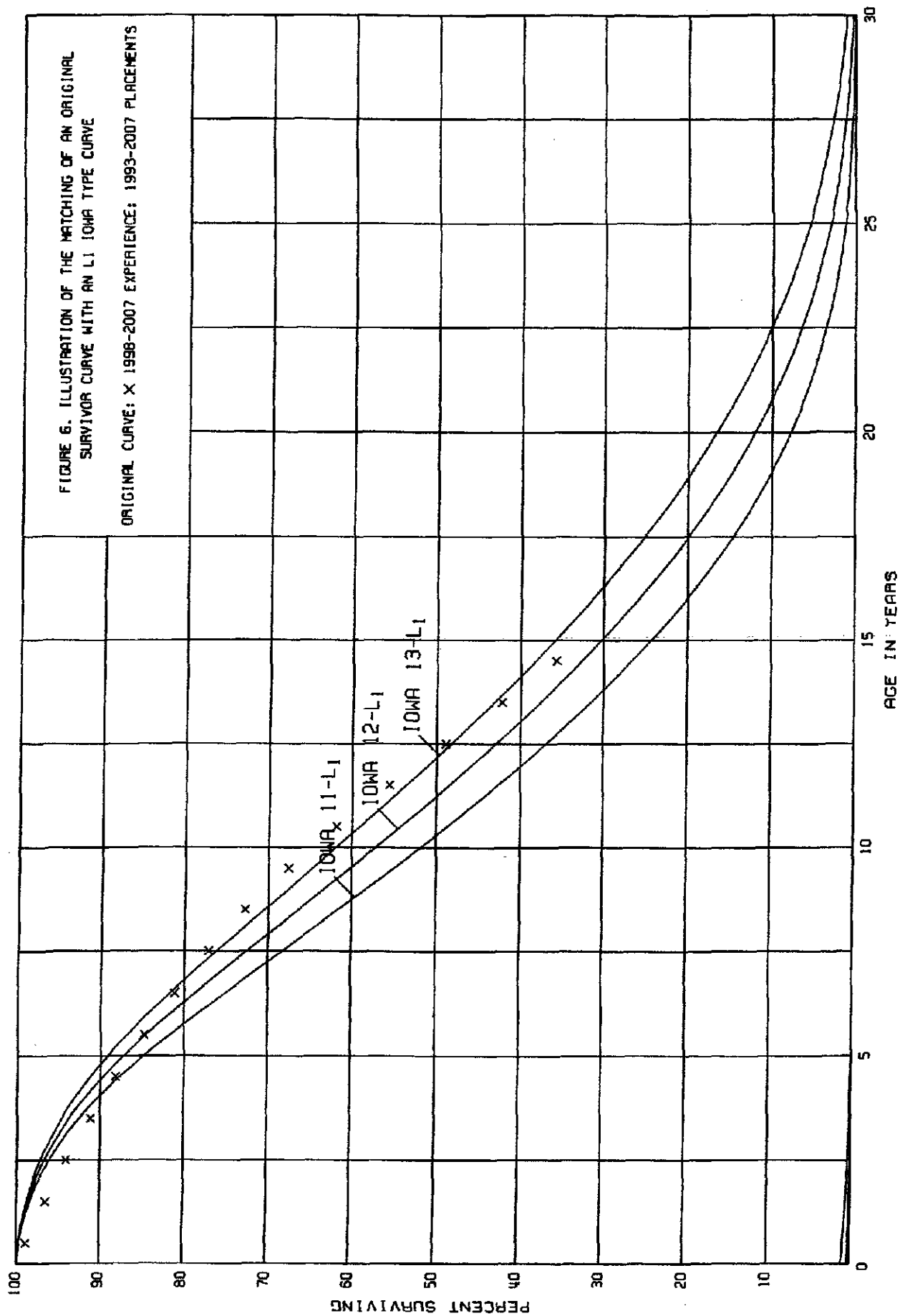
Column 5 = 1.0000 Minus Column 4.

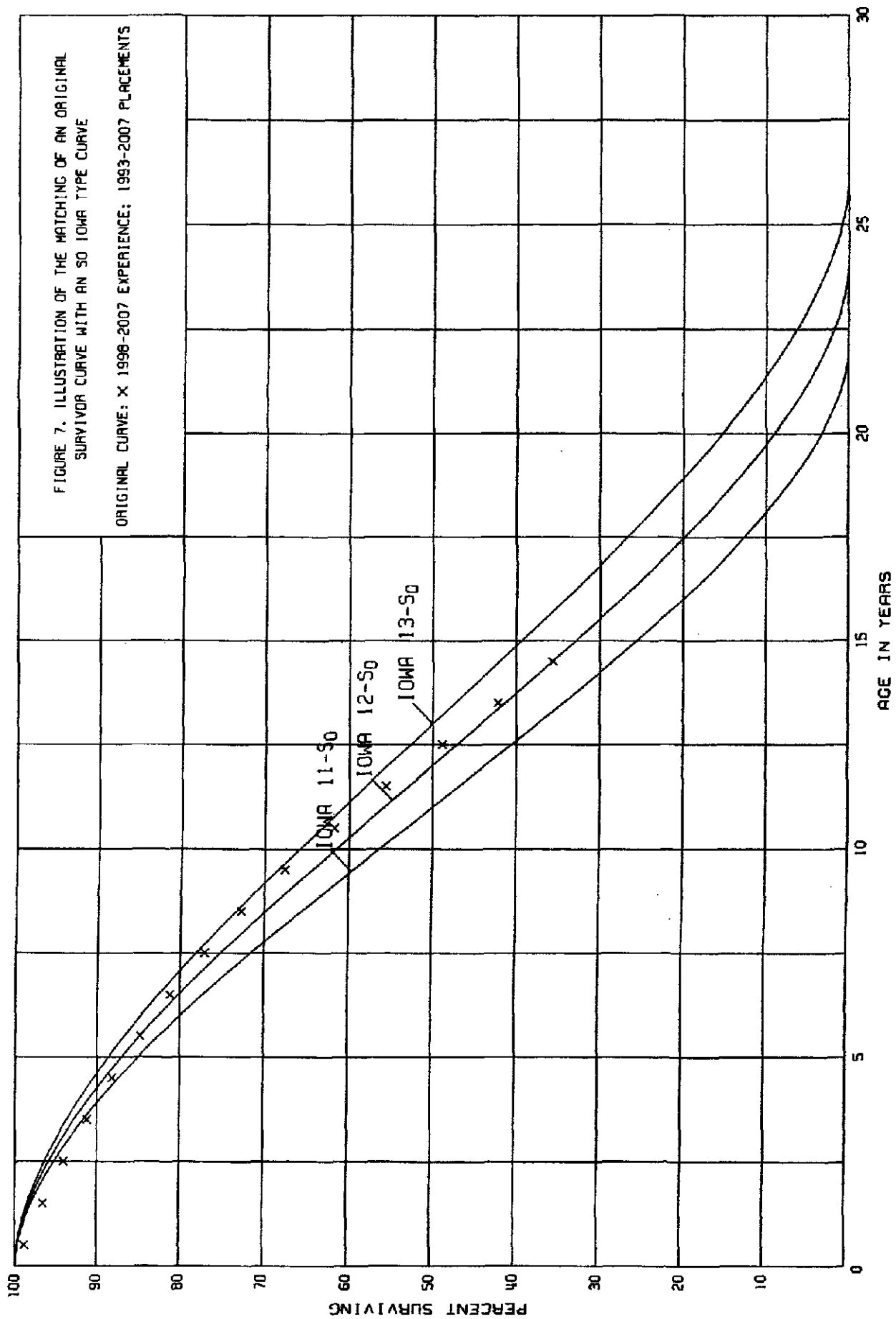
Column 6 = Column 5 Multiplied by Column 6 as of the Preceding Age Interval.

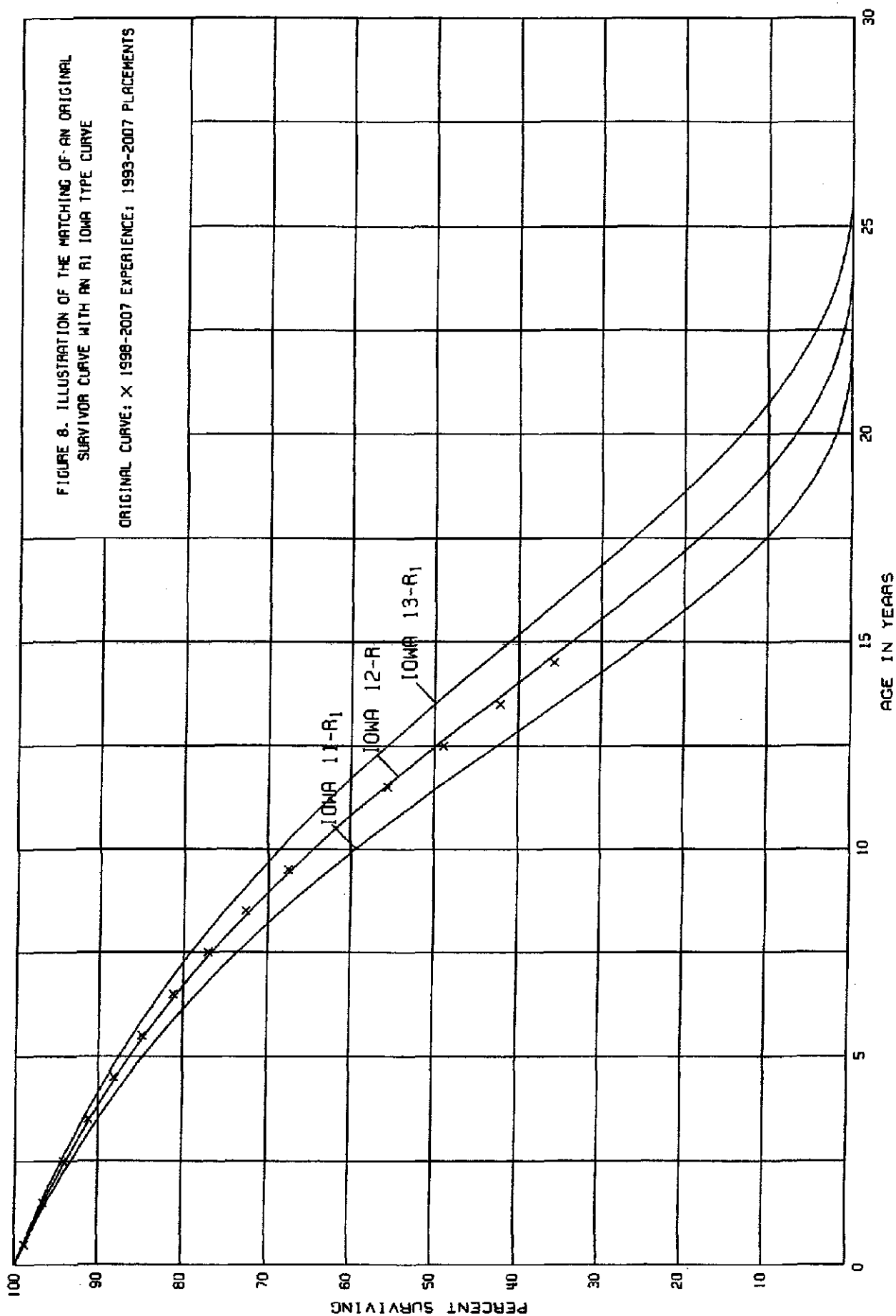
The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

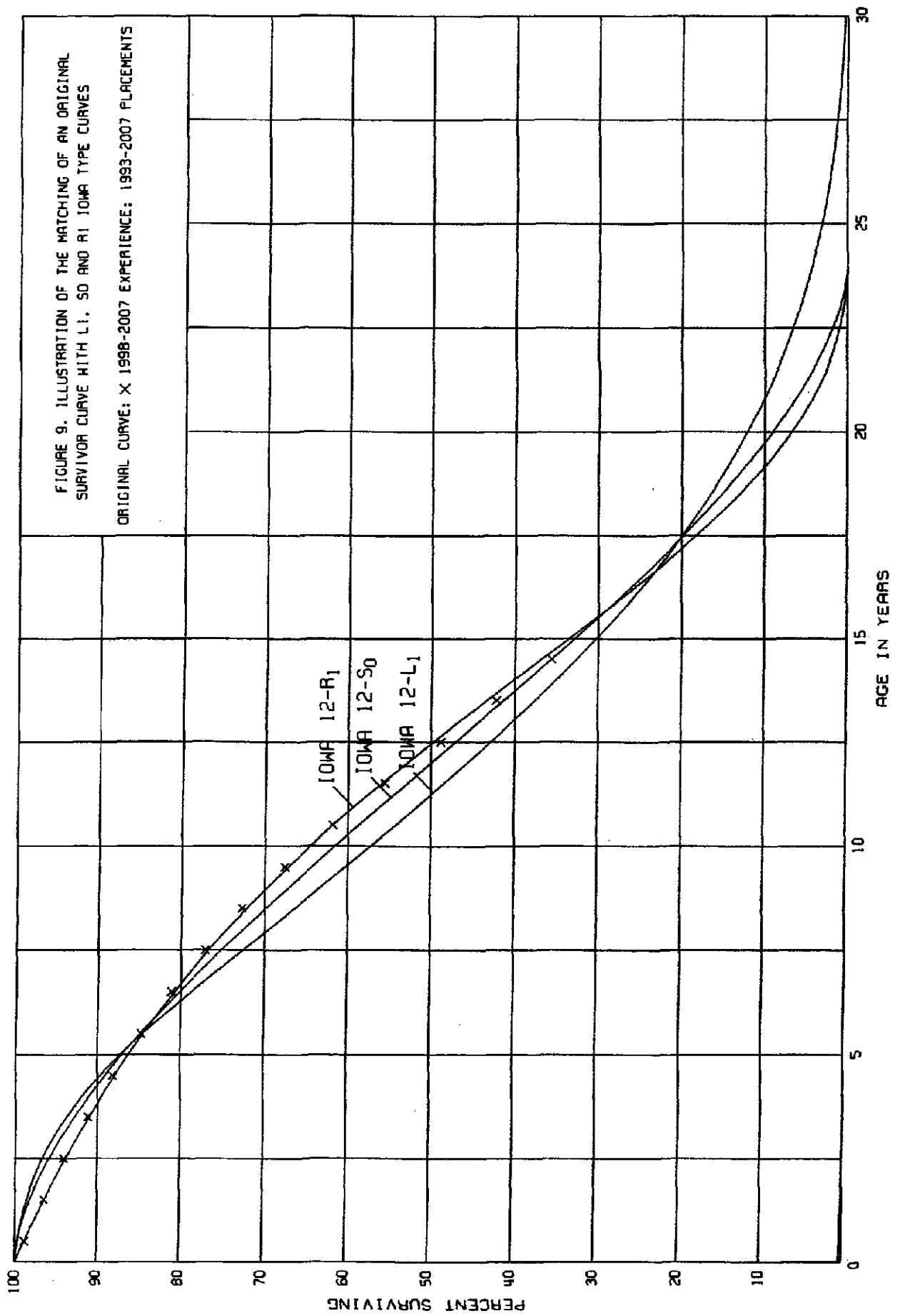
Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100 percent to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0. In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be









selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant factors external to the analysis of historical data.

Field Trips

In order to be familiar with the operation of the Company and observe representative portions of the plant, a field trip was conducted for the study. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements are obtained during field trips. This knowledge and information were incorporated in the interpretation and extrapolation of the statistical analyses.

The following is a list of the locations visited during the field trip in July 2008.

July 8, 2008

- Brecon Facility
- Simpson Substation #175
- Queensgate Service Building
- Queensgate Substation
- Fourth & Main Office Building

Service Life Considerations

The service life estimates were based on judgment which considered a number of factors. The primary factors were the statistical analyses of data, current Company policies and outlook as determined during field reviews of the property and other conversations with management, and the survivor curve estimates from other electric companies.

The estimated survivor curves for structures reflect the life span or forecast concept of life estimation. In the life span concept, an interim survivor curve is selected to describe the rates of retirement between installation and the final concurrent retirement of all facilities at a location. The interim survivor curve for Account 1900, Structures and Improvements, and Account 3900, Structures and Improvements, is a

90-R1 survivor curve, indicating that few interim retirements of buildings or building components are anticipated during the life of the facility.

The major structures included in Accounts 1900 and 3900, Structures and Improvements, were separated from the smaller structures for purposes of the study. The major structures group consists of 21 structures or sites of significant size and of a nature that the life span procedure is appropriate. The life spans assigned to the major structures were typically 50-55 years from the date of the first major installation and were based on individual circumstances, such as size, condition, type of construction, location, and management's plans. The 45-R3 estimate was used for the other small structures in Accounts 1900 and 3900, inasmuch as these structures are similar in type construction, condition and size.

The estimated survivor curves for most of the mass property accounts are based on statistical analyses of plant accounting data and the range of lives and type curves used for other companies in the electric industry. Account 3650, Overhead Conductors and Devices, is one of the largest depreciable plant accounts and is used to illustrate the manner in which the study was conducted for the groups using the retirement rate method. Aged retirement and other plant accounting data were compiled for the years 1956 through 2007. These data were coded in the course of the Company's normal recordkeeping according to plant account or property group, type of transaction, year in which the transaction took place, and year in which the electric plant was placed in service. The data were analyzed by the retirement rate method of life analysis. The survivor curve chart for the account is presented on page III-93 and the life tables for the experience bands, 1956-2007 and 1974-2007, plotted on the chart follow it.

Typical service lives for the overhead conductor of other electric companies range from 40 to 55 years. The Iowa 50-R1 survivor curve is estimated to represent the future, inasmuch as it is a reasonable interpretation of the significant portion of the stub survivor curve through age 60, reflects the outlook of management and is within the typical range of lives for this account.

The estimates for the substation structures in Accounts 3520 and 3610 were based on the results of applying the retirement rate method to the combined aged retirements of the two accounts for the period 1956-2007. The 60-R3 survivor curve was selected to represent the retirement characteristics for these types of structures. The 60-year average service life is at the longer end of the range of typical service lives.

The estimate for Account 3640, Poles, Towers and Fixtures, is based on the 1956-2007 and 1974-2007 experience bands. The 47-R1 survivor curve is supported by the chart set forth on page III-86. The 47-year average service life is within the typical range of 30-50 years for other electric companies. A slightly longer 55-S0.5 survivor curve was used for Account 3550, Poles and Fixtures, since the equipment and life analysis results are comparable, however, transmission poles have less forces of retirement than distribution poles.

The largest account is Account 3680, Line Transformers. The estimate of survivor characteristics is based on the 1956-2007 experience band. As the survivor curve chart illustrates, the experience band represents similar life characteristics and supports the 40-R1 survivor curve. The 40-year average life is toward the upper end of the range of lives used by others in the industry.

The life estimates for electric Transportation Equipment and Power Operated Equipment were combined with the comparable subaccounts in common plant. The estimated survivor curve for the combined Accounts 1960 and 3960, Power Operated Equipment, is based on statistical analyses of aged retirements during the period 1996-2007 using the retirement rate method. The 17-S0.5 for Accounts 1960 and 3960 is a very good fit of the original survivor curve as shown on page III-21 and is typical for the surviving equipment in these accounts. The estimated survivor curve for the combined Accounts 1920 and 3920, Transportation Equipment, is based on the 1978-2007 experience band which represents the most significant period for this property. The 12-L3 survivor curve is consistent with the estimates of others and is representative of management's plans for these assets. The 1957-2007 and 1988-2007 experience bands were used to best represent the life characteristics of the combined Accounts 1921 and 3921, Transportation Equipment - Trailers. The 20-S1.5 survivor curve is a good fit for the combined analysis and comparable to other companies.

Similar studies were performed for the remaining plant accounts. Each of the judgments represented a consideration of statistical analyses of aged plant activity, management's outlook for the future, and the typical range of lives used by other electric companies.

The selected amortization periods for other General Plant accounts are described in the section "Calculated Annual and Accrued Amortization."

Net Salvage Analysis

The estimates of net salvage were based in part on historical data compiled for the years 1978 through 2007. The net salvage estimates are expressed as a percent of

the original cost of plant retired. The salvage analyses include annual amounts, three-year moving average bases and the most recent five-year average.

Net Salvage Considerations

The estimates of net salvage were based primarily on judgment which considered a number of factors. The primary factors were the analyses of historical data, a knowledge of management's plans and operating policies determined during the field trip and other discussions, a general knowledge of the electric industry, and net salvage estimates used by other electric companies. Depreciation reserve accounting data were compiled for the years 1978 through 2007. These data include the retirements, cost of removal and gross salvage.

The net salvage results for Accounts 3640, Poles, Towers and Fixtures, and 3650, Overhead Conductors and Devices, will be used to illustrate the methods for estimating net salvage. The net salvage estimate for Account 3640, Poles, Towers and Fixtures, is negative 5 percent and is based on the historical analysis of salvage percents as shown in the tabulation on pages III-170 and III-171 and the typical range of net salvage estimates used by other electric utilities for poles. The historical indication for the period 1978 through 2007 is negative 4 percent, which is below the range of estimates for other electric companies of negative 10 to 40 percent. The most recent five-year average, 2003-2007, was negative 6 percent net salvage. Based on these averages and considering the estimates of others, negative 5 percent net salvage is estimated for Account 3640, Poles, Towers and Fixtures. For Account 3650, Overhead Conductors and Devices, the net salvage estimate of negative 25 percent is based on the historical analysis of salvage percents as shown on pages III-172 and III-

173. The average net salvage for this account for the period 1978-2007 is negative 27 percent, however, the trend, as indicated by the most recent five-year band, is negative 23 percent. The use of negative 25 percent net salvage is based on these indications and is within the range for other electric companies of negative 20 to negative 35 percent.

The net salvage estimates for the remaining plant accounts were estimated using the above-described process of historical indications, judgment and reviewing the typical range of estimates used by other electric companies. The results of the net salvage for each plant account are presented in account sequence beginning in the section titled "Net Salvage Statistics", page III-151.

Generally, the net salvage estimates for the general plant accounts were zero percent, consistent with amortization accounting.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Single Unit of Property

After the survivor curve and net salvage are estimated, the annual and accrued depreciation can be calculated. The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10}\right) = \$400.$$

Group Depreciation Procedures

A group procedure for depreciation is appropriate when considering more than a single item of property. Normally the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group. In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

In the average service life procedure, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate, Percent} = \frac{(100\% - \text{Net Salvage, Percent})}{\text{Average Service Life}}$$

For property groups in which the average service life of each vintage differs because the life of successive additions is restricted by an expected concurrent retirement of all associated property, the annual accrual rate is calculated separately for each vintage. The rate for each vintage is determined by the above equations, using the average service life calculated for the investment in that vintage. A composite rate for the total investment in such a group may then be calculated at a specific date by weighting the rate for each vintage by the related surviving investment.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account based upon the attained age, service life and net salvage. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$\text{Ratio} = \left(1 - \frac{\text{Average Remaining Life}}{\text{Average Service Life}} \right) (1 - \text{Net Salvage, Percent}).$$

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization, as defined in the Uniform System of Accounts, is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization periods and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is appropriate for certain General Plant accounts that represent numerous units of property, but a very small portion of depreciable electric plant in service. The accounts and their amortization periods are as follows:

<u>Account</u>	<u>Amortization Period, Years</u>
COMMON PLANT	
1910, Office Furniture and Equipment	20
1930, Stores Equipment	20
1940, Tools, Shop and Garage Equipment	25
1950, Laboratory and Test Equipment	15
1970, Communication Equipment	15
1980, Miscellaneous Equipment	20
ELECTRIC PLANT	
3910, Office Furniture and Equipment	20
3911, Office Furniture and Equipment - Elec. Data Proc.	5
3940, Tools, Shop and Garage Equipment	25
3950, Laboratory Equipment	15
3970, Communication Equipment	15
3980, Miscellaneous Equipment	20

The annual amortization amount is determined by dividing the original cost for vintages whose age is less than the amortization period by the period of amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period.

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual depreciation accrual amounts and rates are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates were calculated in accordance with the straight line whole life method of depreciation using the average service life procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

The annual depreciation accrual rates are applicable specifically to the electric and common plant in service as of December 31, 2007. For most plant accounts, the application of such rates to future balances that reflect additions subsequent to December 31, 2007, is reasonable for a period of three to five years.

DESCRIPTION OF STATISTICAL SUPPORT

The service life and salvage estimates were based on judgment which incorporated statistical analyses of retirement data, discussions with management and consideration of estimates made for other electric utility companies. The results of the statistical analyses of service life are presented in the section titled "Service Life Statistics".

The estimated survivor curves for each account are presented in graphical form. The charts depict the estimated smooth survivor curve and original survivor curve(s), when applicable, related to each specific group. For groups where the original survivor curve was plotted, the calculation of the original life table is also presented.

The analyses of salvage data are presented in the section titled, "Net Salvage Statistics". The tabulations present annual cost of removal and salvage data, three-year moving averages and the most recent five-year average. Data are shown in dollars and as percentages of the original cost retired.

DESCRIPTION OF DEPRECIATION TABULATIONS

A summary table of the results of the study, as applied to the original cost of electric and common plant at December 31, 2007, is presented on pages III-4 and III-5 of this report. The table summarizes the calculated annual and accrued depreciation by account based on the straight line whole life method of depreciation.

The tables of the calculated whole life annual and accrued depreciation are presented in account sequence in the section titled "Depreciation Calculations." The tables indicate the estimated survivor curve and net salvage percent for the account and set forth for each installation year the original cost, the average life, the calculated annual accrual amount and rate, the expectancy, and the calculated accrued factor and depreciation.

DUKE ENERGY OHIO
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST AND CALCULATED
ANNUAL AND ACCRUED DEPRECIATION RELATED TO ELECTRIC AND COMMON PLANT AS OF DECEMBER 31, 2007

	ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	CALCULATED ANNUAL ACCRUAL AMOUNT (5)	CALCULATED RATE (6)=(5)/(4)	CALCULATED ACCRUED DEPRECIATION (7)
1890	COMMON PLANT						
1891	LAND AND LAND RIGHTS			2,121,647.43			
	RIGHTS OF WAY	NONDEPRECIABLE		37,968.72			
1900	STRUCTURES AND IMPROVEMENTS - MAJOR	90-R1 *	0	79,117,292.76	2,464,053	3.11	33,553,019
1900	STRUCTURES AND IMPROVEMENTS - MINOR	45-R3	(10)	8,255,298.55	200,711	2.43	2,344,736
	TOTAL STRUCTURES AND IMPROVEMENTS			87,372,591.31	2,664,764	3.05	35,897,755
1901	STRUCTURES AND IMPROVEMENTS - LEASE						
	ATRIUM II	SQUARE *	0	629,086.83	49,320	7.84	148,200
	CLOPAY OFFICE BUILDINGS	SQUARE *	(5)	3,935,982.05	192,458	4.89	3,295,190
	CLOPAY OFFICE BUILDINGS 4TH/5TH/6TH FLOOR	SQUARE *	0	700,921.38	0	-	700,921
	CLOPAY OFFICE BUILDINGS 3RD FLOOR	SQUARE *	0	53,852.44	0	-	53,852
	TOTAL STRUCTURES AND IMPROVEMENTS - LEASE			6,319,822.70	241,778	4.54	4,202,163
1910	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	14,757,605.67	737,880	5.00	12,576,234
1920	TRANSPORTATION EQUIPMENT	12-L3	0	85,311.07	7,106	8.33	68,189
1921	TRANSPORTATION EQUIPMENT - TRAILERS	20-S1.5	10	389,752.87	17,539	4.50	117,212
1930	STORES EQUIPMENT	20-SQ	0	532,467.09	28,824	5.00	459,425
1940	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	1,215,971.57	48,639	4.00	535,548
1950	LABORATORY AND TEST EQUIPMENT	15-SQ	0	9,888.05	660	6.67	9,559
1960	POWER OPERATED EQUIPMENT	17-S0.5	0	42,046.33	2,472	5.88	28,470
1970	COMMUNICATION EQUIPMENT	15-SQ	0	15,313,972.86	677,164	4.42	8,040,479
1980	MISCELLANEOUS EQUIPMENT	20-SQ	0	317,530.73	15,877	5.00	96,299
	TOTAL COMMON PLANT			127,516,596.40	4,440,503	3.48	62,031,333
3500	TRANSMISSION PLANT						
3501	LAND AND LAND RIGHTS			2,778,008.68			
3501	RIGHTS OF WAY	75-S4	0	23,951,776.88	318,559	1.33	9,978,488
3520	STRUCTURES AND IMPROVEMENTS	60-R3	(10)	8,850,643.71	162,586	1.84	3,703,822
3530	STATION EQUIPMENT	53-R1	(10)	180,070,649.05	3,702,092	2.06	45,133,275
3531	STATION EQUIPMENT - STEP UP	55-S4	(5)	23,028,035.68	440,066	1.91	9,381,595
3532	STATION EQUIPMENT - MAJOR	55-R2.5	(5)	92,171,711.20	1,761,401	1.91	25,388,028
3534	STEP UP EQUIPMENT	45-S4	0	2,703,526.00	58,603	2.17	1,409,107
3535	STATION EQUIPMENT - RTU	20-S3	0	3,137,895.56	156,895	5.00	274,025
3540	TOWERS AND FIXTURES	80-R3	(10)	39,090,229.99	537,491	1.38	16,772,625
3550	POLES AND FIXTURES	55-S0.5	(20)	62,180,999.86	1,358,033	2.18	16,420,282
3560	OVERHEAD CONDUCTORS AND DEVICES	62-R2.5	(30)	93,615,810.83	1,959,379	2.09	36,997,422
3570	UNDERGROUND CONDUIT	65-R4	(20)	4,619,440.39	85,367	1.85	3,012,954
3580	UNDERGROUND CONDUCTORS AND DEVICES	45-R3	(20)	4,578,279.03	121,965	2.66	2,623,984
	TOTAL TRANSMISSION PLANT			540,777,006.84	10,662,437	1.97	170,795,587

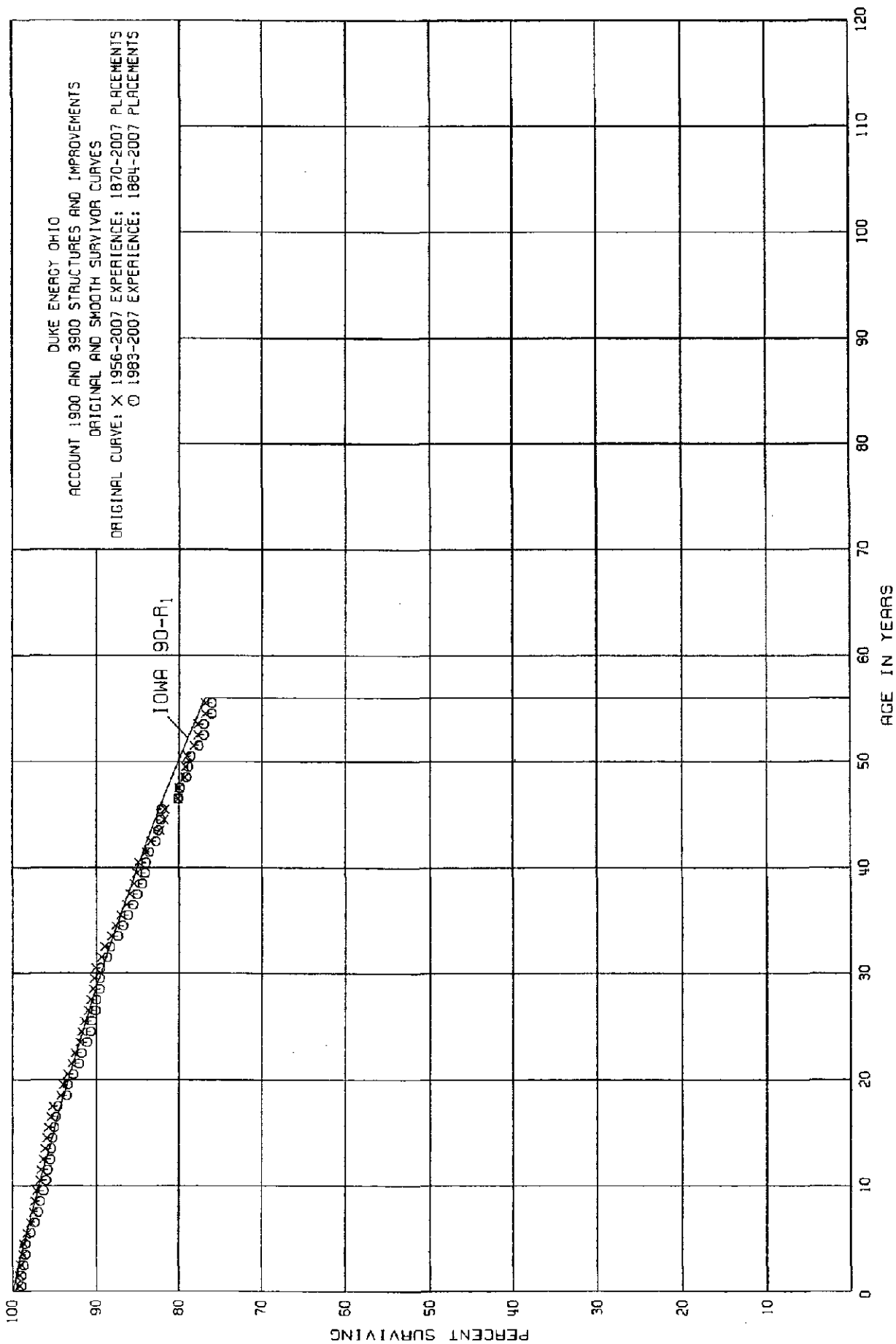
DUKE ENERGY OHIO
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST AND CALCULATED
ANNUAL AND ACCRUED DEPRECIATION RELATED TO ELECTRIC AND COMMON PLANT AS OF DECEMBER 31, 2007

	ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	CALCULATED ANNUAL ACCRUAL		CALCULATED ACCRUED DEPRECIATION (7)
					AMOUNT (5)	RATE (6)=(5)/(4)	
DISTRIBUTION PLANT							
3600	LAND AND LAND RIGHTS	NONDEPRECIABLE		7,357,843.20			
3601	RIGHTS OF WAY	75-R3	0	26,608,166.89	353,889	1.33	7,817,880
3610	STRUCTURES AND IMPROVEMENTS	60-R3	(10)	5,948,692.69	109,136	1.83	2,751,451
3620	STATION EQUIPMENT	55-R1.5	(10)	141,573,671.17	2,834,305	2.00	44,182,942
3622	STATION EQUIPMENT - MAJOR	55-R2.5	(20)	89,177,418.38	1,947,635	2.18	29,859,457
3635	STORAGE BATTERY EQUIPMENT - RTU	20-S3	0	2,585,889.76	129,295	5.00	228,626
3640	POLES, TOWERS AND FIXTURES	47-R1	(5)	284,535,121.07	8,363,828	2.24	62,624,180
3650	OVERHEAD CONDUCTORS AND DEVICES	50-R1	(25)	283,463,254.58	7,086,581	2.50	83,700,023
3660	UNDERGROUND CONDUIT	65-R3	(20)	95,531,166.21	1,765,416	1.85	27,849,128
3670	UNDERGROUND CONDUCTORS AND DEVICES	58-R1.5	(10)	219,791,960.46	4,158,464	1.89	48,742,053
3680	LINE TRANSFORMERS	40-R1	(5)	310,215,505.84	8,141,710	2.62	90,943,786
3682	LINE TRANSFORMERS - CUSTOMER INSTALL	40-R0.5	0	4,669,193.45	116,257	2.49	1,991,797
3691	SERVICES - UNDERGROUND	60-R1.5	(20)	2,111,360.76	42,312	2.00	1,045,165
3692	SERVICES - OVERHEAD	44-R1	(35)	47,624,555.71	1,456,390	3.08	20,168,981
3700	METERS	17-L0.5	0	77,908,855.70	8,707,358	8.68	48,941,448
3710	INSTALLATIONS ON CUSTOMERS PREMISES	15-R2.5	0	4,154.01	277	6.67	892
3720	LEASED PROPERTY ON CUSTOMER PREMISES	26-L1	0	102,502.52	4,084	3.98	70,025
3731	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD	27-L1	(5)	7,624,812.08	303,966	3.88	3,728,168
3732	STREET LIGHTING AND SIGNAL SYSTEMS - BOULEVARD	40-R1	0	14,723,185.01	364,470	2.48	3,290,199
3733	STREET LIGHT AND SIGNAL SYSTEMS - CUSTOMER POLES	28-O1	(5)	6,919,687.07	259,384	3.75	2,554,508
TOTAL DISTRIBUTION PLANT				1,627,976,826.58	42,144,577	2.59	480,458,687
GENERAL PLANT							
3880	LAND AND LAND RIGHTS	NONDEPRECIABLE		951,854.18			
3900	STRUCTURES AND IMPROVEMENTS - MAJOR	90-R1	0	14,279,088.81	357,863	2.51	6,635,173
3900	STRUCTURES AND IMPROVEMENTS - MINOR	45-R3	(10)	1,408,806.57	34,020	2.41	839,707
TOTAL STRUCTURES AND IMPROVEMENTS				15,687,895.38	391,883	2.50	7,274,880
3910	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	379,451.15	18,973	5.00	261,584
3911	OFFICE FURNITURE AND EQUIPMENT - ELEC. DATA PROC.	5-SQ	0	623,736.58	77,752	12.47	479,749
3920	TRANSPORTATION EQUIPMENT	12-L3	0	1,328,642.75	110,509	8.33	1,042,739
3921	TRANSPORTATION EQUIPMENT - TRAILERS	20-S1.5	15	2,811,828.13	119,503	4.25	869,254
3940	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	9,002,131.72	360,085	4.00	3,517,100
3950	LABORATORY EQUIPMENT	15-SQ	0	769,560.00	50,663	6.67	555,068
3960	POWER OPERATED EQUIPMENT	17-S0.5	0	1,088,310.45	63,993	5.88	708,593
3970	COMMUNICATION EQUIPMENT	15-SQ	0	3,194,912.90	180,577	5.65	1,360,468
3980	MISCELLANEOUS EQUIPMENT	20-SQ	0	74,214.90	3,711	5.00	30,583
TOTAL GENERAL PLANT				35,900,538.14	1,377,648	3.84	16,199,996
TOTAL ELECTRIC PLANT				2,332,170,967.94	58,625,166	2.51	729,485,603

* LIFE SPAN PROCEDURE USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE

** ACCOUNT 370.10, NEW METERS WILL BE DEPRECIATED AT A 5.27% RATE USING 20-S4 SURVIVOR CURVE AND NEGATIVE 2% NET SALVAGE

SERVICE LIFE STATISTICS



DUKE ENERGY OHIO

ACCOUNT 1900 AND 3900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1870-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	128,079,147	988,013	0.0077	0.9923	100.00
0.5	126,012,491	22,729	0.0002	0.9998	99.23
1.5	123,298,124	290,185	0.0024	0.9976	99.21
2.5	123,475,094	178,746	0.0014	0.9986	98.97
3.5	120,146,317	132,886	0.0011	0.9989	98.83
4.5	119,338,607	547,348	0.0046	0.9954	98.72
5.5	116,107,858	443,172	0.0038	0.9962	98.27
6.5	109,823,315	326,081	0.0030	0.9970	97.90
7.5	100,946,547	199,275	0.0020	0.9980	97.61
8.5	96,189,818	258,103	0.0027	0.9973	97.41
9.5	93,947,873	316,570	0.0034	0.9966	97.15
10.5	93,020,291	166,871	0.0018	0.9982	96.82
11.5	92,249,093	282,853	0.0031	0.9969	96.65
12.5	90,725,195	189,960	0.0021	0.9979	96.35
13.5	87,748,476	116,899	0.0013	0.9987	96.15
14.5	85,649,340	211,802	0.0025	0.9975	96.03
15.5	84,058,592	223,526	0.0027	0.9973	95.79
16.5	78,393,306	203,891	0.0026	0.9974	95.53
17.5	76,164,671	800,983	0.0105	0.9895	95.28
18.5	50,866,658	151,260	0.0030	0.9970	94.28
19.5	40,236,020	217,836	0.0054	0.9946	94.00
20.5	37,108,693	209,313	0.0056	0.9944	93.49
21.5	36,377,620	147,423	0.0041	0.9959	92.97
22.5	35,884,296	225,496	0.0063	0.9937	92.59
23.5	35,390,222	90,855	0.0026	0.9974	92.01
24.5	34,880,535	102,054	0.0029	0.9971	91.77
25.5	36,047,627	184,805	0.0051	0.9949	91.50
26.5	35,451,617	148,183	0.0042	0.9958	91.03
27.5	34,766,840	99,203	0.0029	0.9971	90.65
28.5	34,147,724	53,352	0.0016	0.9984	90.39
29.5	34,032,195	50,670	0.0015	0.9985	90.25
30.5	33,780,626	274,467	0.0081	0.9919	90.11
31.5	33,652,797	131,198	0.0039	0.9961	89.38
32.5	29,223,353	258,939	0.0089	0.9911	89.03
33.5	28,681,929	191,925	0.0067	0.9933	88.24
34.5	25,602,060	151,522	0.0059	0.9941	87.65
35.5	17,434,345	137,213	0.0079	0.9921	87.13
36.5	15,805,769	74,353	0.0047	0.9953	86.44
37.5	15,226,174	98,329	0.0065	0.9935	86.03
38.5	14,113,917	68,829	0.0049	0.9951	85.47

DUKE ENERGY OHIO

ACCOUNT 1900 AND 3900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1870-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	13,977,051	20,030	0.0014	0.9986	85.05
40.5	13,324,385	141,793	0.0106	0.9894	84.93
41.5	12,365,250	98,507	0.0080	0.9920	84.03
42.5	12,248,470	160,454	0.0131	0.9869	83.36
43.5	11,627,562	62,417	0.0054	0.9946	82.27
44.5	11,605,228	20,684	0.0018	0.9982	81.83
45.5	11,243,064	214,443	0.0191	0.9809	81.68
46.5	10,968,864	20,423	0.0019	0.9981	80.12
47.5	10,469,095	83,331	0.0080	0.9920	79.97
48.5	10,381,947	16,862	0.0016	0.9984	79.33
49.5	9,819,347	30,863	0.0031	0.9969	79.20
50.5	9,269,441	91,149	0.0098	0.9902	78.95
51.5	9,020,771	52,091	0.0058	0.9942	78.18
52.5	8,780,240	35	0.0000	1.0000	77.73
53.5	8,974,042	112,052	0.0125	0.9875	77.73
54.5	4,232,716		0.0000	1.0000	76.76
55.5	3,130,905	110,990	0.0354	0.9646	76.76
56.5	2,770,484	2,838	0.0010	0.9990	74.04
57.5	2,907,543	517	0.0002	0.9998	73.97
58.5	2,035,268	1,158	0.0006	0.9994	73.96
59.5	1,992,080	181,436	0.0911	0.9089	73.92
60.5	1,807,172	2,577	0.0014	0.9986	67.19
61.5	1,801,972	364	0.0002	0.9998	67.10
62.5	1,799,637	4,553	0.0025	0.9975	67.09
63.5	1,895,026	1,403	0.0007	0.9993	66.92
64.5	1,827,336	5,391	0.0030	0.9970	66.87
65.5	1,818,162	659	0.0004	0.9996	66.67
66.5	1,811,027		0.0000	1.0000	66.64
67.5	1,806,303	47,374	0.0262	0.9738	66.64
68.5	1,754,020		0.0000	1.0000	64.89
69.5	1,751,154	7,126	0.0041	0.9959	64.89
70.5	1,743,535		0.0000	1.0000	64.62
71.5	1,753,155	113,376	0.0647	0.9353	64.62
72.5	1,639,730	19,301	0.0118	0.9882	60.44
73.5	1,620,430	25,281	0.0156	0.9844	59.73
74.5	1,593,258	9,148	0.0057	0.9943	58.80
75.5	1,584,110	126	0.0001	0.9999	58.46
76.5	1,583,984		0.0000	1.0000	58.45
77.5	323,886		0.0000	1.0000	58.45
78.5	323,886		0.0000	1.0000	58.45

DUKE ENERGY OHIO

ACCOUNT 1900 AND 3900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1870-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	135,996		0.0000	1.0000	58.45
80.5	58,347		0.0000	1.0000	58.45
81.5	25,802		0.0000	1.0000	58.45
82.5	25,802		0.0000	1.0000	58.45
83.5	21,156		0.0000	1.0000	58.45
84.5	21,156	12,763	0.6033	0.3967	58.45
85.5	6,806		0.0000	1.0000	23.19
86.5	6,658		0.0000	1.0000	23.19
87.5	6,658		0.0000	1.0000	23.19
88.5	4,975		0.0000	1.0000	23.19
89.5	4,955		0.0000	1.0000	23.19
90.5	4,955		0.0000	1.0000	23.19
91.5	4,955		0.0000	1.0000	23.19
92.5	4,955		0.0000	1.0000	23.19
93.5	4,955		0.0000	1.0000	23.19
94.5	4,955		0.0000	1.0000	23.19
95.5	4,955		0.0000	1.0000	23.19
96.5	4,955		0.0000	1.0000	23.19
97.5	4,955		0.0000	1.0000	23.19
98.5	4,955		0.0000	1.0000	23.19
99.5	4,042		0.0000	1.0000	23.19
100.5	4,042		0.0000	1.0000	23.19
101.5	4,042		0.0000	1.0000	23.19
102.5	346		0.0000	1.0000	23.19
103.5	346		0.0000	1.0000	23.19
104.5	346	346	1.0000	0.0000	23.19
105.5					0.00

DUKE ENERGY OHIO

ACCOUNT 1900 AND 3900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1884-2007

EXPERIENCE BAND 1983-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	99,463,170	987,484	0.0099	0.9901	100.00
0.5	98,081,961	14,753	0.0002	0.9998	99.01
1.5	96,368,136	284,037	0.0029	0.9971	98.99
2.5	89,480,583	169,987	0.0019	0.9981	98.70
3.5	86,801,202	51,152	0.0006	0.9994	98.51
4.5	86,035,571	527,229	0.0061	0.9939	98.45
5.5	82,741,523	423,373	0.0051	0.9949	97.85
6.5	74,808,145	276,595	0.0037	0.9963	97.35
7.5	66,147,807	160,565	0.0024	0.9976	96.99
8.5	61,810,822	204,680	0.0033	0.9967	96.76
9.5	60,590,868	192,951	0.0032	0.9968	96.44
10.5	67,870,113	142,290	0.0021	0.9979	96.13
11.5	68,953,082	232,072	0.0034	0.9966	95.93
12.5	72,507,139	113,591	0.0016	0.9984	95.60
13.5	70,780,767	87,063	0.0012	0.9988	95.45
14.5	68,724,715	146,218	0.0021	0.9979	95.34
15.5	67,812,335	195,504	0.0029	0.9971	95.14
16.5	63,420,073	97,319	0.0015	0.9985	94.86
17.5	61,316,816	707,736	0.0115	0.9885	94.72
18.5	36,631,694	66,494	0.0018	0.9982	93.63
19.5	26,153,526	178,330	0.0068	0.9932	93.46
20.5	23,514,006	178,194	0.0076	0.9924	92.82
21.5	22,881,486	67,051	0.0029	0.9971	92.11
22.5	23,015,071	197,860	0.0086	0.9914	91.84
23.5	22,602,839	76,456	0.0034	0.9966	91.05
24.5	22,788,059	43,617	0.0019	0.9981	90.74
25.5	22,578,853	124,487	0.0055	0.9945	90.57
26.5	22,417,437	30,200	0.0013	0.9987	90.07
27.5	21,928,969	75,945	0.0035	0.9965	89.95
28.5	21,443,334	14,520	0.0007	0.9993	89.64
29.5	29,259,146	40,121	0.0014	0.9986	89.58
30.5	29,092,748	254,013	0.0087	0.9913	89.45
31.5	28,881,101	128,849	0.0045	0.9955	88.67
32.5	24,662,073	242,488	0.0098	0.9902	88.27
33.5	25,717,631	188,032	0.0073	0.9927	87.40
34.5	22,800,595	146,280	0.0064	0.9936	86.76
35.5	14,648,504	106,137	0.0072	0.9928	86.20
36.5	13,058,686	66,770	0.0051	0.9949	85.58
37.5	12,494,408	95,134	0.0076	0.9924	85.14
38.5	11,386,105	54,010	0.0047	0.9953	84.49

DUKE ENERGY OHIO

ACCOUNT 1900 AND 3900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2007

EXPERIENCE BAND 1983-2007

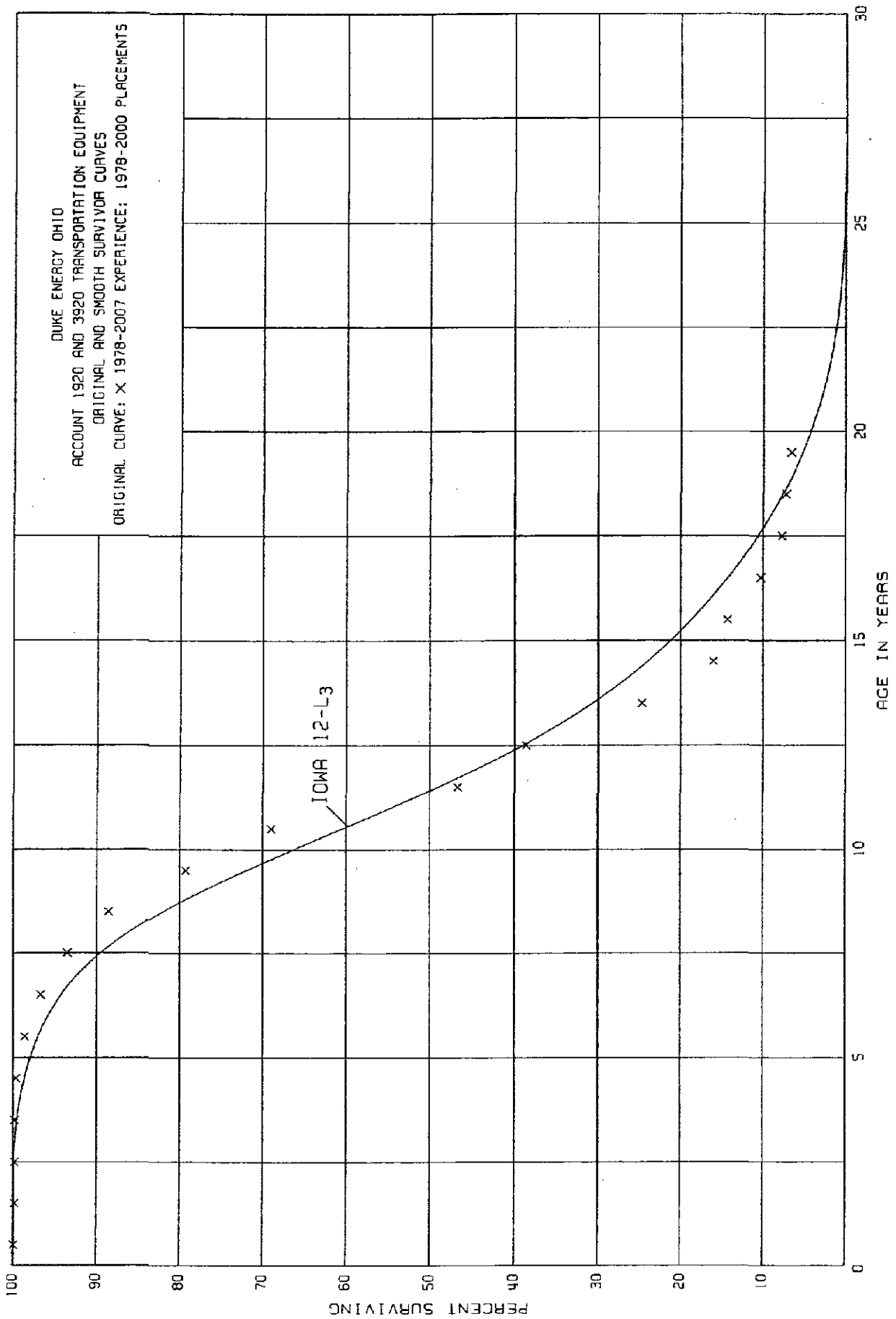
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	11,266,270	18,155	0.0016	0.9984	84.09
40.5	10,618,359	41,237	0.0039	0.9961	83.96
41.5	9,771,676	94,448	0.0097	0.9903	83.63
42.5	9,664,002	43,494	0.0045	0.9955	82.82
43.5	9,165,249	29,068	0.0032	0.9968	82.45
44.5	9,118,664	8,520	0.0009	0.9991	82.19
45.5	8,780,026	213,454	0.0243	0.9757	82.12
46.5	8,506,815	20,423	0.0024	0.9976	80.12
47.5	8,006,641	83,055	0.0104	0.9896	79.93
48.5	7,919,769	16,862	0.0021	0.9979	79.10
49.5	7,535,831	30,863	0.0041	0.9959	78.93
50.5	6,965,266	91,149	0.0131	0.9869	78.61
51.5	6,716,031	51,387	0.0077	0.9923	77.58
52.5	8,242,138		0.0000	1.0000	76.98
53.5	8,221,128	108,026	0.0131	0.9869	76.98
54.5	3,696,262		0.0000	1.0000	75.97
55.5	2,588,693		0.0000	1.0000	75.97
56.5	2,377,271	81	0.0000	1.0000	75.97
57.5	2,336,217	378	0.0002	0.9998	75.97
58.5	1,653,172	1,158	0.0007	0.9993	75.95
59.5	1,609,984		0.0000	1.0000	75.90
60.5	1,607,122	2,577	0.0016	0.9984	75.90
61.5	1,602,524	364	0.0002	0.9998	75.78
62.5	1,600,190		0.0000	1.0000	75.76
63.5	1,591,160		0.0000	1.0000	75.76
64.5	1,590,703	221	0.0001	0.9999	75.76
65.5	1,583,978	659	0.0004	0.9996	75.75
66.5	1,576,843		0.0000	1.0000	75.72
67.5	1,572,119	21,750	0.0138	0.9862	75.72
68.5	1,545,460		0.0000	1.0000	74.68
69.5	1,542,875	7,126	0.0046	0.9954	74.68
70.5	1,535,256		0.0000	1.0000	74.34
71.5	1,535,256		0.0000	1.0000	74.34
72.5	1,535,207	19,301	0.0126	0.9874	74.34
73.5	1,515,907	25,281	0.0167	0.9833	73.40
74.5	1,490,626		0.0000	1.0000	72.17
75.5	1,490,626		0.0000	1.0000	72.17
76.5	1,490,626		0.0000	1.0000	72.17
77.5	246,987		0.0000	1.0000	72.17
78.5	246,987		0.0000	1.0000	72.17

DUKE ENERGY OHIO

ACCOUNT 1900 AND 3900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2007			EXPERIENCE BAND 1983-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	59,097		0.0000	1.0000	72.17
80.5	58,001		0.0000	1.0000	72.17
81.5	25,456		0.0000	1.0000	72.17
82.5	25,456		0.0000	1.0000	72.17
83.5	20,810		0.0000	1.0000	72.17
84.5	20,810	12,763	0.6133	0.3867	72.17
85.5	5,547		0.0000	1.0000	27.91
86.5	5,399		0.0000	1.0000	27.91
87.5	5,399		0.0000	1.0000	27.91
88.5	3,717		0.0000	1.0000	27.91
89.5	3,696		0.0000	1.0000	27.91
90.5	3,696		0.0000	1.0000	27.91
91.5	3,696		0.0000	1.0000	27.91
92.5	3,696		0.0000	1.0000	27.91
93.5	3,696		0.0000	1.0000	27.91
94.5	3,696		0.0000	1.0000	27.91
95.5	3,696		0.0000	1.0000	27.91
96.5	3,696		0.0000	1.0000	27.91
97.5	3,696		0.0000	1.0000	27.91
98.5	4,042		0.0000	1.0000	27.91
99.5	4,042		0.0000	1.0000	27.91
100.5	4,042		0.0000	1.0000	27.91
101.5	4,042		0.0000	1.0000	27.91
102.5	346		0.0000	1.0000	27.91
103.5	346		0.0000	1.0000	27.91
104.5	346	346	1.0000	0.0000	27.91
105.5					0.00



DUKE ENERGY OHIO

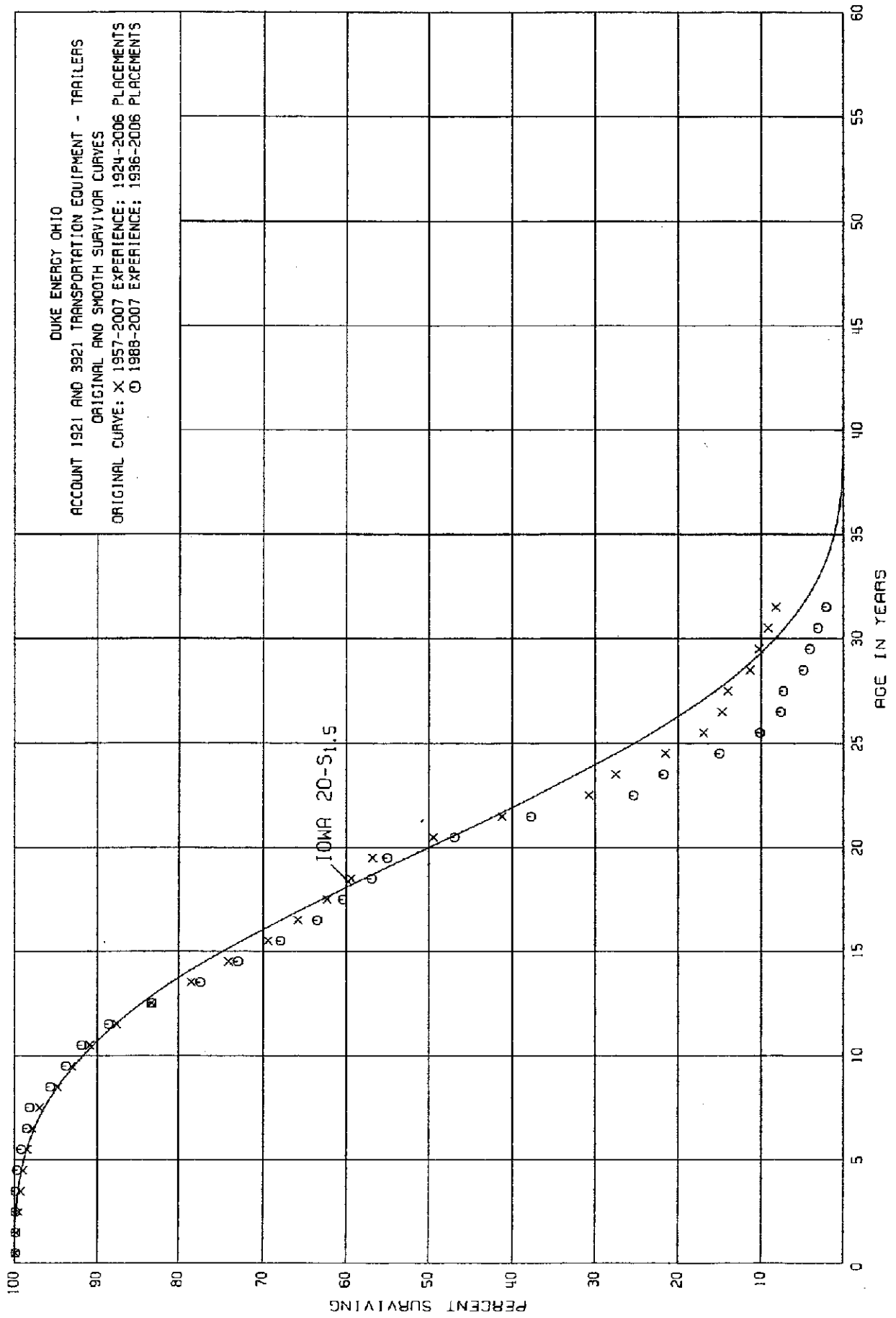
ACCOUNT 1920 AND 3920 TRANSPORTATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1978-2000

EXPERIENCE BAND 1978-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	27,410,380		0.0000	1.0000	100.00
0.5	27,410,380	44,609	0.0016	0.9984	100.00
1.5	27,340,017		0.0000	1.0000	99.84
2.5	27,340,017	12,747	0.0005	0.9995	99.84
3.5	27,302,352	52,219	0.0019	0.9981	99.79
4.5	27,250,133	280,097	0.0103	0.9897	99.60
5.5	26,970,036	514,238	0.0191	0.9809	98.57
6.5	26,455,798	869,031	0.0328	0.9672	96.69
7.5	25,586,767	1,352,656	0.0529	0.9471	93.52
8.5	24,234,111	2,525,317	0.1042	0.8958	88.57
9.5	21,708,794	2,835,652	0.1306	0.8694	79.34
10.5	18,873,142	6,092,872	0.3228	0.6772	68.98
11.5	12,780,270	2,230,559	0.1745	0.8255	46.71
12.5	10,549,712	3,785,602	0.3588	0.6412	38.56
13.5	6,764,109	2,386,199	0.3528	0.6472	24.72
14.5	4,166,711	454,076	0.1090	0.8910	16.00
15.5	3,655,880	1,020,934	0.2793	0.7207	14.26
16.5	1,914,250	482,547	0.2521	0.7479	10.28
17.5	1,259,762	76,728	0.0609	0.9391	7.69
18.5	1,183,035	108,211	0.0915	0.9085	7.22
19.5	823,461	39,046	0.0474	0.9526	6.56
20.5	784,416	88,692	0.1131	0.8869	6.25
21.5	695,724	289,623	0.4163	0.5837	5.54
22.5	406,101	276,788	0.6816	0.3184	3.23
23.5	129,313	129,313	1.0000	0.0000	1.03
24.5					0.00



DUKE ENERGY OHIO

ACCOUNT 1921 AND 3921 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2006

EXPERIENCE BAND 1957-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,853,132	1,944	0.0004	0.9996	100.00
0.5	4,858,796	6,806	0.0014	0.9986	99.96
1.5	4,732,494	14,436	0.0031	0.9969	99.82
2.5	4,638,670	11,299	0.0024	0.9976	99.51
3.5	4,634,864	14,691	0.0032	0.9968	99.27
4.5	4,411,126	21,925	0.0050	0.9950	98.95
5.5	3,847,677	21,861	0.0057	0.9943	98.46
6.5	3,133,995	29,148	0.0093	0.9907	97.90
7.5	2,485,699	56,394	0.0227	0.9773	96.99
8.5	2,316,621	40,275	0.0174	0.9826	94.79
9.5	2,145,497	52,274	0.0244	0.9756	93.14
10.5	2,045,991	72,828	0.0356	0.9644	90.87
11.5	1,954,875	96,129	0.0492	0.9508	87.64
12.5	1,858,746	108,918	0.0586	0.9414	83.33
13.5	1,735,102	96,732	0.0558	0.9442	78.45
14.5	1,596,199	99,918	0.0626	0.9374	74.07
15.5	1,461,289	77,189	0.0528	0.9472	69.43
16.5	1,205,584	63,532	0.0527	0.9473	65.76
17.5	1,128,352	53,195	0.0471	0.9529	62.29
18.5	1,004,228	42,539	0.0424	0.9576	59.36
19.5	919,190	120,195	0.1308	0.8692	56.84
20.5	804,152	133,096	0.1655	0.8345	49.41
21.5	606,942	154,468	0.2545	0.7455	41.23
22.5	455,850	48,603	0.1066	0.8934	30.74
23.5	407,247	89,088	0.2188	0.7812	27.46
24.5	300,835	63,317	0.2105	0.7895	21.45
25.5	223,360	29,695	0.1329	0.8671	16.93
26.5	193,665	8,568	0.0442	0.9558	14.68
27.5	178,886	34,893	0.1951	0.8049	14.03
28.5	131,478	12,258	0.0932	0.9068	11.29
29.5	116,586	12,525	0.1074	0.8926	10.24
30.5	104,761	11,342	0.1083	0.8917	9.14
31.5	93,419	14,051	0.1504	0.8496	8.15
32.5	79,418	6,780	0.0854	0.9146	6.92
33.5	72,638	6,323	0.0870	0.9130	6.33
34.5	66,315	653	0.0098	0.9902	5.78
35.5	65,662	962	0.0147	0.9853	5.72
36.5	64,700	14,591	0.2255	0.7745	5.64
37.5	50,109	15,091	0.3012	0.6988	4.37
38.5	35,018	5,772	0.1648	0.8352	3.05

DUKE ENERGY OHIO

ACCOUNT 1921 AND 3921 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2006

EXPERIENCE BAND 1957-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	29,246	654	0.0224	0.9776	2.55
40.5	28,592	5,760	0.2015	0.7985	2.49
41.5	22,832	7,269	0.3184	0.6816	1.99
42.5	15,563	377	0.0242	0.9758	1.36
43.5	15,186		0.0000	1.0000	1.33
44.5	15,186	473	0.0311	0.9689	1.33
45.5	14,713		0.0000	1.0000	1.29
46.5	14,713	219	0.0149	0.9851	1.29
47.5	14,494	13,909	0.9596	0.0404	1.27
48.5	585		0.0000	1.0000	0.05
49.5	585		0.0000	1.0000	0.05
50.5	585		0.0000	1.0000	0.05
51.5	585		0.0000	1.0000	0.05
52.5	585		0.0000	1.0000	0.05
53.5	585		0.0000	1.0000	0.05
54.5	585	585	1.0000	0.0000	0.05
55.5					0.00

DUKE ENERGY OHIO

ACCOUNT 1921 AND 3921 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1936-2006

EXPERIENCE BAND 1988-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,335,068		0.0000	1.0000	100.00
0.5	3,367,944		0.0000	1.0000	100.00
1.5	3,339,260	1,123	0.0003	0.9997	100.00
2.5	3,280,312		0.0000	1.0000	99.97
3.5	3,301,616	9,202	0.0028	0.9972	99.97
4.5	3,242,454	14,919	0.0046	0.9954	99.69
5.5	2,845,888	20,014	0.0070	0.9930	99.23
6.5	2,225,737	7,038	0.0032	0.9968	98.54
7.5	1,662,417	43,222	0.0260	0.9740	98.22
8.5	1,628,372	31,283	0.0192	0.9808	95.67
9.5	1,527,041	31,977	0.0209	0.9791	93.83
10.5	1,467,016	51,592	0.0352	0.9648	91.87
11.5	1,423,888	86,053	0.0604	0.9396	88.64
12.5	1,338,341	94,369	0.0705	0.9295	83.29
13.5	1,260,877	72,710	0.0577	0.9423	77.42
14.5	1,199,195	83,596	0.0697	0.9303	72.95
15.5	1,094,786	71,296	0.0651	0.9349	67.87
16.5	914,555	43,488	0.0476	0.9524	63.45
17.5	884,754	51,489	0.0582	0.9418	60.43
18.5	789,465	27,259	0.0345	0.9655	56.91
19.5	718,889	105,881	0.1473	0.8527	54.95
20.5	617,669	120,749	0.1955	0.8045	46.86
21.5	435,966	142,614	0.3271	0.6729	37.70
22.5	296,040	42,941	0.1451	0.8549	25.37
23.5	253,099	77,540	0.3064	0.6936	21.69
24.5	164,004	54,351	0.3314	0.6686	15.04
25.5	81,700	20,075	0.2457	0.7543	10.06
26.5	67,859	2,525	0.0372	0.9628	7.59
27.5	71,580	23,715	0.3313	0.6687	7.31
28.5	45,885	7,516	0.1638	0.8362	4.89
29.5	35,736	9,070	0.2538	0.7462	4.09
30.5	31,866	10,091	0.3167	0.6833	3.05
31.5	25,426	2,455	0.0966	0.9034	2.08
32.5	22,971	1,392	0.0606	0.9394	1.88
33.5	24,731		0.0000	1.0000	1.77
34.5	29,651	248	0.0084	0.9916	1.77
35.5	31,948	377	0.0118	0.9882	1.76
36.5	36,455	14,591	0.4002	0.5998	1.74
37.5	22,305	15,091	0.6766	0.3234	1.04
38.5	8,107	5,352	0.6602	0.3398	0.34

DUKE ENERGY OHIO

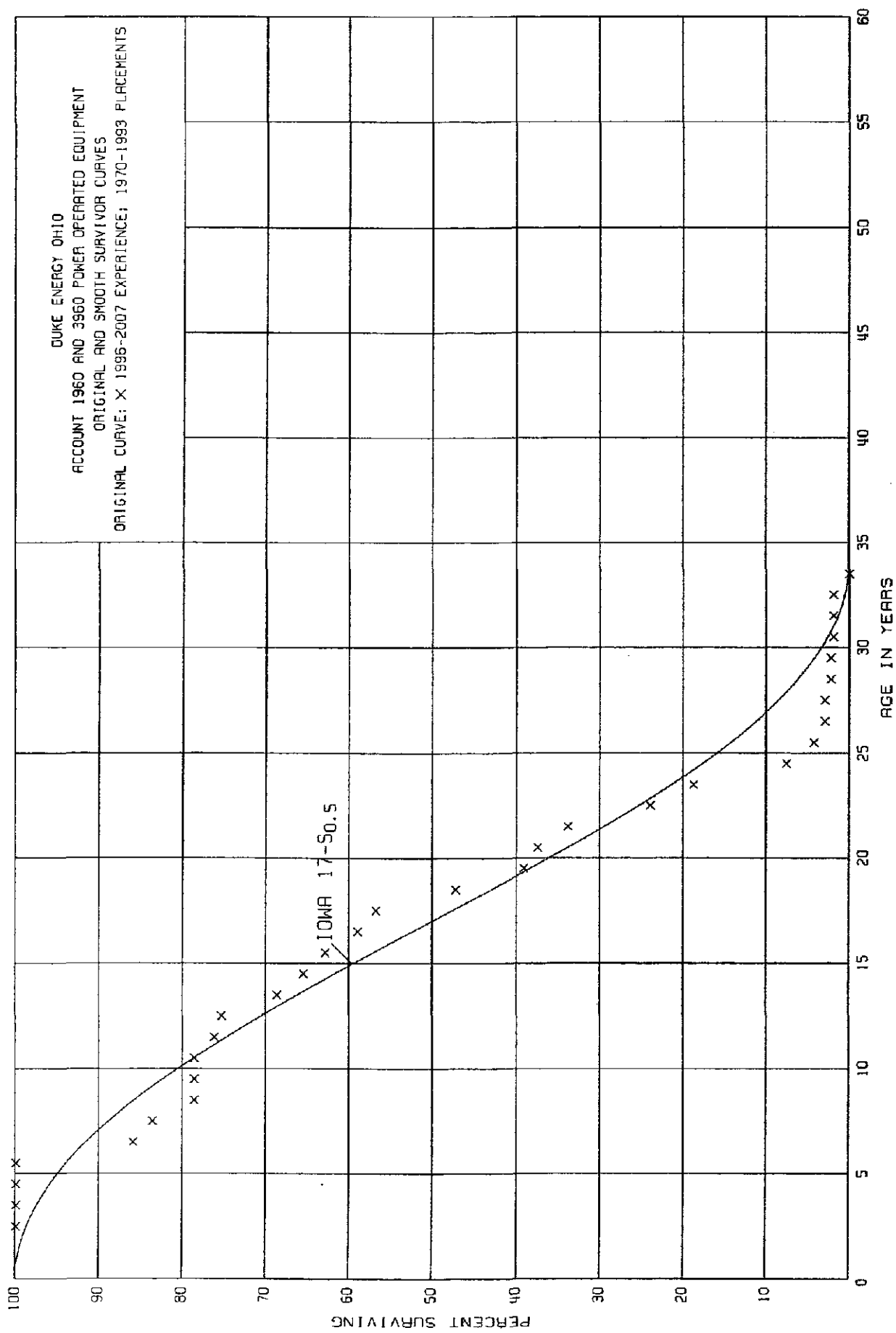
ACCOUNT 1921 AND 3921 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1936-2006

EXPERIENCE BAND 1988-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	6,531	654	0.1001	0.8999	0.12
40.5	12,011	3,672	0.3057	0.6943	0.11
41.5	8,338	7,269	0.8718	0.1282	0.08
42.5	1,069	377	0.3527	0.6473	0.01
43.5	692		0.0000	1.0000	0.01
44.5	692	473	0.6835	0.3165	0.01
45.5	219		0.0000	1.0000	0.00
46.5	219	219	1.0000	0.0000	0.00
47.5					0.00
48.5					
49.5					
50.5					
51.5	585		0.0000		
52.5	585		0.0000		
53.5	585		0.0000		
54.5	585	585	1.0000		
55.5					



DUKE ENERGY OHIO

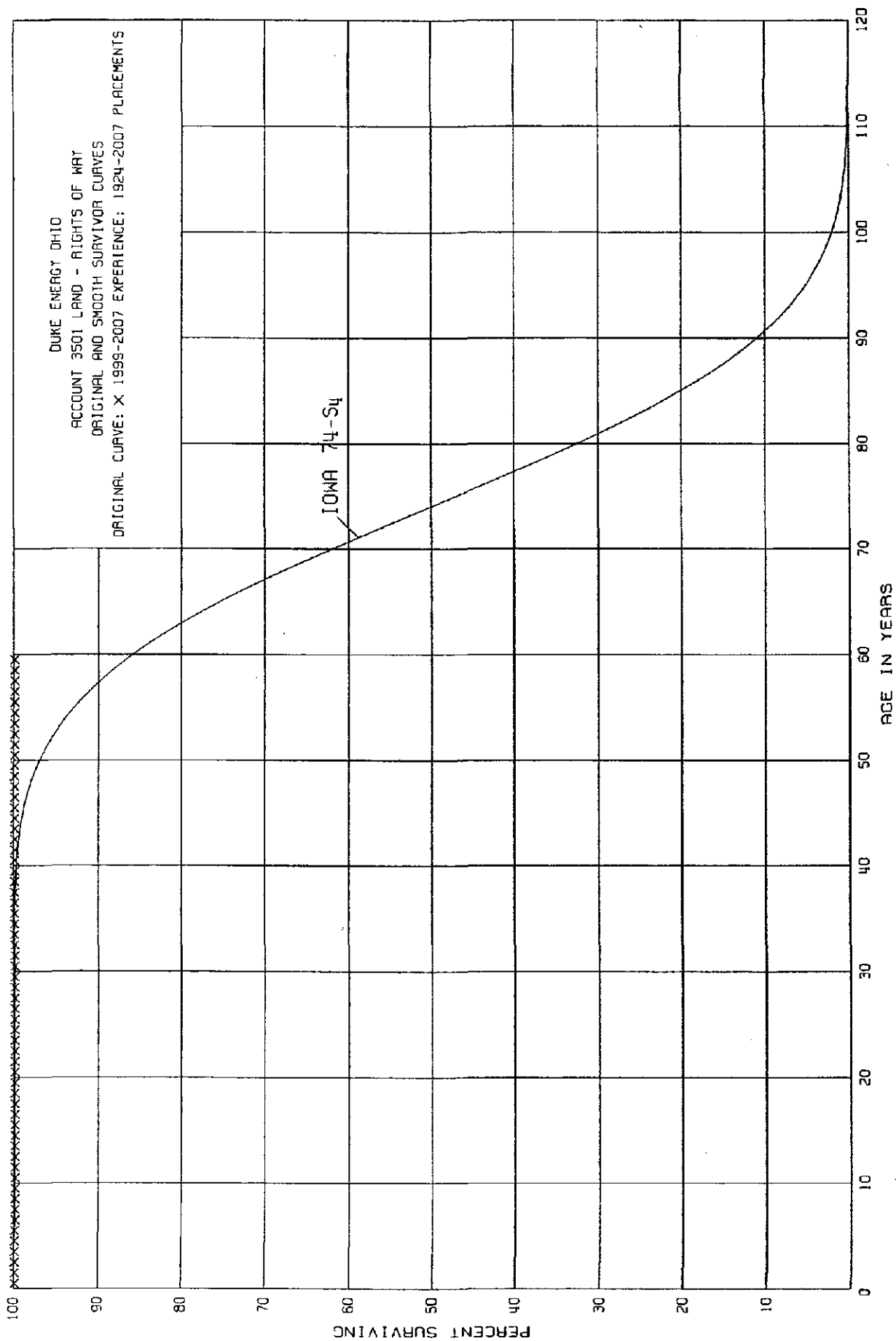
ACCOUNT 1960 AND 3960 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1970-1993

EXPERIENCE BAND 1996-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0					
0.5					
1.5					
2.5	236,504		0.0000	1.0000	100.00
3.5	491,096		0.0000	1.0000	100.00
4.5	634,838		0.0000	1.0000	100.00
5.5	1,376,241	195,967	0.1424	0.8576	100.00
6.5	1,361,442	36,075	0.0265	0.9735	85.76
7.5	1,325,367	78,017	0.0589	0.9411	83.49
8.5	1,530,137		0.0000	1.0000	78.57
9.5	1,686,622		0.0000	1.0000	78.57
10.5	1,934,786	57,838	0.0299	0.9701	78.57
11.5	1,889,835	23,437	0.0124	0.9876	76.22
12.5	1,876,112	165,693	0.0883	0.9117	75.27
13.5	1,898,221	90,259	0.0475	0.9525	68.62
14.5	1,729,488	68,534	0.0396	0.9604	65.36
15.5	1,929,897	118,838	0.0616	0.9384	62.77
16.5	1,715,770	63,573	0.0371	0.9629	58.90
17.5	1,252,758	210,246	0.1678	0.8322	56.71
18.5	957,553	164,970	0.1723	0.8277	47.19
19.5	834,394	36,406	0.0436	0.9564	39.06
20.5	606,315	57,511	0.0949	0.9051	37.36
21.5	528,170	154,980	0.2934	0.7066	33.81
22.5	440,631	96,634	0.2193	0.7807	23.89
23.5	354,563	211,162	0.5956	0.4044	18.65
24.5	143,401	63,402	0.4421	0.5579	7.54
25.5	114,192	34,423	0.3014	0.6986	4.21
26.5	79,769		0.0000	1.0000	2.94
27.5	79,769	18,884	0.2367	0.7633	2.94
28.5	60,885		0.0000	1.0000	2.24
29.5	60,885	10,566	0.1735	0.8265	2.24
30.5	50,319		0.0000	1.0000	1.85
31.5	50,319		0.0000	1.0000	1.85
32.5	50,319	50,319	1.0000	0.0000	1.85
33.5					0.00



DUKE ENERGY OHIO

ACCOUNT 3501 LAND - RIGHTS OF WAY

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2007

EXPERIENCE BAND 1999-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,839,477		0.0000	1.0000	100.00
0.5	1,827,996		0.0000	1.0000	100.00
1.5	1,727,391		0.0000	1.0000	100.00
2.5	1,660,003		0.0000	1.0000	100.00
3.5	1,994,343		0.0000	1.0000	100.00
4.5	1,882,104		0.0000	1.0000	100.00
5.5	1,235,348		0.0000	1.0000	100.00
6.5	1,332,591		0.0000	1.0000	100.00
7.5	2,031,801		0.0000	1.0000	100.00
8.5	2,127,336	511	0.0002	0.9998	100.00
9.5	2,210,297		0.0000	1.0000	99.98
10.5	2,263,760		0.0000	1.0000	99.98
11.5	2,288,280		0.0000	1.0000	99.98
12.5	1,880,323		0.0000	1.0000	99.98
13.5	2,296,306		0.0000	1.0000	99.98
14.5	1,567,808		0.0000	1.0000	99.98
15.5	1,818,877		0.0000	1.0000	99.98
16.5	1,209,219		0.0000	1.0000	99.98
17.5	1,272,373		0.0000	1.0000	99.98
18.5	5,620,296		0.0000	1.0000	99.98
19.5	6,211,356		0.0000	1.0000	99.98
20.5	6,472,800		0.0000	1.0000	99.98
21.5	7,017,279		0.0000	1.0000	99.98
22.5	7,470,669		0.0000	1.0000	99.98
23.5	8,654,006		0.0000	1.0000	99.98
24.5	9,621,678		0.0000	1.0000	99.98
25.5	10,861,226		0.0000	1.0000	99.98
26.5	11,459,101		0.0000	1.0000	99.98
27.5	8,333,927		0.0000	1.0000	99.98
28.5	8,581,041		0.0000	1.0000	99.98
29.5	9,092,452		0.0000	1.0000	99.98
30.5	9,188,008	1,928	0.0002	0.9998	99.98
31.5	8,820,053		0.0000	1.0000	99.96
32.5	7,772,525		0.0000	1.0000	99.96
33.5	6,427,400		0.0000	1.0000	99.96
34.5	5,270,448		0.0000	1.0000	99.96
35.5	5,387,043		0.0000	1.0000	99.96
36.5	4,260,424		0.0000	1.0000	99.96
37.5	3,448,390		0.0000	1.0000	99.96
38.5	2,874,582		0.0000	1.0000	99.96

DUKE ENERGY OHIO

ACCOUNT 3501 LAND - RIGHTS OF WAY

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2007

EXPERIENCE BAND 1999-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,543,865		0.0000	1.0000	99.96
40.5	1,889,346		0.0000	1.0000	99.96
41.5	1,881,831		0.0000	1.0000	99.96
42.5	2,071,417		0.0000	1.0000	99.96
43.5	1,818,337		0.0000	1.0000	99.96
44.5	1,005,601		0.0000	1.0000	99.96
45.5	933,078		0.0000	1.0000	99.96
46.5	1,527,504		0.0000	1.0000	99.96
47.5	1,416,327		0.0000	1.0000	99.96
48.5	1,149,508		0.0000	1.0000	99.96
49.5	1,214,426		0.0000	1.0000	99.96
50.5	1,047,061		0.0000	1.0000	99.96
51.5	834,847		0.0000	1.0000	99.96
52.5	825,707		0.0000	1.0000	99.96
53.5	826,448		0.0000	1.0000	99.96
54.5	815,781		0.0000	1.0000	99.96
55.5	187,488		0.0000	1.0000	99.96
56.5	146,419		0.0000	1.0000	99.96
57.5	249,658		0.0000	1.0000	99.96
58.5	146,322		0.0000	1.0000	99.96
59.5	142,798		0.0000	1.0000	99.96
60.5	206,766		0.0000	1.0000	99.96
61.5	737,517		0.0000	1.0000	99.96
62.5	754,445		0.0000	1.0000	99.96
63.5	751,199		0.0000	1.0000	99.96
64.5	746,458		0.0000	1.0000	99.96
65.5	744,498		0.0000	1.0000	99.96
66.5	545,394		0.0000	1.0000	99.96
67.5	545,114		0.0000	1.0000	99.96
68.5	544,577		0.0000	1.0000	99.96
69.5	478,358		0.0000	1.0000	99.96
70.5	22,420		0.0000	1.0000	99.96
71.5	3,035		0.0000	1.0000	99.96
72.5	4,570		0.0000	1.0000	99.96
73.5	4,497		0.0000	1.0000	99.96
74.5	7,347		0.0000	1.0000	99.96
75.5	7,347		0.0000	1.0000	99.96
76.5	7,347		0.0000	1.0000	99.96
77.5	7,347		0.0000	1.0000	99.96
78.5	4,547		0.0000	1.0000	99.96

DUKE ENERGY OHIO

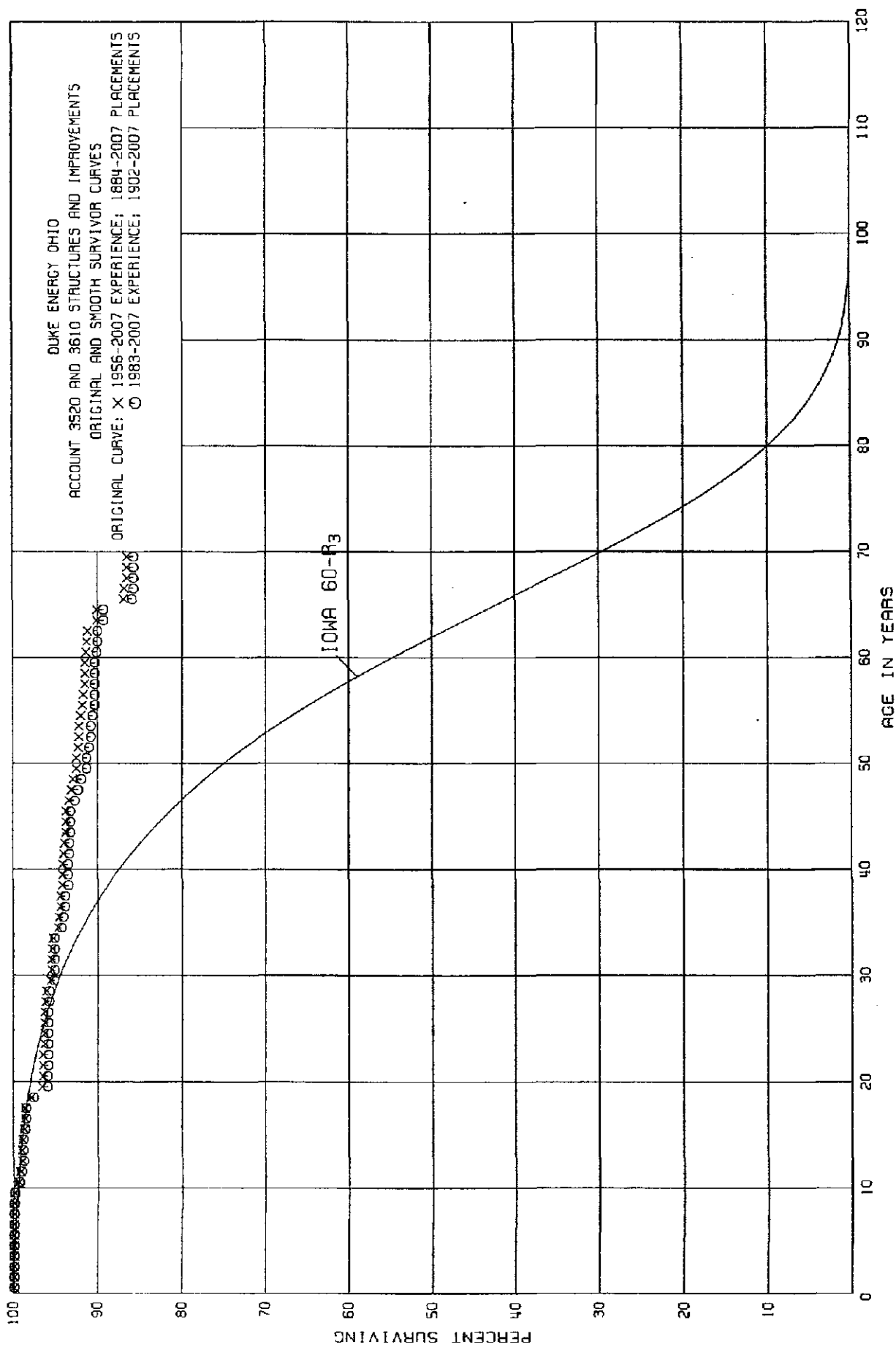
ACCOUNT 3501 LAND - RIGHTS OF WAY

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2007

EXPERIENCE BAND 1999-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	4,547		0.0000	1.0000	99.96
80.5	4,384		0.0000	1.0000	99.96
81.5	2,850		0.0000	1.0000	99.96
82.5	2,850		0.0000	1.0000	99.96
83.5					99.96



DUKE ENERGY OHIO

ACCOUNT 3520 AND 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1884-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	13,259,039		0.0000	1.0000	100.00
0.5	13,300,281		0.0000	1.0000	100.00
1.5	12,717,710		0.0000	1.0000	100.00
2.5	12,470,785	1,425	0.0001	0.9999	100.00
3.5	12,838,218	391	0.0000	1.0000	99.99
4.5	12,448,961	1,501	0.0001	0.9999	99.99
5.5	12,150,803	1,762	0.0001	0.9999	99.98
6.5	12,112,274	93	0.0000	1.0000	99.97
7.5	12,077,760	995	0.0001	0.9999	99.97
8.5	11,714,601	847	0.0001	0.9999	99.96
9.5	11,698,753	66,083	0.0056	0.9944	99.95
10.5	11,635,444	18,314	0.0016	0.9984	99.39
11.5	11,292,683	26,224	0.0023	0.9977	99.23
12.5	10,573,659	3,055	0.0003	0.9997	99.00
13.5	10,489,451	5,371	0.0005	0.9995	98.97
14.5	9,865,363	17,935	0.0018	0.9982	98.92
15.5	9,236,155	11,240	0.0012	0.9988	98.74
16.5	9,167,601	2,974	0.0003	0.9997	98.62
17.5	9,603,340	68,830	0.0072	0.9928	98.59
18.5	9,281,719	125,019	0.0135	0.9865	97.88
19.5	9,143,174	1,732	0.0002	0.9998	96.56
20.5	7,470,252	6,149	0.0008	0.9992	96.54
21.5	7,464,103	1	0.0000	1.0000	96.46
22.5	6,945,880	11,390	0.0016	0.9984	96.46
23.5	5,564,285		0.0000	1.0000	96.31
24.5	5,499,278	1,947	0.0004	0.9996	96.31
25.5	5,330,078	106	0.0000	1.0000	96.27
26.5	5,216,872	2,718	0.0005	0.9995	96.27
27.5	4,850,687	6,269	0.0013	0.9987	96.22
28.5	4,901,330	23,931	0.0049	0.9951	96.09
29.5	4,918,323	4,249	0.0009	0.9991	95.62
30.5	4,544,845	2,622	0.0006	0.9994	95.53
31.5	4,383,777	4,065	0.0009	0.9991	95.47
32.5	4,069,751	1,707	0.0004	0.9996	95.38
33.5	3,853,299	24,365	0.0063	0.9937	95.34
34.5	3,691,266	5,418	0.0015	0.9985	94.74
35.5	3,494,935	6,533	0.0019	0.9981	94.60
36.5	2,831,052	173	0.0001	0.9999	94.42
37.5	2,941,186	7,470	0.0025	0.9975	94.41
38.5	2,790,901	1,002	0.0004	0.9996	94.17

DUKE ENERGY OHIO

ACCOUNT 3520 AND 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,713,749	1,173	0.0004	0.9996	94.13
40.5	2,585,503	3,797	0.0015	0.9985	94.09
41.5	2,552,148	220	0.0001	0.9999	93.95
42.5	2,469,714	5,169	0.0021	0.9979	93.94
43.5	2,501,115	299	0.0001	0.9999	93.74
44.5	2,428,261	554	0.0002	0.9998	93.73
45.5	2,256,683	8,143	0.0036	0.9964	93.71
46.5	2,155,881	5,501	0.0026	0.9974	93.37
47.5	2,064,081	5,564	0.0027	0.9973	93.13
48.5	1,996,606	8,103	0.0041	0.9959	92.88
49.5	1,882,978	74	0.0000	1.0000	92.50
50.5	1,803,673	3,253	0.0018	0.9982	92.50
51.5	1,728,700	3,538	0.0020	0.9980	92.33
52.5	1,685,595		0.0000	1.0000	92.15
53.5	1,696,053	3,444	0.0020	0.9980	92.15
54.5	1,665,631	3,733	0.0022	0.9978	91.97
55.5	1,566,949	1,398	0.0009	0.9991	91.77
56.5	1,531,341	3,752	0.0025	0.9975	91.69
57.5	1,470,579		0.0000	1.0000	91.46
58.5	1,463,203	215	0.0001	0.9999	91.46
59.5	1,334,859	1,222	0.0009	0.9991	91.45
60.5	1,333,634	1,518	0.0011	0.9989	91.37
61.5	1,330,474	484	0.0004	0.9996	91.27
62.5	1,329,209	16,074	0.0121	0.9879	91.23
63.5	1,313,135	98	0.0001	0.9999	90.13
64.5	1,266,302	44,902	0.0355	0.9645	90.12
65.5	1,207,332	2,460	0.0020	0.9980	86.92
66.5	1,193,512	3,068	0.0026	0.9974	86.75
67.5	1,162,450		0.0000	1.0000	86.52
68.5	1,161,510		0.0000	1.0000	86.52
69.5	773,013		0.0000	1.0000	86.52
70.5	772,693		0.0000	1.0000	86.52
71.5	772,663	645	0.0008	0.9992	86.52
72.5	772,018	64	0.0001	0.9999	86.45
73.5	771,954		0.0000	1.0000	86.44
74.5	771,143	2,544	0.0033	0.9967	86.44
75.5	767,500		0.0000	1.0000	86.15
76.5	766,401	2,275	0.0030	0.9970	86.15
77.5	761,345		0.0000	1.0000	85.89
78.5	744,537	1,974	0.0027	0.9973	85.89

DUKE ENERGY OHIO

ACCOUNT 3520 AND 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	667,746		0.0000	1.0000	85.66
80.5	566,735		0.0000	1.0000	85.66
81.5	529,185	1,207	0.0023	0.9977	85.66
82.5	431,016	4,714	0.0109	0.9891	85.46
83.5	425,448		0.0000	1.0000	84.53
84.5	352,914		0.0000	1.0000	84.53
85.5	352,024		0.0000	1.0000	84.53
86.5	339,808		0.0000	1.0000	84.53
87.5	329,966		0.0000	1.0000	84.53
88.5	319,706		0.0000	1.0000	84.53
89.5	67,313		0.0000	1.0000	84.53
90.5	60,470		0.0000	1.0000	84.53
91.5	60,470		0.0000	1.0000	84.53
92.5	60,470		0.0000	1.0000	84.53
93.5	60,470		0.0000	1.0000	84.53
94.5	60,470		0.0000	1.0000	84.53
95.5	7,685		0.0000	1.0000	84.53
96.5	7,685		0.0000	1.0000	84.53
97.5	7,685		0.0000	1.0000	84.53
98.5	7,685		0.0000	1.0000	84.53
99.5	7,685		0.0000	1.0000	84.53
100.5	7,685		0.0000	1.0000	84.53
101.5	7,685		0.0000	1.0000	84.53
102.5	7,685		0.0000	1.0000	84.53
103.5	7,685		0.0000	1.0000	84.53
104.5	7,685		0.0000	1.0000	84.53
105.5					84.53

DUKE ENERGY OHIO

ACCOUNT 3520 AND 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1902-2007

EXPERIENCE BAND 1983-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	8,599,498		0.0000	1.0000	100.00
0.5	8,767,204		0.0000	1.0000	100.00
1.5	8,317,251		0.0000	1.0000	100.00
2.5	8,478,626		0.0000	1.0000	100.00
3.5	8,903,206	391	0.0000	1.0000	100.00
4.5	8,478,138		0.0000	1.0000	100.00
5.5	8,593,412		0.0000	1.0000	100.00
6.5	8,708,593		0.0000	1.0000	100.00
7.5	8,925,881		0.0000	1.0000	100.00
8.5	8,789,471	811	0.0001	0.9999	100.00
9.5	8,923,944	65,924	0.0074	0.9926	99.99
10.5	9,066,443	14,082	0.0016	0.9984	99.25
11.5	9,395,858	23,786	0.0025	0.9975	99.09
12.5	8,781,363	1,025	0.0001	0.9999	98.84
13.5	8,833,832	5,371	0.0006	0.9994	98.83
14.5	8,276,925	17,775	0.0021	0.9979	98.77
15.5	7,743,852	7,198	0.0009	0.9991	98.56
16.5	7,707,836		0.0000	1.0000	98.47
17.5	7,784,037	67,878	0.0087	0.9913	98.47
18.5	7,499,682	124,798	0.0166	0.9834	97.61
19.5	7,436,970		0.0000	1.0000	95.99
20.5	5,938,485	5,562	0.0009	0.9991	95.99
21.5	6,025,581		0.0000	1.0000	95.90
22.5	5,600,310	901	0.0002	0.9998	95.90
23.5	4,295,246		0.0000	1.0000	95.88
24.5	4,340,289	1,434	0.0003	0.9997	95.88
25.5	4,260,717		0.0000	1.0000	95.85
26.5	4,211,919	2,718	0.0006	0.9994	95.85
27.5	3,809,090		0.0000	1.0000	95.79
28.5	3,759,819	23,568	0.0063	0.9937	95.79
29.5	3,764,040	2,670	0.0007	0.9993	95.19
30.5	3,402,471	1,122	0.0003	0.9997	95.12
31.5	3,277,836	1,359	0.0004	0.9996	95.09
32.5	2,946,480		0.0000	1.0000	95.05
33.5	2,738,182	21,802	0.0080	0.9920	95.05
34.5	2,698,262	5,386	0.0020	0.9980	94.29
35.5	2,492,125	5,307	0.0021	0.9979	94.10
36.5	1,820,850		0.0000	1.0000	93.90
37.5	1,671,463	7,033	0.0042	0.9958	93.90
38.5	1,514,409		0.0000	1.0000	93.51

DUKE ENERGY OHIO
ACCOUNT 3520 AND 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1902-2007			EXPERIENCE BAND 1983-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,493,727		0.0000	1.0000	93.51
40.5	1,382,241	3,140	0.0023	0.9977	93.51
41.5	1,360,902		0.0000	1.0000	93.29
42.5	1,309,142	1,852	0.0014	0.9986	93.29
43.5	1,285,097		0.0000	1.0000	93.16
44.5	1,645,250		0.0000	1.0000	93.16
45.5	1,474,546	7,629	0.0052	0.9948	93.16
46.5	1,374,353	5,398	0.0039	0.9961	92.68
47.5	1,282,656	5,564	0.0043	0.9957	92.32
48.5	1,215,181	7,969	0.0066	0.9934	91.92
49.5	1,102,498	74	0.0001	0.9999	91.31
50.5	1,024,292	2,893	0.0028	0.9972	91.30
51.5	950,778	2,411	0.0025	0.9975	91.04
52.5	911,580		0.0000	1.0000	90.81
53.5	930,091	2,146	0.0023	0.9977	90.81
54.5	977,756	3,638	0.0037	0.9963	90.60
55.5	983,101		0.0000	1.0000	90.26
56.5	986,441		0.0000	1.0000	90.26
57.5	1,027,780		0.0000	1.0000	90.26
58.5	1,021,257		0.0000	1.0000	90.26
59.5	970,376	1,222	0.0013	0.9987	90.26
60.5	970,042	1,518	0.0016	0.9984	90.14
61.5	979,098	484	0.0005	0.9995	90.00
62.5	987,675	7,672	0.0078	0.9922	89.96
63.5	990,262		0.0000	1.0000	89.26
64.5	1,195,920	44,902	0.0375	0.9625	89.26
65.5	1,143,794	2,460	0.0022	0.9978	85.91
66.5	1,129,974		0.0000	1.0000	85.72
67.5	1,101,980		0.0000	1.0000	85.72
68.5	1,101,041		0.0000	1.0000	85.72
69.5	712,543		0.0000	1.0000	85.72
70.5	765,008		0.0000	1.0000	85.72
71.5	764,914	645	0.0008	0.9992	85.72
72.5	764,270		0.0000	1.0000	85.65
73.5	764,270		0.0000	1.0000	85.65
74.5	763,459	2,544	0.0033	0.9967	85.65
75.5	759,815		0.0000	1.0000	85.37
76.5	758,716	2,275	0.0030	0.9970	85.37
77.5	753,661		0.0000	1.0000	85.11
78.5	736,852	1,974	0.0027	0.9973	85.11

DUKE ENERGY OHIO

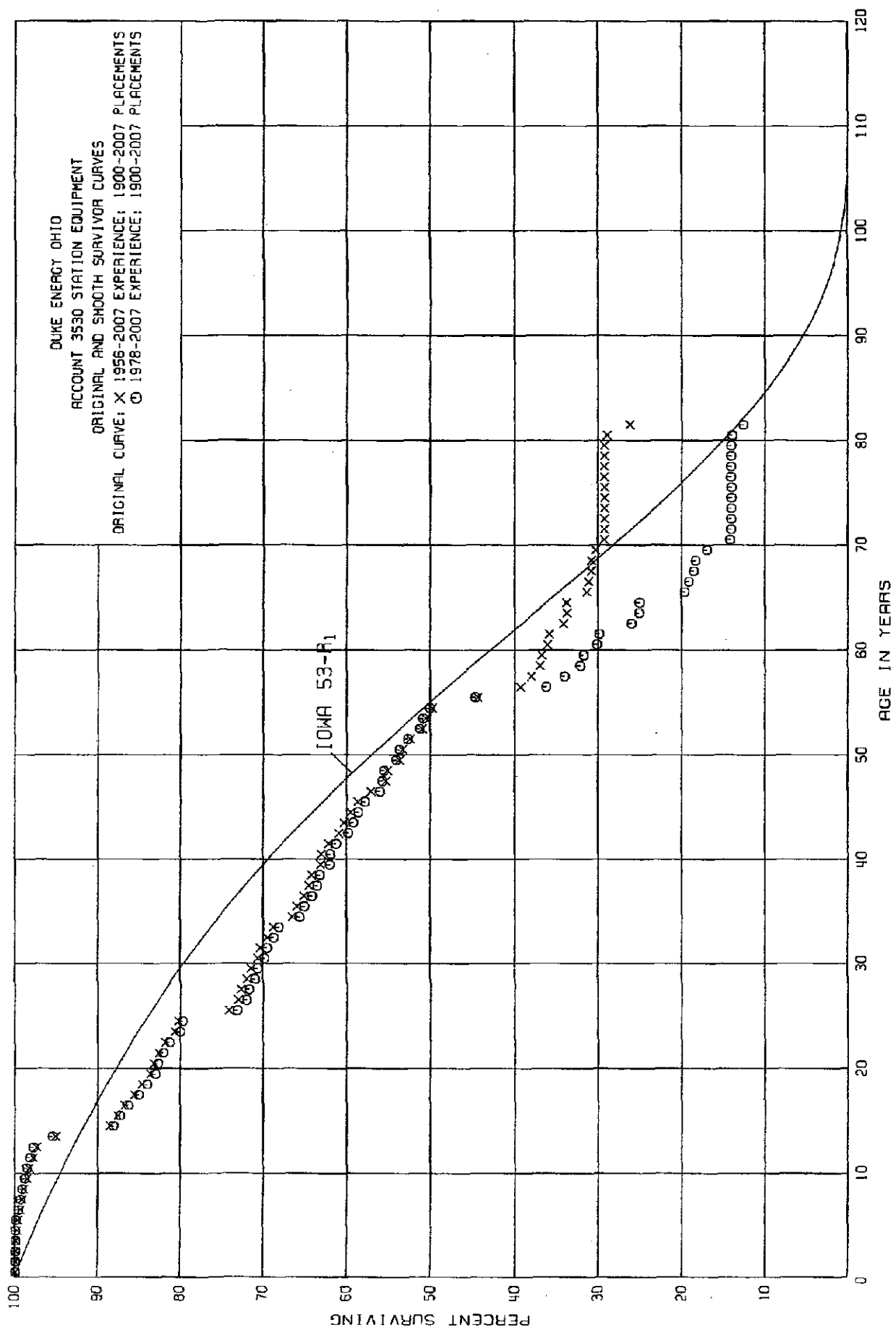
ACCOUNT 3520 AND 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1902-2007

EXPERIENCE BAND 1983-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	660,062		0.0000	1.0000	84.88
80.5	566,735		0.0000	1.0000	84.88
81.5	529,185	1,207	0.0023	0.9977	84.88
82.5	431,016	4,714	0.0109	0.9891	84.68
83.5	425,448		0.0000	1.0000	83.76
84.5	352,914		0.0000	1.0000	83.76
85.5	352,024		0.0000	1.0000	83.76
86.5	339,808		0.0000	1.0000	83.76
87.5	329,966		0.0000	1.0000	83.76
88.5	319,706		0.0000	1.0000	83.76
89.5	67,313		0.0000	1.0000	83.76
90.5	60,470		0.0000	1.0000	83.76
91.5	60,470		0.0000	1.0000	83.76
92.5	60,470		0.0000	1.0000	83.76
93.5	60,470		0.0000	1.0000	83.76
94.5	60,470		0.0000	1.0000	83.76
95.5	7,685		0.0000	1.0000	83.76
96.5	7,685		0.0000	1.0000	83.76
97.5	7,685		0.0000	1.0000	83.76
98.5	7,685		0.0000	1.0000	83.76
99.5	7,685		0.0000	1.0000	83.76
100.5	7,685		0.0000	1.0000	83.76
101.5	7,685		0.0000	1.0000	83.76
102.5	7,685		0.0000	1.0000	83.76
103.5	7,685		0.0000	1.0000	83.76
104.5	7,685		0.0000	1.0000	83.76
105.5					83.76



DUKE ENERGY OHIO
ACCOUNT 3530 STATION EQUIPMENT
ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2007			EXPERIENCE BAND 1956-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	235,049,579	1,325	0.0000	1.0000	100.00
0.5	228,441,533	6,421	0.0000	1.0000	100.00
1.5	216,213,952	15,539	0.0001	0.9999	100.00
2.5	204,865,004	193,632	0.0009	0.9991	99.99
3.5	199,878,530	425,150	0.0021	0.9979	99.90
4.5	194,539,730	90,214	0.0005	0.9995	99.69
5.5	186,946,205	676,780	0.0036	0.9964	99.64
6.5	183,645,512	344,996	0.0019	0.9981	99.28
7.5	177,094,588	380,606	0.0021	0.9979	99.09
8.5	163,489,027	560,129	0.0034	0.9966	98.88
9.5	159,112,124	559,507	0.0035	0.9965	98.54
10.5	150,722,325	749,850	0.0050	0.9950	98.20
11.5	142,409,387	673,805	0.0047	0.9953	97.71
12.5	136,062,763	3,137,081	0.0231	0.9769	97.25
13.5	120,722,196	8,256,853	0.0684	0.9316	95.00
14.5	106,386,136	1,026,678	0.0097	0.9903	88.50
15.5	99,014,021	1,042,332	0.0105	0.9895	87.64
16.5	88,901,978	1,288,308	0.0145	0.9855	86.72
17.5	84,788,504	863,215	0.0102	0.9898	85.46
18.5	82,709,553	942,283	0.0114	0.9886	84.59
19.5	79,853,492	441,804	0.0055	0.9945	83.63
20.5	79,010,696	548,391	0.0069	0.9931	83.17
21.5	77,727,314	730,480	0.0094	0.9906	82.60
22.5	71,910,646	1,068,180	0.0149	0.9851	81.82
23.5	66,515,237	326,202	0.0049	0.9951	80.60
24.5	64,000,515	4,906,527	0.0767	0.9233	80.21
25.5	55,331,922	820,233	0.0148	0.9852	74.06
26.5	49,548,075	181,442	0.0037	0.9963	72.96
27.5	47,488,234	507,125	0.0107	0.9893	72.69
28.5	44,174,826	289,229	0.0065	0.9935	71.91
29.5	42,604,587	475,168	0.0112	0.9888	71.44
30.5	38,051,066	209,471	0.0055	0.9945	70.64
31.5	35,070,858	377,859	0.0108	0.9892	70.25
32.5	33,732,553	336,162	0.0100	0.9900	69.49
33.5	29,882,103	991,542	0.0332	0.9668	68.80
34.5	27,365,601	252,085	0.0092	0.9908	66.52
35.5	25,212,319	320,262	0.0127	0.9873	65.91
36.5	21,081,987	189,584	0.0090	0.9910	65.07
37.5	19,371,227	71,386	0.0037	0.9963	64.48
38.5	16,914,797	296,941	0.0176	0.9824	64.24

DUKE ENERGY OHIO
ACCOUNT 3530 STATION EQUIPMENT
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2007			EXPERIENCE BAND 1956-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	16,272,141	26,187	0.0016	0.9984	63.11
40.5	15,591,917	221,784	0.0142	0.9858	63.01
41.5	14,711,566	293,949	0.0200	0.9800	62.12
42.5	13,505,139	129,445	0.0096	0.9904	60.88
43.5	12,786,552	164,689	0.0129	0.9871	60.30
44.5	12,435,677	173,017	0.0139	0.9861	59.52
45.5	10,334,630	273,758	0.0265	0.9735	58.69
46.5	9,741,393	308,736	0.0317	0.9683	57.13
47.5	8,788,262	38,768	0.0044	0.9956	55.32
48.5	8,552,628	214,814	0.0251	0.9749	55.08
49.5	6,802,510	52,836	0.0078	0.9922	53.70
50.5	6,559,789	111,719	0.0170	0.9830	53.28
51.5	5,929,486	164,334	0.0277	0.9723	52.37
52.5	5,643,529	45,713	0.0081	0.9919	50.92
53.5	4,771,277	80,498	0.0169	0.9831	50.51
54.5	4,291,668	466,883	0.1088	0.8912	49.66
55.5	5,001,938	563,862	0.1127	0.8873	44.26
56.5	4,240,642	137,762	0.0325	0.9675	39.27
57.5	4,016,425	111,401	0.0277	0.9723	37.99
58.5	3,525,419	22,845	0.0065	0.9935	36.94
59.5	3,363,467	66,711	0.0198	0.9802	36.70
60.5	3,272,128	12,893	0.0039	0.9961	35.97
61.5	3,198,584	152,935	0.0478	0.9522	35.83
62.5	3,045,092	38,138	0.0125	0.9875	34.12
63.5	3,003,870	1,547	0.0005	0.9995	33.69
64.5	2,959,519	206,914	0.0699	0.9301	33.67
65.5	2,737,044	20,646	0.0075	0.9925	31.32
66.5	2,707,205	22,658	0.0084	0.9916	31.09
67.5	2,592,579	4,473	0.0017	0.9983	30.83
68.5	2,581,714	44,414	0.0172	0.9828	30.78
69.5	2,518,195	87,976	0.0349	0.9651	30.25
70.5	2,430,192	1,130	0.0005	0.9995	29.19
71.5	2,429,062		0.0000	1.0000	29.18
72.5	2,424,655		0.0000	1.0000	29.18
73.5	2,424,655		0.0000	1.0000	29.18
74.5	2,424,655		0.0000	1.0000	29.18
75.5	2,424,655		0.0000	1.0000	29.18
76.5	2,352,511	359	0.0002	0.9998	29.18
77.5	2,352,152	1,704	0.0007	0.9993	29.17
78.5	2,346,280		0.0000	1.0000	29.15

DUKE ENERGY OHIO
ACCOUNT 3530 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,340,850	18,670	0.0080	0.9920	29.15
80.5	2,322,179	221,266	0.0953	0.9047	28.92
81.5	2,034,238	520	0.0003	0.9997	26.16
82.5	2,033,718		0.0000	1.0000	26.15
83.5	2,033,718		0.0000	1.0000	26.15
84.5	1,999,834		0.0000	1.0000	26.15
85.5	1,999,834		0.0000	1.0000	26.15
86.5	1,999,834		0.0000	1.0000	26.15
87.5	1,999,834		0.0000	1.0000	26.15
88.5	1,999,834		0.0000	1.0000	26.15
89.5	1,999,834		0.0000	1.0000	26.15
90.5	1,999,834		0.0000	1.0000	26.15
91.5	1,999,834		0.0000	1.0000	26.15
92.5	1,999,834		0.0000	1.0000	26.15
93.5	1,999,834		0.0000	1.0000	26.15
94.5	1,999,834		0.0000	1.0000	26.15
95.5	1,999,834		0.0000	1.0000	26.15
96.5	1,999,834		0.0000	1.0000	26.15
97.5	1,999,834		0.0000	1.0000	26.15
98.5	1,999,834		0.0000	1.0000	26.15
99.5	1,999,834		0.0000	1.0000	26.15
100.5	1,999,834		0.0000	1.0000	26.15
101.5	1,999,834		0.0000	1.0000	26.15
102.5	1,999,834		0.0000	1.0000	26.15
103.5	1,999,834		0.0000	1.0000	26.15
104.5	1,999,834		0.0000	1.0000	26.15
105.5	1,999,834		0.0000	1.0000	26.15
106.5	1,999,834		0.0000	1.0000	26.15
107.5					26.15

DUKE ENERGY OHIO
ACCOUNT 3530 STATION EQUIPMENT
ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2007			EXPERIENCE BAND 1978-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	189,642,139		0.0000	1.0000	100.00
0.5	186,854,012	3,209	0.0000	1.0000	100.00
1.5	176,924,071	7,346	0.0000	1.0000	100.00
2.5	166,855,279	115,108	0.0007	0.9993	100.00
3.5	165,687,604	128,016	0.0008	0.9992	99.93
4.5	162,325,851	44,027	0.0003	0.9997	99.85
5.5	157,530,806	574,811	0.0036	0.9964	99.82
6.5	158,494,472	254,676	0.0016	0.9984	99.46
7.5	152,972,214	346,698	0.0023	0.9977	99.30
8.5	142,742,257	365,423	0.0026	0.9974	99.07
9.5	139,251,792	402,521	0.0029	0.9971	98.81
10.5	132,099,880	610,995	0.0046	0.9954	98.52
11.5	125,076,995	462,480	0.0037	0.9963	98.07
12.5	119,477,562	2,853,292	0.0239	0.9761	97.71
13.5	105,258,508	7,978,241	0.0758	0.9242	95.37
14.5	91,019,278	860,759	0.0095	0.9905	88.14
15.5	86,560,569	954,800	0.0110	0.9890	87.30
16.5	76,927,749	1,209,269	0.0157	0.9843	86.34
17.5	73,613,067	817,381	0.0111	0.9889	84.98
18.5	71,850,011	854,521	0.0119	0.9881	84.04
19.5	70,837,420	307,218	0.0043	0.9957	83.04
20.5	70,430,620	511,643	0.0073	0.9927	82.68
21.5	69,682,064	641,699	0.0092	0.9908	82.08
22.5	64,216,659	1,029,388	0.0160	0.9840	81.32
23.5	59,971,236	272,099	0.0045	0.9955	80.02
24.5	58,179,715	4,820,079	0.0828	0.9172	79.66
25.5	50,815,062	769,218	0.0151	0.9849	73.06
26.5	45,552,335	172,291	0.0038	0.9962	71.96
27.5	43,400,467	479,256	0.0110	0.9890	71.69
28.5	40,497,788	155,103	0.0038	0.9962	70.90
29.5	39,753,318	449,229	0.0113	0.9887	70.63
30.5	35,038,436	183,688	0.0052	0.9948	69.83
31.5	32,152,458	343,381	0.0107	0.9893	69.47
32.5	30,780,678	300,440	0.0098	0.9902	68.73
33.5	26,970,380	985,151	0.0365	0.9635	68.06
34.5	24,690,163	228,630	0.0093	0.9907	65.58
35.5	22,633,741	314,020	0.0139	0.9861	64.97
36.5	19,072,661	177,222	0.0093	0.9907	64.07
37.5	17,509,545	71,386	0.0041	0.9959	63.47
38.5	15,090,010	295,141	0.0196	0.9804	63.21

DUKE ENERGY OHIO
ACCOUNT 3530 STATION EQUIPMENT
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2007			EXPERIENCE BAND 1978-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	14,866,738	17,483	0.0012	0.9988	61.97
40.5	14,195,246	166,191	0.0117	0.9883	61.90
41.5	13,370,489	293,949	0.0220	0.9780	61.18
42.5	12,164,062	129,445	0.0106	0.9894	59.83
43.5	11,446,165	125,509	0.0110	0.9890	59.20
44.5	11,134,471	144,912	0.0130	0.9870	58.55
45.5	9,061,528	273,758	0.0302	0.9698	57.79
46.5	8,553,183	50,489	0.0059	0.9941	56.04
47.5	7,991,577	37,404	0.0047	0.9953	55.71
48.5	7,762,469	186,842	0.0241	0.9759	55.45
49.5	6,256,185	49,236	0.0079	0.9921	54.11
50.5	6,019,959	111,719	0.0186	0.9814	53.68
51.5	5,728,625	162,202	0.0283	0.9717	52.68
52.5	5,586,242	45,713	0.0082	0.9918	51.19
53.5	4,720,551	71,442	0.0151	0.9849	50.77
54.5	4,285,845	461,060	0.1076	0.8924	50.00
55.5	3,002,104	563,862	0.1878	0.8122	44.62
56.5	2,240,808	137,762	0.0615	0.9385	36.24
57.5	2,016,591	111,401	0.0552	0.9448	34.01
58.5	1,525,584	22,845	0.0150	0.9850	32.13
59.5	1,363,633	66,711	0.0489	0.9511	31.65
60.5	1,272,294	12,893	0.0101	0.9899	30.10
61.5	1,198,749	152,935	0.1276	0.8724	29.80
62.5	1,045,258	38,138	0.0365	0.9635	26.00
63.5	1,004,036	1,547	0.0015	0.9985	25.05
64.5	959,685	206,914	0.2156	0.7844	25.01
65.5	737,210	20,646	0.0280	0.9720	19.62
66.5	707,371	22,658	0.0320	0.9680	19.07
67.5	592,745	4,473	0.0075	0.9925	18.46
68.5	581,880	44,414	0.0763	0.9237	18.32
69.5	518,361	87,976	0.1697	0.8303	16.92
70.5	430,358	1,130	0.0026	0.9974	14.05
71.5	429,228		0.0000	1.0000	14.01
72.5	424,821		0.0000	1.0000	14.01
73.5	424,821		0.0000	1.0000	14.01
74.5	424,821		0.0000	1.0000	14.01
75.5	424,821		0.0000	1.0000	14.01
76.5	352,676	359	0.0010	0.9990	14.01
77.5	2,352,152	1,704	0.0007	0.9993	14.00
78.5	2,346,280		0.0000	1.0000	13.99

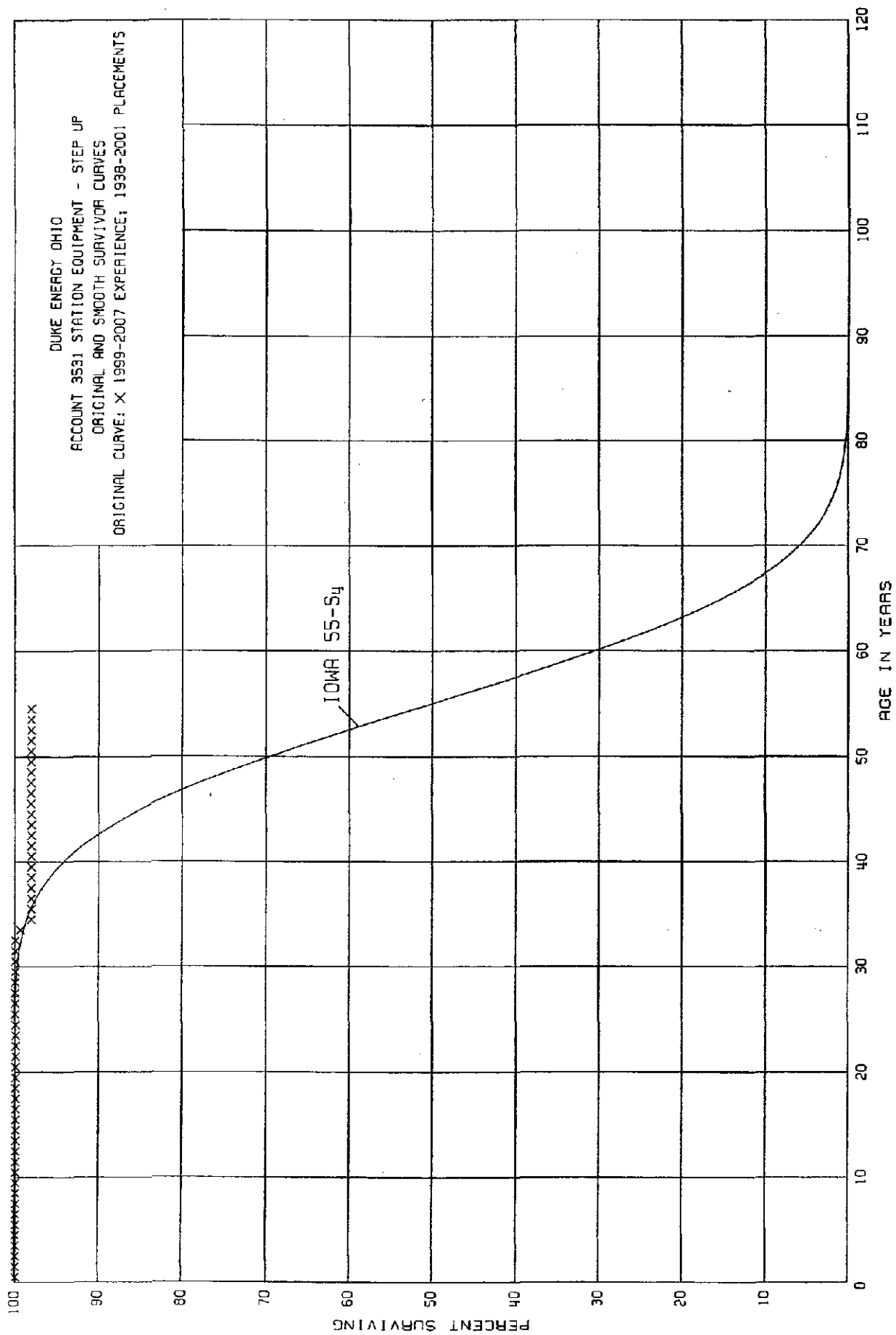
DUKE ENERGY OHIO
ACCOUNT 3530 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2007

EXPERIENCE BAND 1978-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,340,850	18,670	0.0080	0.9920	13.99
80.5	2,322,179	221,266	0.0953	0.9047	13.88
81.5	2,034,238	520	0.0003	0.9997	12.56
82.5	2,033,718		0.0000	1.0000	12.56
83.5	2,033,718		0.0000	1.0000	12.56
84.5	1,999,834		0.0000	1.0000	12.56
85.5	1,999,834		0.0000	1.0000	12.56
86.5	1,999,834		0.0000	1.0000	12.56
87.5	1,999,834		0.0000	1.0000	12.56
88.5	1,999,834		0.0000	1.0000	12.56
89.5	1,999,834		0.0000	1.0000	12.56
90.5	1,999,834		0.0000	1.0000	12.56
91.5	1,999,834		0.0000	1.0000	12.56
92.5	1,999,834		0.0000	1.0000	12.56
93.5	1,999,834		0.0000	1.0000	12.56
94.5	1,999,834		0.0000	1.0000	12.56
95.5	1,999,834		0.0000	1.0000	12.56
96.5	1,999,834		0.0000	1.0000	12.56
97.5	1,999,834		0.0000	1.0000	12.56
98.5	1,999,834		0.0000	1.0000	12.56
99.5	1,999,834		0.0000	1.0000	12.56
100.5	1,999,834		0.0000	1.0000	12.56
101.5	1,999,834		0.0000	1.0000	12.56
102.5	1,999,834		0.0000	1.0000	12.56
103.5	1,999,834		0.0000	1.0000	12.56
104.5	1,999,834		0.0000	1.0000	12.56
105.5	1,999,834		0.0000	1.0000	12.56
106.5	1,999,834		0.0000	1.0000	12.56
107.5					12.56



DUKE ENERGY OHIO

ACCOUNT 3531 STATION EQUIPMENT - STEP UP

ORIGINAL LIFE TABLE

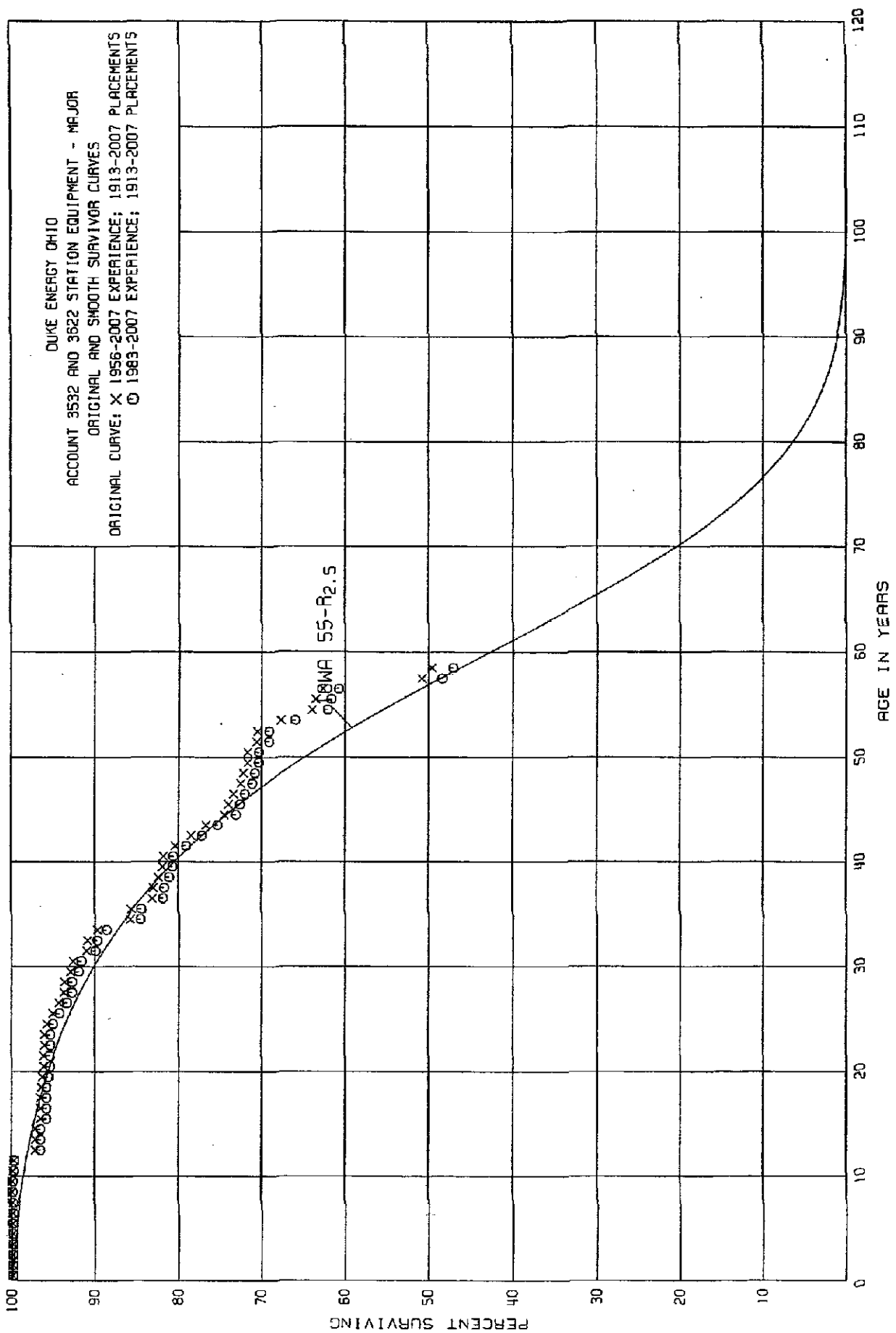
PLACEMENT BAND 1938-2001

EXPERIENCE BAND 1999-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	234,327		0.0000	1.0000	100.00
0.5	866,509		0.0000	1.0000	100.00
1.5	866,509		0.0000	1.0000	100.00
2.5	1,632,500		0.0000	1.0000	100.00
3.5	1,834,890		0.0000	1.0000	100.00
4.5	4,692,374		0.0000	1.0000	100.00
5.5	4,753,094		0.0000	1.0000	100.00
6.5	13,043,463		0.0000	1.0000	100.00
7.5	12,959,417		0.0000	1.0000	100.00
8.5	15,488,668		0.0000	1.0000	100.00
9.5	14,856,485		0.0000	1.0000	100.00
10.5	14,856,485		0.0000	1.0000	100.00
11.5	13,955,929		0.0000	1.0000	100.00
12.5	14,078,770		0.0000	1.0000	100.00
13.5	11,221,287		0.0000	1.0000	100.00
14.5	11,179,618		0.0000	1.0000	100.00
15.5	2,739,198		0.0000	1.0000	100.00
16.5	1,203,890		0.0000	1.0000	100.00
17.5	1,094,335		0.0000	1.0000	100.00
18.5	1,820,380		0.0000	1.0000	100.00
19.5	1,852,013		0.0000	1.0000	100.00
20.5	1,661,347		0.0000	1.0000	100.00
21.5	1,672,907		0.0000	1.0000	100.00
22.5	2,192,429		0.0000	1.0000	100.00
23.5	2,173,148		0.0000	1.0000	100.00
24.5	2,507,336		0.0000	1.0000	100.00
25.5	1,935,097		0.0000	1.0000	100.00
26.5	1,759,470		0.0000	1.0000	100.00
27.5	2,231,485		0.0000	1.0000	100.00
28.5	2,421,374		0.0000	1.0000	100.00
29.5	2,622,554		0.0000	1.0000	100.00
30.5	2,805,627	2,924	0.0010	0.9990	100.00
31.5	2,786,245		0.0000	1.0000	99.90
32.5	2,702,850	16,506	0.0061	0.9939	99.90
33.5	2,686,672	34,216	0.0127	0.9873	99.29
34.5	2,342,102		0.0000	1.0000	98.03
35.5	1,818,625		0.0000	1.0000	98.03
36.5	1,761,797		0.0000	1.0000	98.03
37.5	1,540,275		0.0000	1.0000	98.03
38.5	708,669		0.0000	1.0000	98.03

DUKE ENERGY OHIO
ACCOUNT 3531 STATION EQUIPMENT - STEP UP
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1938-2001			EXPERIENCE BAND 1999-2007		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	708,669		0.0000	1.0000	98.03
40.5	996,779		0.0000	1.0000	98.03
41.5	995,216		0.0000	1.0000	98.03
42.5	745,658		0.0000	1.0000	98.03
43.5	742,939		0.0000	1.0000	98.03
44.5	1,129,115		0.0000	1.0000	98.03
45.5	945,404		0.0000	1.0000	98.03
46.5	1,274,032		0.0000	1.0000	98.03
47.5	1,257,482		0.0000	1.0000	98.03
48.5	1,257,482		0.0000	1.0000	98.03
49.5	1,052,014		0.0000	1.0000	98.03
50.5	1,052,014		0.0000	1.0000	98.03
51.5	1,052,014		0.0000	1.0000	98.03
52.5	1,051,114		0.0000	1.0000	98.03
53.5	664,937		0.0000	1.0000	98.03
54.5	411,269		0.0000	1.0000	98.03
55.5	82,641		0.0000	1.0000	98.03
56.5	82,641		0.0000	1.0000	98.03
57.5	83,202		0.0000	1.0000	98.03
58.5	6,628		0.0000	1.0000	98.03
59.5	6,628		0.0000	1.0000	98.03
60.5	137,631		0.0000	1.0000	98.03
61.5	137,631		0.0000	1.0000	98.03
62.5	137,631		0.0000	1.0000	98.03
63.5	137,631		0.0000	1.0000	98.03
64.5	137,631		0.0000	1.0000	98.03
65.5	137,631		0.0000	1.0000	98.03
66.5	137,069		0.0000	1.0000	98.03
67.5	131,002		0.0000	1.0000	98.03
68.5	131,002		0.0000	1.0000	98.03
69.5					98.03



DUKE ENERGY OHIO

ACCOUNT 3532 AND 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE

PLACEMENT BAND 1913-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	180,078,473		0.0000	1.0000	100.00
0.5	173,458,710		0.0000	1.0000	100.00
1.5	161,226,747		0.0000	1.0000	100.00
2.5	149,496,819		0.0000	1.0000	100.00
3.5	143,238,506		0.0000	1.0000	100.00
4.5	135,863,526	47,743	0.0004	0.9996	100.00
5.5	133,563,474	107,940	0.0008	0.9992	99.96
6.5	130,136,040		0.0000	1.0000	99.88
7.5	124,590,103		0.0000	1.0000	99.88
8.5	121,044,902	26,419	0.0002	0.9998	99.88
9.5	120,271,053	84,466	0.0007	0.9993	99.86
10.5	119,052,383	152,779	0.0013	0.9987	99.79
11.5	121,327,293	3,141,447	0.0259	0.9741	99.66
12.5	111,380,767	12,665	0.0001	0.9999	97.08
13.5	104,474,472	17,142	0.0002	0.9998	97.07
14.5	97,740,571	572,892	0.0059	0.9941	97.05
15.5	92,898,587		0.0000	1.0000	96.48
16.5	77,753,028	19,742	0.0003	0.9997	96.48
17.5	74,808,527	17,061	0.0002	0.9998	96.45
18.5	71,023,301	133,463	0.0019	0.9981	96.43
19.5	69,510,704	85,251	0.0012	0.9988	96.25
20.5	68,692,019	2,676	0.0000	1.0000	96.13
21.5	67,945,796	65,469	0.0010	0.9990	96.13
22.5	65,312,052	12,648	0.0002	0.9998	96.03
23.5	58,212,688	161,469	0.0028	0.9972	96.01
24.5	54,150,086	423,719	0.0078	0.9922	95.74
25.5	49,655,876	383,124	0.0077	0.9923	94.99
26.5	44,274,239	264,235	0.0060	0.9940	94.26
27.5	41,793,943	26,704	0.0006	0.9994	93.69
28.5	38,809,835	294,138	0.0076	0.9924	93.63
29.5	37,020,450	126,264	0.0034	0.9966	92.92
30.5	35,285,134	612,438	0.0174	0.9826	92.60
31.5	31,917,297	43,139	0.0014	0.9986	90.99
32.5	30,324,090	385,280	0.0127	0.9873	90.86
33.5	27,344,979	1,193,852	0.0437	0.9563	89.71
34.5	24,654,863	62,700	0.0025	0.9975	85.79
35.5	21,589,465	630,590	0.0292	0.9708	85.58
36.5	17,652,490	23,868	0.0014	0.9986	83.08
37.5	17,188,620	127,698	0.0074	0.9926	82.96
38.5	15,595,669	79,860	0.0051	0.9949	82.35

DUKE ENERGY OHIO

ACCOUNT 3532 AND 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	14,927,788	20,238	0.0014	0.9986	81.93
40.5	13,819,074	244,590	0.0177	0.9823	81.82
41.5	13,342,619	308,336	0.0231	0.9769	80.37
42.5	12,093,301	281,947	0.0233	0.9767	78.51
43.5	11,351,511	326,052	0.0287	0.9713	76.68
44.5	10,897,848	72,790	0.0067	0.9933	74.48
45.5	9,602,597	77,466	0.0081	0.9919	73.98
46.5	8,690,612	103,220	0.0119	0.9881	73.38
47.5	7,387,365	32,694	0.0044	0.9956	72.51
48.5	7,080,274	48,087	0.0068	0.9932	72.19
49.5	6,196,205	846	0.0001	0.9999	71.70
50.5	5,923,707	90,061	0.0152	0.9848	71.69
51.5	4,884,374	3,847	0.0008	0.9992	70.60
52.5	3,980,285	162,118	0.0407	0.9593	70.54
53.5	2,974,706	162,434	0.0546	0.9454	67.67
54.5	2,305,097	12,857	0.0056	0.9944	63.98
55.5	1,791,685	25,730	0.0144	0.9856	63.62
56.5	1,478,533	279,810	0.1892	0.8108	62.70
57.5	1,118,309	26,793	0.0240	0.9760	50.84
58.5	640,358		0.0000	1.0000	49.62
59.5	520,716	8,416	0.0162	0.9838	49.62
60.5	512,300	16,393	0.0320	0.9680	48.82
61.5	493,769		0.0000	1.0000	47.26
62.5	493,769		0.0000	1.0000	47.26
63.5	493,769		0.0000	1.0000	47.26
64.5	445,473	4,035	0.0091	0.9909	47.26
65.5	424,998		0.0000	1.0000	46.83
66.5	406,850	23,526	0.0578	0.9422	46.83
67.5	383,324	7,420	0.0194	0.9806	44.12
68.5	326,042		0.0000	1.0000	43.26
69.5	315,217		0.0000	1.0000	43.26
70.5	306,082		0.0000	1.0000	43.26
71.5	294,713		0.0000	1.0000	43.26
72.5	294,713		0.0000	1.0000	43.26
73.5	294,713		0.0000	1.0000	43.26
74.5	294,713	19,162	0.0650	0.9350	43.26
75.5	275,550		0.0000	1.0000	40.45
76.5	275,550		0.0000	1.0000	40.45
77.5	275,550	15,357	0.0557	0.9443	40.45
78.5	199,451	16,430	0.0824	0.9176	38.20

DUKE ENERGY OHIO

ACCOUNT 3532 AND 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2007

EXPERIENCE BAND 1956-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	160,106		0.0000	1.0000	35.05
80.5	138,522		0.0000	1.0000	35.05
81.5	102,459	9,029	0.0881	0.9119	35.05
82.5	93,430		0.0000	1.0000	31.96
83.5	81,130		0.0000	1.0000	31.96
84.5	74,958		0.0000	1.0000	31.96
85.5	74,958		0.0000	1.0000	31.96
86.5	74,958	35,347	0.4716	0.5284	31.96
87.5	10,140		0.0000	1.0000	16.89
88.5	10,140		0.0000	1.0000	16.89
89.5	10,140		0.0000	1.0000	16.89
90.5	10,140		0.0000	1.0000	16.89
91.5	10,140		0.0000	1.0000	16.89
92.5	10,140		0.0000	1.0000	16.89
93.5	10,140		0.0000	1.0000	16.89
94.5					16.89

DUKE ENERGY OHIO

ACCOUNT 3532 AND 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE

PLACEMENT BAND 1913-2007

EXPERIENCE BAND 1983-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	130,574,235		0.0000	1.0000	100.00
0.5	127,301,963		0.0000	1.0000	100.00
1.5	119,260,266		0.0000	1.0000	100.00
2.5	109,330,938		0.0000	1.0000	100.00
3.5	105,539,547		0.0000	1.0000	100.00
4.5	99,441,503	47,743	0.0005	0.9995	100.00
5.5	99,021,000	107,940	0.0011	0.9989	99.95
6.5	98,140,491		0.0000	1.0000	99.84
7.5	93,875,120		0.0000	1.0000	99.84
8.5	93,647,954	26,419	0.0003	0.9997	99.84
9.5	94,743,312	84,466	0.0009	0.9991	99.81
10.5	96,842,588	152,779	0.0016	0.9984	99.72
11.5	103,598,665	3,141,447	0.0303	0.9697	99.56
12.5	94,165,857	12,665	0.0001	0.9999	96.54
13.5	89,219,184	17,142	0.0002	0.9998	96.53
14.5	83,240,899	572,892	0.0069	0.9931	96.51
15.5	79,494,061		0.0000	1.0000	95.84
16.5	64,426,903	19,742	0.0003	0.9997	95.84
17.5	62,433,382	17,061	0.0003	0.9997	95.81
18.5	59,238,733	133,463	0.0023	0.9977	95.78
19.5	57,926,075	85,251	0.0015	0.9985	95.56
20.5	59,322,674	2,676	0.0000	1.0000	95.42
21.5	59,348,966	65,469	0.0011	0.9989	95.42
22.5	58,127,932	12,648	0.0002	0.9998	95.32
23.5	51,334,590	161,469	0.0031	0.9969	95.30
24.5	48,156,857	423,719	0.0088	0.9912	95.00
25.5	43,935,146	383,124	0.0087	0.9913	94.16
26.5	39,296,094	264,235	0.0067	0.9933	93.34
27.5	37,711,213	26,704	0.0007	0.9993	92.71
28.5	35,802,803	294,138	0.0082	0.9918	92.65
29.5	34,464,782	126,264	0.0037	0.9963	91.89
30.5	33,448,822	612,438	0.0183	0.9817	91.55
31.5	30,378,545	43,139	0.0014	0.9986	89.87
32.5	28,890,513	385,280	0.0133	0.9867	89.74
33.5	26,537,089	1,193,852	0.0450	0.9550	88.55
34.5	24,209,105	62,700	0.0026	0.9974	84.57
35.5	21,114,237	630,590	0.0299	0.9701	84.35
36.5	17,179,401	23,868	0.0014	0.9986	81.83
37.5	16,680,184	127,698	0.0077	0.9923	81.72
38.5	15,087,233	79,860	0.0053	0.9947	81.09

DUKE ENERGY OHIO

ACCOUNT 3532 AND 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2007

EXPERIENCE BAND 1983-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	14,467,647	20,238	0.0014	0.9986	80.66
40.5	13,375,373	244,590	0.0183	0.9817	80.55
41.5	12,917,065	308,336	0.0239	0.9761	79.08
42.5	11,666,023	281,947	0.0242	0.9758	77.19
43.5	11,009,362	326,052	0.0296	0.9704	75.32
44.5	10,582,630	72,790	0.0069	0.9931	73.09
45.5	9,296,514	77,466	0.0083	0.9917	72.59
46.5	8,395,899	103,220	0.0123	0.9877	71.99
47.5	7,092,653	32,694	0.0046	0.9954	71.10
48.5	6,785,562	48,087	0.0071	0.9929	70.77
49.5	5,901,493	846	0.0001	0.9999	70.27
50.5	5,628,994	90,061	0.0160	0.9840	70.26
51.5	4,589,661	3,847	0.0008	0.9992	69.14
52.5	3,685,572	162,118	0.0440	0.9560	69.08
53.5	2,740,736	162,434	0.0593	0.9407	66.04
54.5	2,094,042	12,857	0.0061	0.9939	62.12
55.5	1,602,214	25,730	0.0161	0.9839	61.74
56.5	1,376,074	279,810	0.2033	0.7967	60.75
57.5	1,015,849	26,793	0.0264	0.9736	48.40
58.5	550,199		0.0000	1.0000	47.12
59.5	445,758	8,416	0.0189	0.9811	47.12
60.5	437,342	16,393	0.0375	0.9625	46.23
61.5	418,811		0.0000	1.0000	44.50
62.5	448,281		0.0000	1.0000	44.50
63.5	448,281		0.0000	1.0000	44.50
64.5	435,333	4,035	0.0093	0.9907	44.50
65.5	414,858		0.0000	1.0000	44.09
66.5	396,710	23,526	0.0593	0.9407	44.09
67.5	373,184	7,420	0.0199	0.9801	41.48
68.5	315,902		0.0000	1.0000	40.65
69.5	315,217		0.0000	1.0000	40.65
70.5	306,082		0.0000	1.0000	40.65
71.5	294,713		0.0000	1.0000	40.65
72.5	294,713		0.0000	1.0000	40.65
73.5	294,713		0.0000	1.0000	40.65
74.5	294,713	19,162	0.0650	0.9350	40.65
75.5	275,550		0.0000	1.0000	38.01
76.5	275,550		0.0000	1.0000	38.01
77.5	275,550	15,357	0.0557	0.9443	38.01
78.5	199,451	16,430	0.0824	0.9176	35.89

DUKE ENERGY OHIO

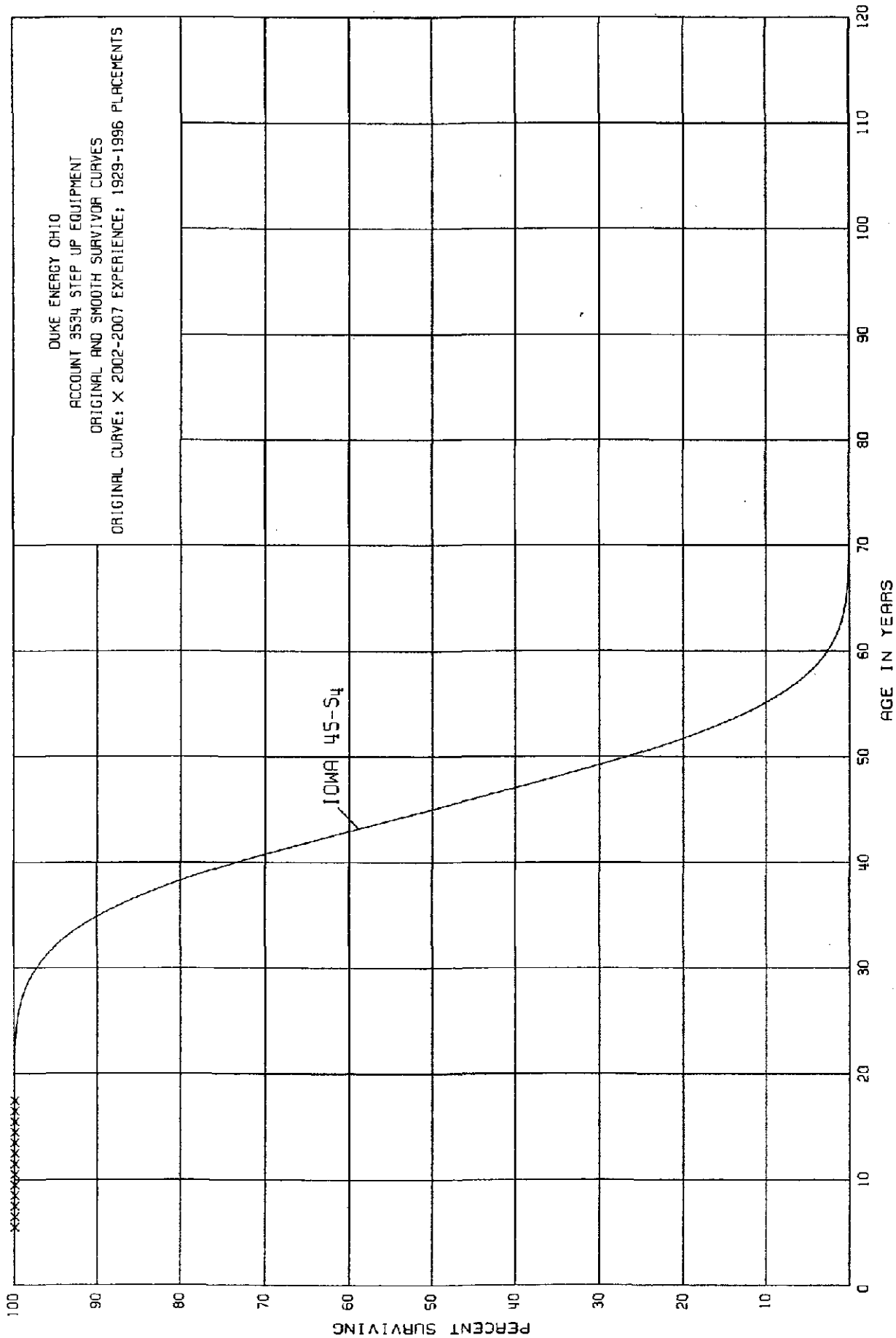
ACCOUNT 3532 AND 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2007

EXPERIENCE BAND 1983-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	160,106		0.0000	1.0000	32.93
80.5	138,522		0.0000	1.0000	32.93
81.5	102,459	9,029	0.0881	0.9119	32.93
82.5	93,430		0.0000	1.0000	30.03
83.5	81,130		0.0000	1.0000	30.03
84.5	74,958		0.0000	1.0000	30.03
85.5	74,958		0.0000	1.0000	30.03
86.5	74,958	35,347	0.4716	0.5284	30.03
87.5	10,140		0.0000	1.0000	15.87
88.5	10,140		0.0000	1.0000	15.87
89.5	10,140		0.0000	1.0000	15.87
90.5	10,140		0.0000	1.0000	15.87
91.5	10,140		0.0000	1.0000	15.87
92.5	10,140		0.0000	1.0000	15.87
93.5	10,140		0.0000	1.0000	15.87
94.5					15.87



DUKE ENERGY OHIO
ACCOUNT 3534 STEP UP EQUIPMENT
ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-1996

EXPERIENCE BAND 2002-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0					
0.5					
1.5					
2.5					
3.5					
4.5					
5.5	202,390		0.0000	1.0000	100.00
6.5	202,390		0.0000	1.0000	100.00
7.5	495,867		0.0000	1.0000	100.00
8.5	495,867		0.0000	1.0000	100.00
9.5	559,570		0.0000	1.0000	100.00
10.5	1,714,555		0.0000	1.0000	100.00
11.5	1,535,807		0.0000	1.0000	100.00
12.5	1,535,807		0.0000	1.0000	100.00
13.5	1,242,330		0.0000	1.0000	100.00
14.5	1,242,330		0.0000	1.0000	100.00
15.5	23,642		0.0000	1.0000	100.00
16.5	23,642		0.0000	1.0000	100.00
17.5					100.00
18.5					
19.5					
20.5					
21.5					
22.5					
23.5					
24.5					
25.5	48,230		0.0000		
26.5	100,687		0.0000		
27.5	100,687		0.0000		
28.5	142,821		0.0000		
29.5	186,165		0.0000		
30.5	186,165		0.0000		
31.5	137,934		0.0000		
32.5	85,478		0.0000		
33.5	85,478		0.0000		
34.5	43,344		0.0000		
35.5					
36.5	16,212		0.0000		
37.5	16,212		0.0000		
38.5	16,212		0.0000		

DUKE ENERGY OHIO

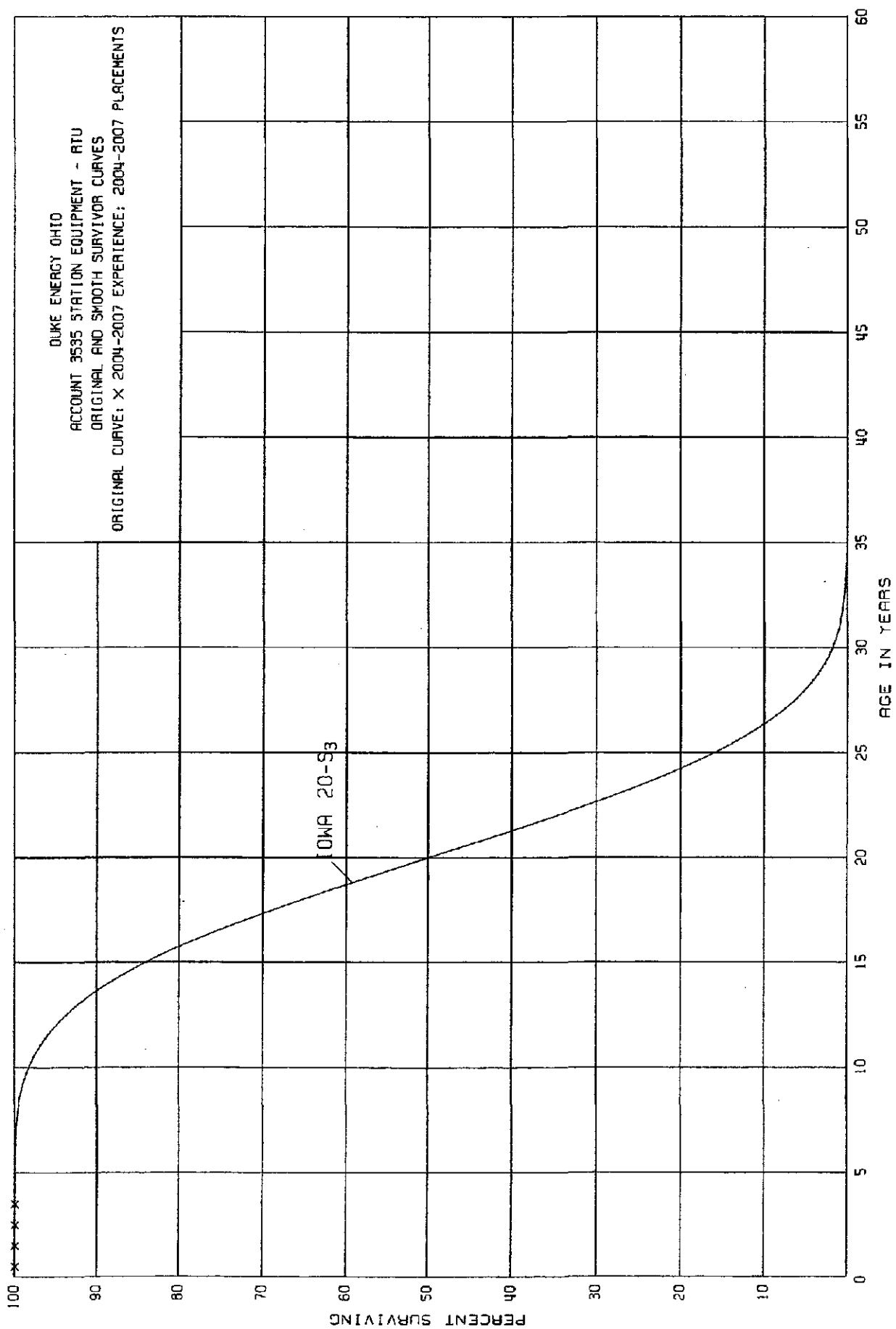
ACCOUNT 3534 STEP UP EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-1996

EXPERIENCE BAND 2002-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	16,212		0.0000		
40.5	16,212		0.0000		
41.5	453,115		0.0000		
42.5	436,903		0.0000		
43.5	436,903		0.0000		
44.5	436,903		0.0000		
45.5	436,903		0.0000		
46.5	436,903		0.0000		
47.5					
48.5					
49.5					
50.5					
51.5					
52.5	260,637		0.0000		
53.5	260,637		0.0000		
54.5	260,637		0.0000		
55.5	262,298		0.0000		
56.5	262,298		0.0000		
57.5	262,298		0.0000		
58.5	1,661		0.0000		
59.5	1,661		0.0000		
60.5	1,661		0.0000		
61.5					
62.5					
63.5					
64.5					
65.5					
66.5					
67.5					
68.5					
69.5					
70.5					
71.5					
72.5	63,751		0.0000		
73.5	63,751		0.0000		
74.5	63,751		0.0000		
75.5	63,751		0.0000		
76.5	63,751		0.0000		
77.5	63,751		0.0000		
78.5					



DUKE ENERGY OHIO

ACCOUNT 3535 STATION EQUIPMENT - RTU

ORIGINAL LIFE TABLE

PLACEMENT BAND 2004-2007

EXPERIENCE BAND 2004-2007

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,137,896		0.0000	1.0000	100.00
0.5	2,683,688		0.0000	1.0000	100.00
1.5	1,056,256		0.0000	1.0000	100.00
2.5	171,622		0.0000	1.0000	100.00
3.5					100.00

