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39
Duke Energy Corporation
139 East Fourth Street
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May 31, 2011

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

RECEIVED-DOCKETING DIV
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PUCO

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

Docketing Division:

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

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

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

Very truly yours,

Lisa D. Steinkuhl

Enclosures
Tariff memos/PUCO FPP filing/doc

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician A Date Processed JUN 01 2011

ATTACHMENT I

STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES

Duke Energy's ("Company") Commercial Asset Management Service (CAM) group is responsible for managing the power, fuel and emission allowance positions for the Company's operating units, including the Company's Ohio generation portfolio to provide a reliable, low cost, market-based supply of electricity for the Ohio customers.

CAMS is responsible for establishing and implementing the multi-commodity risk management strategy for power, fuel and emission allowances. CAM monitors and adjusts the optimal contract mix all the way through physical delivery. These adjustments result in the purchases or sales of Fuel, Emission Allowances, and Power for the approved term if the forward market allows them to transact. Fuel purchases are made through a combination of long-term and spot market purchases.

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

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

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

- Effective management of market price risk
- Assurance of adequate and appropriate supply from reliable suppliers
- Competitive pricing
- Market intelligence
- Continuing evaluation of suppliers
- Flexibility in responding to changing market or economic conditions
- Efficient delivery of shipments and contract administration
- Coal basin balance and diversity

CAMS makes every effort to purchase fuels compatible for all Ohio generation portfolios. This decision making process also heavily involves Inputs from all station managers. Further, the cost of complying with environmental regulations regarding emissions is factored into purchasing decisions.

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

ATTACHMENT I

STATEMENT OF FUEL PROCUREMENT PRACTICES AND POLICIES

For longer term commitments, suppliers are generally evaluated on the basis of delivered cost (adjusted for MMBtu, SO₂, and freight), credit strength, proximity to transportation, and willingness to extend commercial terms. Additional evaluation is done, as needed, concerning by-product handling, disposal, and various environmental limits at the station sites. For short-term purchases, the evaluation focuses primarily on evaluated cost relative to the market.

ATTACHMENT II

DUKE ENERGY OHIO (DUKE)

NARRATIVE STATEMENT SUPPORTING ITS PROPOSED FPP COMPONENT

Duke Energy Ohio has calculated a proposed Quarterly Fuel, Economy Purchased Power Rider (PTC-FPP) of its standard service offer for the three-month projected period of July through September 2011.

The proposed FPP Rates are segregated into three types of customers, Residential, Non-Residential and Voltage Reduction customers. Depending on the type of customer, the appropriate rate will be applied to all bills, excluding consumers taking generation service from Certified Retail Electric Service providers, rendered on and after July 1, 2011, and will coincide with the billing of Cycle 1 of the July 2011 revenue month and remain in effect through September 2011.

The methodology for calculating the proposed FPP Component of 3.2042 cents per kilowatt-hour for Residential, 3.3743 cents per kilowatt-hour for Non-Residential and 3.3227 cents per kilowatt-hour for Voltage Reduction type customers is consistent with the Commission's Entry on Rehearing and is composed of the following components:

FUEL COMPONENT (FC)

The base period of July through September 2011 was utilized to calculate the proposed fuel and economy purchased power component (FC). The proposed FC is composed of three months projected includable fuel cost and economy purchased power data. The total FC calculated portion of the FPP Component is 2.9260 cents per kilowatt-hour for all types of customers. This proposed FC is supported by the attached calculations on Page 1 of 5 of Schedule 1.

EMISSION ALLOWANCES (EA)

The base period of July through September 2011 was utilized to calculate the emission allowance component (EA) for all types of customers. The proposed EA is composed of three months projected includable emission allowance data. The total EA calculated portion of the FPP Component is 0.0173 cents per kilowatt-hour for all types of customers. This proposed EA is supported by the attached calculations on Page 2 of 5 of Schedule 1.

Environmental Reagents (ER)

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

ATTACHMENT II

Alternative Energy Portfolio Standard (AEPS)

Ohio Revised Code 4928.64 requires an electric distribution utility to supply a portion of its load with alternative utility resources. The costs incurred are avoidable by any consumer that has exercised choice of electricity supplier. The base period of July through September 2011 was utilized to calculate the alternative energy portfolio standard for all types of customers. The total alternative energy portfolio standard calculated portion of the FPP Component is 0.0350 cents per kilowatt-hour for all types of customers. This proposed alternative energy portfolio standard is supported by the attached calculations on Page 2 of 5 of Schedule 1.

RECONCILIATION ADJUSTMENT (RA)

The proposed RA component is based on the reconciliation of actual fuel, economy purchased power, emission allowance costs, environmental reagent costs, alternative energy portfolio standard and system loss adjustment to the FPP Component revenues for the three month period ending March 2011. The RA amount for the three month period ending March 2011 included in this filing is (\$1,090,186.13) for Residential customers and \$34,054.53 for Non-Residential customers and \$418,013.22 for Voltage Reduction customers. In addition to these RA amounts are \$202,344.81 for Residential customers and \$96,864.38 for Non-Residential customers and \$1,849.16 for Voltage Reduction customers which represents an updated adjustment to the 4th quarter 2010 RA amount filed in the 2nd quarter 2011 filing and is supported by the attached calculations on Page 5S thru 5X of 5 of Schedule 1. The total proposed RA is supported by the attached calculations on Page 3 of 5 of Schedule 1.

SYSTEM LOSS ADJUSTMENT (SLA)

The proposed SLA Component is based on the estimated system loss fuel cost to be incurred during the three month period ending September 2011. The total SLA calculated portion of the FPP Component is 0.0952 cents per kilowatt-hour for Residential and Non-Residential type customers, and 0.0436 cents per kilowatt-hour for Voltage Reduction type customers. From the number for Residential and Non-Residential type customers, the Company has subtracted a baseline rate of 0.1051 cents per kilowatt-hour that is already included in rates. From the number for Voltage Reduction type customers, the Company has subtracted a baseline rate of 0.0481 cents per kilowatt-hour that is already included in rates. Both rates are increased by 0.0106 cents per kilowatt-hour which represents a Synchronization Adjustment. Based upon this information, the proposed SLA should be established at 0.1058 cents per kilowatt-hour for Residential and Non-Residential type customers and at 0.0542 cents per kilowatt-hour for Voltage Reduction type customers. The proposed SLA is supported by the attached calculations on Page 4 of 5 of Schedule 1.

ATTACHMENT II

FUEL, ECONOMY PURCHASED POWER AND EMISSION ALLOWANCE COMPONENT

Based on the aforementioned projected includable fuel and economy purchased power cost data (FC) summarized on Page 1 of Schedule 1, the Emission Allowance Component (EA) on Page 2 of Schedule 1, the Environmental Reagent Component (ER) on Page 2 of Schedule 1, the Alternative Energy Portfolio Standard (AEPS) on Page 2 of Schedule 1, the Reconciliation Adjustment (RA) on Page 3 of Schedule 1, and the System Loss Adjustment (SLA) on Page 4 of Schedule 1, the Company proposes that a FPP Component of 3.2042 cents per kilowatt-hour be established for Residential type customers, 3.3743 cents per kilowatt-hour be established for Non-Residential type customers and 3.3227 cents per kilowatt-hour be established for Voltage Reduction type customers. These rates should be effective with bills rendered on and after July 1, 2011, to all consumers other than consumers taking generation service from Certified Retail Electric Suppliers. This will coincide with Cycle 1 billing for the July 2011 revenue month.

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

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

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

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

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

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

Other Includable MISO Costs	April 2011	May 2011	June 2011	Total For Period
(a)	(b)	(c)	(d)	(e)
FTR (Hourly, Monthly, Yearly, Transaction)	\$ (345,781)	\$ (345,781)	\$ (345,781)	\$ (1,037,343)
Financial				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Physical (DA, RT, Index)	\$ -	\$ -	\$ -	\$ -
Congestion				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Losses				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Revenue Sufficiency Guarantee (MKWHL)				
Day-Ahead	\$ -	\$ -	\$ -	\$ -
Real-Time	\$ -	\$ -	\$ -	\$ -
Total Other Includable MISO Costs	<u>\$ (345,781)</u>	<u>\$ (345,781)</u>	<u>\$ (345,781)</u>	<u>\$ (1,037,343)</u>

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

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

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

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

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

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

Line	Reconciliation Adjustment (RA)	Total	Residential	Total Non-Residential	
1	March 2011 (See Page 3C Line 45)	\$ 716,292.84	\$ 260,031.99	\$ 456,260.85	
2	February 2011 (See Page 3B Line 44)	\$ (1,437,929.32)	\$ (1,328,670.55)	\$ (109,258.77)	
3	January 2011 (See Page 3A Line 44)	\$ 83,518.10	\$ (21,547.57)	\$ 105,065.67	
4	December 2010 (See Page 5X Line 47)	\$ 36,399.69	\$ 27,077.65	\$ 9,322.03	
5	November 2010 (See Page 5V Line 46)	\$ 66,014.44	\$ 42,989.30	\$ 23,025.14	
6	October 2010 (See Page 5T Line 46)	\$ 198,644.23	\$ 132,277.86	\$ 66,366.37	
7	September 2010 (See Page 5R Line 47)	\$ -	\$ -	\$ -	
8	August 2010 (See Page 5P Line 46)	\$ -	\$ -	\$ -	
9	July 2010 (See Page 5N Line 46)	\$ -	\$ -	\$ -	
10	June 2010 (See Page 5L Line 47)	\$ -	\$ -	\$ -	
11	May 2010 (See Page 5J Line 47)	\$ -	\$ -	\$ -	
12	April 2010 (See Page 5H Line 46)	\$ -	\$ -	\$ -	
13	March 2010 (See Page 5F Line 45)	\$ -	\$ -	\$ -	
14	February 2010 (See Page 5D Line 45)	\$ -	\$ -	\$ -	
15	January 2010 (See Page 5B Line 45)	\$ -	\$ -	\$ -	
16	Miscellaneous Prior Period Adjustments	\$ -	\$ -	\$ -	
17	Total Reconciliation Adjustment (Line 1 through Line 16)	\$ (337,060.03)	\$ (887,841.32)	\$ 550,781.29	
18	Portion of Reconciliation deferred	\$ -	\$ -	\$ -	
19	Reconciliation Adjustment to recover in 3rd quarter 2011	\$ (337,060.03)	\$ (887,841.32)	\$ 550,781.29	
20	Projected Retail Energy (kWh)	1,767,003,000	1,190,969,000	576,034,000	
21	Total RA Rate (Line 19 / Line 20) To Page 1 Line 12		<u>(0.0745)</u>	<u>0.0956</u>	¢/kWh

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

Line	Reconciliation Adjustment (RA)	January 2011	Residential January 2011	Non-Residential January 2011	Voltage Reduction January 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,329,294.21	\$ 23,329,294.21	\$ 23,329,294.21	\$ 23,329,294.21
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 21,904,644.20	\$ 21,904,644.20	\$ 21,904,644.20	\$ 21,904,644.20
4	Coal Sales Margin Credits (per books current year contracts only)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)	\$ (398,405.19)
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (610,925.19)	\$ (610,925.19)	\$ (610,925.19)	\$ (610,925.19)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 20,895,313.82	\$ 20,895,313.82	\$ 20,895,313.82	\$ 20,895,313.82
7	Total Generation and Purchase Power (per books)	770,519,584	770,519,584	770,519,584	770,519,584
8	Losses (kWh) (1-Line 2)*(Line 7)	47,053,319	47,053,319	47,053,319	47,053,319
9	Total Generation After Losses (kWh) (Line 7-Line 8)	723,466,265	723,466,265	723,466,265	723,466,265
10	kWh Subject to FPP	756,705,155	573,998,765	180,935,702	1,770,688
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	104.59%	79.34%	25.01%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 21,543,733.71	\$ 16,323,550.28	\$ 5,169,787.30	\$ 50,396.13
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 6,139.45	\$ 4,657.08	\$ 1,468.00	\$ 14.37
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,854,408.72	\$ 16,578,341.98	\$ 5,225,917.99	\$ 50,148.75
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 316,814.46	\$ 259,448.78	\$ 57,598.69	\$ (233.01)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
20	EA Expense Allocated to FPP	\$ 162,181.36	\$ 123,022.89	\$ 38,779.17	\$ 379.50
21	EA Sales Margin Allocated to FPP	\$ 66,282.05	\$ 50,278.26	\$ 15,848.70	\$ 155.09
22	Net EA Cost (Line 19 + Line 20)	\$ 228,463.41	\$ 173,300.95	\$ 54,627.87	\$ 534.59
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 172,248.56	\$ 130,769.74	\$ 41,077.38	\$ 401.44
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 56,214.85	\$ 42,531.21	\$ 13,550.49	\$ 133.15
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
27	ER Expense Allocated to FPP	\$ 628,052.66	\$ 476,409.42	\$ 150,173.61	\$ 1,469.63
28	ER Revenue in FPP (per books)	\$ 1,069,672.55	\$ 810,772.36	\$ 256,402.37	\$ 2,497.82
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (441,619.89)	\$ (334,362.94)	\$ (106,228.76)	\$ (1,028.19)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	756,705,155	573,998,765	180,935,702	1,770,688
31	AEPS Expense	\$ 170,467.40	\$ 129,308.06	\$ 40,760.44	\$ 398.90
32	AEPS Sales Margin	\$ (3,583.60)	\$ (2,718.45)	\$ (856.93)	\$ (8.22)
33	Net AEPS Cost (Line 31 + Line 32)	\$ 166,883.80	\$ 126,589.61	\$ 39,903.51	\$ 390.68
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 271,310.35	\$ 205,744.39	\$ 64,928.76	\$ 637.20
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (104,426.55)	\$ (79,154.78)	\$ (25,025.25)	\$ (246.52)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
37	Actual RA recovery through FPP	\$ 313,763.86	\$ (606,771.58)	\$ 911,652.87	\$ 8,882.57
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 276,575.08	\$ 104,997.27	\$ 33,018.02	\$ 138,559.79
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 755,741.29	\$ 573,424.77	\$ 180,754.77	\$ 1,561.75
41	Actual SLA recovery through FPP	\$ 754,340.00	\$ 571,899.65	\$ 181,535.53	\$ 904.82
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,490,041.44	\$ 1,130,317.31	\$ 356,304.97	\$ 3,419.16
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (20,039.85)	\$ (15,007.11)	\$ (5,985.33)	\$ 952.59
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 83,518.10	\$ (21,547.57)	\$ (33,072.14)	\$ 138,137.81

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

Line	Reconciliation Adjustment (RA)	February 2011	Residential February 2011	Non-Residential February 2011	Voltage Reduction February 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,404,915.84	\$ 17,404,915.84	\$ 17,404,915.84	\$ 17,404,915.84
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,342,049.85	\$ 16,342,049.85	\$ 16,342,049.85	\$ 16,342,049.85
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24	\$ 246,736.24
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,454.73)	\$ (556,454.73)	\$ (556,454.73)	\$ (556,454.73)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,032,331.36	\$ 16,032,331.36	\$ 16,032,331.36	\$ 16,032,331.36
7	Total Generation and Purchase Power (per books)	616,519,808	616,519,808	616,519,808	616,519,808
8	Losses (kWh) (1-Line 2)(Line 7)	37,649,015	37,649,015	37,649,015	37,649,015
9	Total Generation After Losses (kWh) (Line 7-Line 8)	578,870,793	578,870,793	578,870,793	578,870,793
10	kWh Subject to FPP	626,616,775	471,149,627	154,591,114	876,034
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	108.25%	81.39%	26.71%	0.15%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 17,823,782.86	\$ 13,410,255.80	\$ 4,388,593.97	\$ 24,933.09
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 5,319.18	\$ 3,999.46	\$ 1,312.28	\$ 7.44
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,354,998.70	\$ 13,048,714.49	\$ 4,282,235.71	\$ 24,048.50
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (463,464.98)	\$ (357,541.85)	\$ (105,045.98)	\$ (877.15)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
20	EA Expense Allocated to FPP	\$ 115,287.53	\$ 86,684.05	\$ 28,442.31	\$ 161.17
21	EA Sales Margin Allocated to FPP	\$ (11,398.15)	\$ (8,570.20)	\$ (2,812.01)	\$ (15.94)
22	Net EA Cost (Line 19 + Line 20)	\$ 103,889.38	\$ 78,113.85	\$ 25,630.30	\$ 145.23
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 142,499.91	\$ 107,431.02	\$ 34,870.28	\$ 198.61
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (38,610.53)	\$ (29,317.17)	\$ (9,239.98)	\$ (53.38)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
27	ER Expense Allocated to FPP	\$ 708,345.31	\$ 532,600.85	\$ 174,754.16	\$ 990.30
28	ER Revenue in FPP (per books)	\$ 884,966.15	\$ 666,072.31	\$ 217,658.06	\$ 1,235.78
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (176,620.84)	\$ (133,471.46)	\$ (42,903.90)	\$ (245.48)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	626,616,775	471,149,627	154,591,114	876,034
31	AEPS Expense	\$ 277,824.37	\$ 208,894.58	\$ 68,541.38	\$ 388.41
32	AEPS Sales Margin	\$ (1,023,410.00)	\$ (769,471.96)	\$ (252,519.92)	\$ (1,418.12)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (745,585.63)	\$ (560,577.38)	\$ (183,978.54)	\$ (1,029.71)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,457.60	\$ 169,024.80	\$ 55,117.55	\$ 315.25
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (970,043.23)	\$ (729,602.18)	\$ (239,096.09)	\$ (1,344.96)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
37	Actual RA recovery through FPP	\$ 279,810.00	\$ (498,479.92)	\$ 773,895.34	\$ 4,394.58
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 310,528.94	\$ (3,294.39)	\$ 170,775.55	\$ 143,047.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 625,887.66	\$ 470,678.48	\$ 154,436.52	\$ 772.66
41	Actual SLA recovery through FPP	\$ 624,383.46	\$ 469,831.65	\$ 154,104.16	\$ 447.65
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,150,552.44	\$ 865,066.63	\$ 283,891.51	\$ 1,594.30
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (99,718.68)	\$ (75,443.50)	\$ (24,649.17)	\$ 373.99
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,437,929.32)	\$ (1,328,670.55)	\$ (250,159.57)	\$ 140,900.80

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

Line	Reconciliation Adjustment (RA)	March 2011	Residential March 2011	Non-Residential March 2011	Voltage Reduction March 2011
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,433,144.58	\$ 17,433,144.58	\$ 17,433,144.58	\$ 17,433,144.58
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,368,554.74	\$ 16,368,554.74	\$ 16,368,554.74	\$ 16,368,554.74
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65	\$ 251,231.65
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (429,977.65)	\$ (429,977.65)	\$ (429,977.65)	\$ (429,977.65)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 16,189,808.74	\$ 16,189,808.74	\$ 16,189,808.74	\$ 16,189,808.74
7	Total Generation and Purchase Power (per books)	579,583,351	579,583,351	579,583,351	579,583,351
8	Losses (kWh) (1-Line 2)*(Line 7)	35,393,417	35,393,417	35,393,417	35,393,417
9	Total Generation After Losses (kWh) (Line 7-Line 8)	544,189,934	544,189,934	544,189,934	544,189,934
10	kWh Subject to FPP	557,700,335	406,146,780	149,357,285	2,196,270
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.48%	74.63%	27.45%	0.40%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,253,902.50	\$ 62,508.76
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 15,882,410.93	\$ 11,565,999.67	\$ 4,253,902.50	\$ 62,508.76
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$0.00	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,591,316.00	\$ 12,082,454.26	\$ 4,444,102.50	\$ 64,759.24
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 708,905.07	\$ 516,454.59	\$ 190,200.00	\$ 2,250.48
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
21	EA Expense Allocated to FPP	\$ 108,142.38	\$ 78,754.98	\$ 28,961.53	\$ 425.87
22	EA Sales Margin Allocated to FPP	\$ -	\$ -	\$ -	\$ -
23	Net EA Cost (Line 21 + Line 22)	\$ 108,142.38	\$ 78,754.98	\$ 28,961.53	\$ 425.87
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 126,954.47	\$ 92,656.48	\$ 33,800.07	\$ 497.92
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (18,812.09)	\$ (13,901.50)	\$ (4,838.54)	\$ (72.05)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
28	ER Expense Allocated to FPP	\$ 769,144.30	\$ 560,131.42	\$ 205,983.92	\$ 3,028.96
29	ER Revenue in FPP (per books)	\$ 788,546.21	\$ 574,470.18	\$ 210,977.86	\$ 3,088.17
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (19,401.91)	\$ (14,338.76)	\$ (4,993.94)	\$ (69.21)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	557,700,335	406,146,780	149,357,285	2,196,270
32	AEPS Expense	\$ 106,319.05	\$ 77,427.14	\$ 28,473.22	\$ 418.69
33	AEPS Sales Margin	\$ (98,217.00)	\$ (71,526.80)	\$ (26,303.42)	\$ (386.78)
34	Net AEPS Cost (Line 32 + Line 33)	\$ 8,102.05	\$ 5,900.34	\$ 2,169.80	\$ 31.91
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,995.80	\$ 145,779.53	\$ 53,425.92	\$ 790.35
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (191,893.75)	\$ (139,879.19)	\$ (51,256.12)	\$ (758.44)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 590,338.94	\$ (501,774.31)	\$ 944,670.89	\$ 147,442.36
38	Actual RA recovery through FPP	\$ 331,234.92	\$ (429,926.07)	\$ 750,143.52	\$ 11,017.47
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 259,104.02	\$ (71,848.24)	\$ 194,527.37	\$ 136,424.89
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 556,885.67	\$ 405,740.63	\$ 149,207.93	\$ 1,937.11
42	Actual SLA recovery through FPP	\$ 555,714.49	\$ 405,217.68	\$ 149,374.51	\$ 1,122.30
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,090,991.66	\$ 794,503.40	\$ 292,229.91	\$ 4,258.35
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (21,608.50)	\$ (16,454.91)	\$ (6,352.53)	\$ 1,198.94
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 716,292.84	\$ 260,031.99	\$ 317,286.24	\$ 138,974.61

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

				Total Losses	
Line	Description	Distribution	Transmission	Voltage Adjusted Methodology	No Voltage Adjustment
		(A)	(B)	(C)	(D)
<u>Calculation of Base Rate Recovery of Losses</u>					
1	FC Rate Basis for SLA (\$/kWh)	1.5353	1.5353	1.5353	1.5353
2	Energy Loss Factors from 92-1464-EL-AIR	6.847%	3.134%	5.743%	6.504%
3	Losses in MBSSO (\$/kWh) (Line 1 * Line 2)	0.1051	0.0481	0.0882	0.0999
4	Current FC Rate (\$/kWh) (Per Filing)	2.9260	2.9260	2.9260	2.9260
5	Projected Sales at Meter (kWh) ^(e)	1,673,842,000	93,161,000	1,767,003,000	1,767,003,000
6	Energy Loss Factors from 92-1464-EL-AIR (Line 2)	6.847%	3.134%	5.743%	6.504%
7	Energy Sales at the Busbar (kWh) (Line 5 * (1 + Line 6))	1,788,445,919	96,080,217	1,868,481,055	1,881,926,612
8	Energy Losses (kWh) (Line 7 - Line 5)	114,603,919	2,919,217	101,478,055	114,923,612
9	Value of Losses (Line 8 * Line 4)	3,353,310.67	85,416.29	2,969,247.89	3,362,664.89
10	Average Losses Rate (\$/kWh) (Line 9 + Line 5)	0.2003	0.0917	0.1680	0.1903
11	Losses in MBSSO (\$/kWh) (Line 3)	0.1051	0.0481	0.0882	0.0999
12	System Loss Adjustment (\$/kWh) (Line 10 - Line 11)	0.0952	0.0436	0.0798	0.0904
13	Synchronization Adj. (\$/kWh) (L. 12, Column D - Column C)	0.0106	0.0106	0.0106	-
14	Adjusted SLA (\$/kWh) (Line 12 + Line 13)	0.1058	0.0542	0.0904	0.0904
Total SLA Rate (Line 14, Columns A & B) To Page 1 Line 13					

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

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,557.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,635,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (59,020.59)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,198.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 352,188.46	\$ 223,055.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,065.86	\$ 776,564.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (230,656.39)	\$ (138,317.40)	\$ (87,999.70)	\$ (4,339.29)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 156,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 763,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,926.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,739.63)	\$ (333,697.44)	\$ (212,692.24)	\$ 7,650.05
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75

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

Line	Reconciliation Adjustment (RA)	January 2010	Residential January 2010	Non-Residential January 2010	Voltage Reduction January 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78	\$ 37,752,522.78
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47	\$ 35,447,089.47
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92	\$ 1,806,992.92
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)	\$ (633,686.50)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89	\$ 36,620,395.89
7	Total Generation and Purchase Power (per books)	1,316,709,446	1,316,709,446	1,316,709,446	1,316,709,446
8	Losses (kWh) (1-Line 2)*(Line 7)	80,407,496	80,407,496	80,407,496	80,407,496
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,236,301,950	1,236,301,950	1,236,301,950	1,236,301,950
10	kWh Subject to FPP	1,269,923,992	764,134,697	481,905,942	23,883,353
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	102.72%	61.81%	38.98%	1.93%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 41,332,218.13	\$ 24,836,942.99	\$ 15,723,368.66	\$ 771,906.48
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 195,557.98	\$ 123,329.77	\$ 6,112.25
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 37,616,470.66	\$ 22,635,066.70	\$ 14,274,630.32	\$ 706,773.64
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (3,390,747.47)	\$ (2,006,318.31)	\$ (1,325,408.57)	\$ (59,020.59)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
19	EA Expense Allocated to FPP	\$ 754,190.45	\$ 453,809.12	\$ 286,197.33	\$ 14,184.00
20	EA Sales Margin Allocated to FPP	\$ (435,948.47)	\$ (262,317.55)	\$ (165,432.07)	\$ (8,198.85)
21	Net EA Cost (Line 19 + Line 20)	\$ 318,241.98	\$ 191,491.57	\$ 120,765.26	\$ 5,985.15
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 586,130.25	\$ 352,188.46	\$ 223,055.80	\$ 10,885.99
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ (267,888.27)	\$ (160,696.89)	\$ (102,290.54)	\$ (4,900.84)
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
26	ER Expense Allocated to FPP	\$ 1,134,591.78	\$ 682,703.02	\$ 430,550.58	\$ 21,338.18
27	ER Revenue in FPP (per books)	\$ 2,042,781.40	\$ 1,228,065.86	\$ 776,564.64	\$ 38,150.90
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (908,189.62)	\$ (545,362.84)	\$ (346,014.06)	\$ (16,812.72)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,269,923,992	764,134,697	481,905,942	23,883,353
30	AEPS Expense	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
31	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
32	Net AEPS Cost (Line 31 + Line 32)	\$ 34,788.86	\$ 20,933.04	\$ 13,201.54	\$ 654.28
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,445.25	\$ 159,250.44	\$ 101,201.24	\$ 4,993.57
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (230,856.39)	\$ (138,317.40)	\$ (87,999.70)	\$ (4,339.29)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 6,409,517.27	\$ 3,053,320.86	\$ 3,199,198.48	\$ 156,997.93
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ (172,724.44)	\$ (823,052.03)	\$ 570,948.45	\$ 79,379.14
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,265,859.72	\$ 763,370.56	\$ 481,424.04	\$ 21,065.12
40	Actual SLA recovery through FPP	\$ 1,641,021.01	\$ 995,315.22	\$ 629,926.10	\$ 15,779.69
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,368,141.10	\$ 1,424,988.34	\$ 898,657.90	\$ 44,494.86
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (538,739.63)	\$ (333,697.44)	\$ (212,692.24)	\$ 7,650.05
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75
Net Under/(Over) Recovery of FPP Costs (Page 5A, Line 43)					
44		\$ (5,508,945.82)	\$ (4,007,444.91)	\$ (1,503,456.66)	\$ 1,955.75
Net Adjustment for January 2010 (Line 43- Line 44) To Page 3 Line 15					
45		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	654,386,179	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.56%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,356.80	\$ 546,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.46)	\$ (880,762.36)	\$ (545,873.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 256,375.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (569.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 186,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,527.06
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.69	\$ 433,111.52	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,158.78)	\$ (217,316.99)	\$ (9,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
30	AEPS Expense	\$ -	\$ 0.01	\$ -	\$ -
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,185.91)	\$ (2,676.58)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (162,700.00)	\$ (98,837.51)	\$ (61,185.91)	\$ (2,676.58)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (387,585.77)	\$ (235,232.92)	\$ (145,949.20)	\$ (6,403.65)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,411,856.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 824,936.00	\$ (384,850.91)	\$ 1,090,589.03	\$ 119,197.88
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,680.70	\$ 15,638.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,608.24	\$ 11,777.55
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 781,711.26	\$ 33,321.06
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,577.68)	\$ 5,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19

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

Line	Reconciliation Adjustment (RA)	February 2010	Residential February 2010	Non-Residential February 2010	Voltage Reduction February 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08	\$ 33,271,191.08
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26	\$ 31,239,419.26
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59	\$ 2,662,576.59
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)	\$ (556,152.17)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68	\$ 33,345,843.68
7	Total Generation and Purchase Power (per books)	1,150,796,208	1,150,796,208	1,150,796,208	1,150,796,208
8	Losses (kWh) (1-Line 2)*(Line 7)	70,275,672	70,275,672	70,275,672	70,275,672
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,080,520,536	1,080,520,536	1,080,520,536	1,080,520,536
10	kWh Subject to FPP	1,077,202,765	654,386,179	405,085,785	17,730,801
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.69%	60.56%	37.49%	1.64%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 35,018,017.02	\$ 21,272,438.41	\$ 13,169,447.56	\$ 576,131.05
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 197,433.13	\$ 122,217.36	\$ 5,349.51
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 33,242,471.56	\$ 20,194,242.92	\$ 12,501,356.80	\$ 546,871.84
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (1,450,545.46)	\$ (880,762.36)	\$ (545,873.40)	\$ (23,909.70)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
19	EA Expense Allocated to FPP	\$ 681,752.32	\$ 414,155.36	\$ 256,375.29	\$ 11,221.67
20	EA Sales Margin Allocated to FPP	\$ (34,604.45)	\$ (21,021.74)	\$ (13,013.12)	\$ (569.59)
21	Net EA Cost (Line 19 + Line 20)	\$ 647,147.87	\$ 393,133.62	\$ 243,362.17	\$ 10,652.08
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 496,593.93	\$ 301,643.70	\$ 186,825.21	\$ 8,125.02
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 150,553.94	\$ 91,489.92	\$ 56,536.96	\$ 2,527.06
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
26	ER Expense Allocated to FPP	\$ 1,151,728.71	\$ 699,659.69	\$ 433,111.52	\$ 18,957.50
27	ER Revenue in FPP (per books)	\$ 1,730,721.82	\$ 1,051,818.47	\$ 650,428.51	\$ 28,474.84
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (578,993.11)	\$ (352,158.78)	\$ (217,316.99)	\$ (9,517.34)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	1,077,202,765	654,386,179	405,085,785	17,730,801
30	AEPS Expense	\$ -	\$ 0.01	\$ -	\$ -
31	AEPS Sales Margin	\$ (162,700.00)	\$ (98,837.52)	\$ (61,185.91)	\$ (2,676.58)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (162,700.00)	\$ (98,837.51)	\$ (61,185.91)	\$ (2,676.58)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 224,885.77	\$ 136,395.41	\$ 84,763.29	\$ 3,727.07
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (387,585.77)	\$ (235,232.92)	\$ (145,949.20)	\$ (6,403.65)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.83	\$ 2,230,268.83	\$ 3,770,146.93	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,411,856.83	\$ 2,615,119.74	\$ 2,679,557.90	\$ 117,179.19
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 824,936.00	\$ (384,850.91)	\$ 1,090,589.03	\$ 119,197.88
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 1,074,051.06	\$ 653,731.79	\$ 404,680.70	\$ 15,638.57
40	Actual SLA recovery through FPP	\$ 1,391,857.12	\$ 852,471.33	\$ 527,608.24	\$ 11,777.55
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,025,473.33	\$ 1,230,441.01	\$ 761,711.26	\$ 33,321.06
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (440,434.85)	\$ (275,762.11)	\$ (170,577.68)	\$ 5,904.94
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19
Net Under/(Over) Recovery of FPP Costs (Page 5C, Line 43)					
44		\$ (1,882,069.25)	\$ (2,037,277.16)	\$ 67,408.72	\$ 87,799.19
45	Net Adjustment for February 2010 (Line 43 - Line 44) To Page 3 Line 14	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,093.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.56	\$ 178,576.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 366,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (254,889.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 11,760.00	\$ 6,661.75	\$ 4,597.49	\$ 500.76
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (806,074.00)	\$ (456,620.87)	\$ (315,128.75)	\$ (34,324.38)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,012,831.86)	\$ (573,553.75)	\$ (396,149.49)	\$ (43,128.62)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,146.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.46	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,262,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,652.90	\$ 1,099,354.42	\$ 758,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)

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

Line	Reconciliation Adjustment (RA)	March 2010	Residential March 2010	Non-Residential March 2010	Voltage Reduction March 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54	\$ 29,550,936.54
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @ Meter Sales Level (Line 1 x Line 2)	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50	\$ 27,746,349.50
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17	\$ 2,188,396.17
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)	\$ (742,635.21)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46	\$ 29,192,110.46
7	Total Generation and Purchase Power (per books)	980,924,756	980,924,756	980,924,756	980,924,756
8	Losses (kWh) (1-Line 2)*(Line 7)	59,902,132	59,902,132	59,902,132	59,902,132
9	Total Generation After Losses (kWh) (Line 7-Line 8)	921,022,624	921,022,624	921,022,624	921,022,624
10	kWh Subject to FPP	990,481,632	561,083,212	387,221,575	42,176,845
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	107.54%	60.92%	42.04%	4.58%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 32,185,968.70	\$ 18,237,031.39	\$ 12,587,977.38	\$ 1,360,959.93
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 184,104.42	\$ 127,056.38	\$ 13,839.20
16	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,393,195.59	\$ 17,783,833.69	\$ 12,272,363.24	\$ 1,336,998.66
17	Under/(Over) Recovery of Fuel Costs (Line 16 + Line 15 - Line 14)	\$ (467,773.11)	\$ (269,093.28)	\$ (188,557.76)	\$ (10,122.07)
Emissions Allowance Component (EA)					
18	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
19	EA Expense Allocated to FPP	\$ 697,795.46	\$ 395,283.77	\$ 272,798.05	\$ 29,713.64
20	EA Sales Margin Allocated to FPP	\$ (166,005.95)	\$ (94,038.24)	\$ (64,898.82)	\$ (7,068.89)
21	Net EA Cost (Line 19 + Line 20)	\$ 531,789.51	\$ 301,245.53	\$ 207,899.23	\$ 22,644.75
22	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
23	EA Revenue in FPP (per books)	\$ 456,371.13	\$ 258,601.56	\$ 178,576.32	\$ 19,193.25
24	Under/(Over) Recovery of EA Costs (Line 21 - Line 22 - Line 23)	\$ 75,418.38	\$ 42,643.97	\$ 29,322.91	\$ 3,451.50
Environmental Reagents Component (ER)					
25	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
26	ER Expense Allocated to FPP	\$ 938,297.38	\$ 531,522.13	\$ 366,820.52	\$ 39,954.73
27	ER Revenue in FPP (per books)	\$ 1,590,706.97	\$ 901,732.38	\$ 621,710.17	\$ 67,264.42
28	Under/(Over) Recovery of EA Costs (Line 26 - Line 27)	\$ (652,409.59)	\$ (370,210.25)	\$ (254,889.65)	\$ (27,309.69)
Alternative Energy Portfolio Standard					
29	kWh Subject to FPP (Line 10)	990,481,632	561,083,212	387,221,575	42,176,845
30	AEPS Expense	\$ 11,760.00	\$ 6,661.75	\$ 4,597.49	\$ 500.76
31	AEPS Sales Margin	\$ (817,834.00)	\$ (463,282.62)	\$ (319,726.24)	\$ (34,825.14)
32	Net AEPS Cost (Line 31 + Line 32)	\$ (806,074.00)	\$ (456,620.87)	\$ (315,128.75)	\$ (34,324.38)
33	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 206,757.86	\$ 116,932.88	\$ 81,020.74	\$ 8,804.24
34	Under/(Over) Recovery of EA Costs (Line 32 - Line 33)	\$ (1,012,831.86)	\$ (573,553.75)	\$ (396,149.49)	\$ (43,128.62)
Reconciliation Adjustment Amortization (RA)					
35	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 6,236,792.82	\$ 2,230,268.83	\$ 3,770,146.92	\$ 236,377.07
36	Actual RA recovery through FPP	\$ 5,080,015.93	\$ 2,241,963.05	\$ 2,561,247.47	\$ 276,805.41
37	Under/(Over) Recovery of RA (Line 35 - Line 36)	\$ 1,156,776.89	\$ (11,694.22)	\$ 1,208,899.45	\$ (40,428.34)
System Loss Component (SLA)					
38	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
39	Total Losses Recovered in Base Rates (Line 10 x Line 38)	\$ 984,556.46	\$ 560,522.13	\$ 386,834.35	\$ 37,199.98
40	Actual SLA recovery through FPP	\$ 1,262,964.66	\$ 730,830.48	\$ 504,312.77	\$ 27,821.41
41	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,940,652.90	\$ 1,099,354.42	\$ 758,648.39	\$ 82,650.09
42	Under/(Over) Recovery of Losses (Line 41 - Line 40 - Line 39)	\$ (306,868.22)	\$ (191,998.19)	\$ (132,498.73)	\$ 17,628.70
Net Under/(Over) Recovery of FPP Costs					
43	(Line 17+Line 24+Line 28+Line 34+Line 37+Line 42)	\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)
Net Under/(Over) Recovery of FPP Costs (Page 5E, Line 43)					
44		\$ (1,207,687.51)	\$ (1,373,905.72)	\$ 266,126.73	\$ (99,908.52)
Net Adjustment for March 2010 (Line 43 - Line 44) To Page 3 Line 13					
45		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.69	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,383,837.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,596.93)	\$ (628,551.25)	\$ (36,803.33)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.26	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,983.58)	\$ (49,923.80)	\$ (4,265.86)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (9,212.35)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 23,788.86	\$ 13,302.15	\$ 9,647.13	\$ 839.58
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (424,153.14)	\$ (237,149.40)	\$ (172,004.49)	\$ (14,999.25)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (626,571.68)	\$ (350,390.98)	\$ (254,078.15)	\$ (22,102.55)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,599,286.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,596.82	\$ 50,973.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,495.04)	\$ 9,485.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19

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

Line	Reconciliation Adjustment (RA)	April 2010	Residential April 2010	Non-Residential April 2010	Voltage Reduction April 2010
<u>Fuel Component (FC)</u>					
1	Net Includable Fuel	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97	\$ 23,713,251.97
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81	\$ 22,265,154.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68	\$ 1,684,803.68
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)	\$ (460,418.51)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98	\$ 23,489,539.98
7	Total Generation and Purchase Power (per books)	785,978,263	785,978,263	785,978,263	785,978,263
8	Losses (kWh) (1-Line 2)*(Line 7)	47,997,335	47,997,335	47,997,335	47,997,335
9	Total Generation After Losses (kWh) (Line 7-Line 8)	737,980,928	737,980,928	737,980,928	737,980,928
10	kWh Subject to FPP	734,641,382	410,793,626	297,920,110	25,927,646
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	99.55%	55.66%	40.37%	3.52%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,904,333.56	\$ 13,930,379.99	\$ 10,098,848.23	\$ 875,105.34
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,732.11	\$ 131,797.69	\$ 11,470.20
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 23,383,837.05	\$ 13,074,277.95	\$ 9,482,727.29	\$ 826,831.81
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (1,483,951.51)	\$ (818,596.93)	\$ (628,551.25)	\$ (36,803.33)
<u>Emissions Allowance Component (EA)</u>					
19	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
20	EA Expense Allocated to FPP	\$ 524,209.19	\$ 293,125.05	\$ 212,583.26	\$ 18,500.88
21	EA Sales Margin Allocated to FPP	\$ (242,545.34)	\$ (135,625.46)	\$ (98,359.74)	\$ (8,560.14)
22	Net EA Cost (Line 19 + Line 20)	\$ 281,663.85	\$ 157,499.59	\$ 114,223.52	\$ 9,940.74
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 404,837.09	\$ 226,483.17	\$ 164,147.32	\$ 14,206.60
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (123,173.24)	\$ (68,983.58)	\$ (49,923.80)	\$ (4,265.86)
<u>Environmental Reagents Component (ER)</u>					
26	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
27	ER Expense Allocated to FPP	\$ 958,774.77	\$ 536,123.57	\$ 388,813.23	\$ 33,837.97
28	ER Revenue in FPP (per books)	\$ 1,226,653.74	\$ 686,110.77	\$ 497,492.65	\$ 43,050.32
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (267,878.97)	\$ (149,987.20)	\$ (108,679.42)	\$ (9,212.35)
<u>Alternative Energy Portfolio Standard</u>					
30	kWh Subject to FPP (Line 10)	734,641,382	410,793,626	297,920,110	25,927,646
31	AEPS Expense	\$ 23,788.86	\$ 13,302.15	\$ 9,647.13	\$ 839.58
32	AEPS Sales Margin	\$ (447,942.00)	\$ (250,451.55)	\$ (181,651.62)	\$ (15,838.83)
33	Net AEPS Cost (Line 31 + Line 32)	\$ (424,153.14)	\$ (237,149.40)	\$ (172,004.49)	\$ (14,999.25)
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 202,418.54	\$ 113,241.58	\$ 82,073.66	\$ 7,103.30
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (626,571.68)	\$ (350,390.98)	\$ (254,078.15)	\$ (22,102.55)
<u>Reconciliation Adjustment Amortization (RA)</u>					
36	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.63	\$ 1,110,207.24	\$ 2,644,108.57	\$ 199,189.82
37	Actual RA recovery through FPP	\$ 2,599,286.52	\$ 1,117,427.97	\$ 1,363,685.43	\$ 118,173.12
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,354,219.11	\$ (7,220.73)	\$ 1,280,423.14	\$ 81,016.70
<u>System Loss Component (SLA)</u>					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 730,873.20	\$ 410,382.83	\$ 297,622.19	\$ 22,868.18
41	Actual SLA recovery through FPP	\$ 1,018,619.38	\$ 579,530.45	\$ 420,469.67	\$ 18,619.26
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,441,580.72	\$ 806,010.88	\$ 584,596.82	\$ 50,973.02
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (307,911.86)	\$ (183,902.40)	\$ (133,495.04)	\$ 9,485.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19
Net Under/(Over) Recovery of FPP Costs (Page 5G, Line 44)					
45		\$ (1,455,268.15)	\$ (1,579,081.82)	\$ 105,695.48	\$ 18,118.19
Net Adjustment for April 2010 (Line 44 - Line 45) To Page 3 Line 12					
46		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,967.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,660,120.39	\$ 12,084,123.70	\$ 8,794,556.69	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,462.87	\$ 234,699.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,689.61)	\$ (130,784.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 365,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,165.13	\$ 35,266.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,647.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 350,803.86	\$ 195,710.57	\$ 142,444.96	\$ 12,648.33
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 31 + Line 32)	\$ (587,395.50)	\$ (327,708.36)	\$ (238,487.71)	\$ (21,199.43)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,876.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (770,088.55)	\$ (429,584.85)	\$ (312,695.36)	\$ (27,808.34)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 659,144.73	\$ 369,290.79	\$ 268,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 918,862.77	\$ 521,367.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,364,525.04	\$ 761,264.90	\$ 554,031.68	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.46)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,833.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19

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

Line	Reconciliation Adjustment (RA)	May 2010	Residential May 2010	Non-Residential May 2010	Voltage Reduction May 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09	\$ 27,702,356.09
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31	\$ 26,010,656.31
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96	\$ 1,991,030.96
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)	\$ (1,148,079.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22	\$ 26,853,608.22
7	Total Generation and Purchase Power (per books)	874,935,996	874,935,996	874,935,996	874,935,996
8	Losses (kWh) (1-Line 2)*(Line 7)	53,429,716	53,429,716	53,429,716	53,429,716
9	Total Generation After Losses (kWh) (Line 7-Line 8)	821,506,280	821,506,280	821,506,280	821,506,280
10	kWh Subject to FPP	662,602,497	369,660,453	269,051,741	23,890,303
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	80.66%	45.00%	32.75%	2.91%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 22,477,469.94	\$ 12,532,306.86	\$ 9,130,965.54	\$ 814,197.54
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 181,314.81	\$ 131,967.23	\$ 11,717.96
16	PowerShare Program (Case No. 08-920-EL-SSO)	\$ (12,583.33)	\$ (7,020.13)	\$ (5,109.50)	\$ (453.70)
17	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,228.00)	\$ (144,227.00)	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 21,660,120.39	\$ 12,084,123.70	\$ 8,794,556.69	\$ 781,440.00
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (793,387.88)	\$ (418,116.48)	\$ (353,778.12)	\$ (21,493.28)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
21	EA Expense Allocated to FPP	\$ 578,002.60	\$ 322,462.87	\$ 234,699.70	\$ 20,840.04
22	EA Sales Margin Allocated to FPP	\$ (900,089.48)	\$ (502,152.48)	\$ (365,484.05)	\$ (32,452.96)
23	Net EA Cost (Line 19 + Line 20)	\$ (322,086.88)	\$ (179,689.61)	\$ (130,784.35)	\$ (11,612.92)
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 365,386.10	\$ 203,752.99	\$ 148,415.29	\$ 13,217.82
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (687,472.98)	\$ (383,442.60)	\$ (279,199.64)	\$ (24,830.74)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
28	ER Expense Allocated to FPP	\$ 978,111.53	\$ 545,680.33	\$ 397,165.13	\$ 35,266.07
29	ER Revenue in FPP (per books)	\$ 1,107,118.20	\$ 617,251.70	\$ 449,812.51	\$ 40,053.99
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (129,006.67)	\$ (71,571.37)	\$ (52,647.38)	\$ (4,787.92)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	662,602,497	369,660,453	269,051,741	23,890,303
32	AEPS Expense	\$ 350,803.86	\$ 195,710.57	\$ 142,444.96	\$ 12,648.33
33	AEPS Sales Margin	\$ (938,199.36)	\$ (523,418.93)	\$ (380,932.67)	\$ (33,847.76)
34	Net AEPS Cost (Line 31 + Line 32)	\$ (587,395.50)	\$ (327,708.36)	\$ (238,487.71)	\$ (21,199.43)
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 182,693.05	\$ 101,876.49	\$ 74,207.65	\$ 6,608.91
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (770,088.55)	\$ (429,584.85)	\$ (312,695.36)	\$ (27,808.34)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,348,218.08	\$ 1,005,281.28	\$ 1,232,988.59	\$ 109,948.21
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,605,287.54	\$ 104,925.96	\$ 1,411,119.97	\$ 89,241.61
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 659,144.73	\$ 369,290.79	\$ 268,782.69	\$ 21,071.25
42	Actual SLA recovery through FPP	\$ 918,862.77	\$ 521,367.94	\$ 380,171.48	\$ 17,323.35
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,364,525.04	\$ 761,264.90	\$ 554,031.68	\$ 49,228.46
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (213,482.46)	\$ (129,393.83)	\$ (94,922.49)	\$ 10,833.86
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19
46	Net Under/(Over) Recovery of FPP Costs (Page 5I, Line 45)	\$ (988,151.00)	\$ (1,327,183.17)	\$ 317,876.98	\$ 21,155.19
47	Net Adjustment for May 2010 (Line 45 - Line 46) To Page 3 Line 11	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	65,764,469	65,764,469	65,764,469	65,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.38%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,506.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.68)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.85	\$ 201,064.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (146,440.24)	\$ (94,864.38)	\$ (47,149.86)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 156,197.74	\$ 14,642.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.62)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,061,821.06	\$ 687,850.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,098.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,437.16)	\$ (114,311.83)	\$ (56,803.28)	\$ (5,322.05)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.83	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,066.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 56,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (155,694.06)	\$ (77,791.82)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40

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

Line	Reconciliation Adjustment (RA)	June 2010	Residential June 2010	Non-Residential June 2010	Voltage Reduction June 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86	\$ 35,379,688.86
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40	\$ 33,219,157.40
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71	\$ 1,280,970.71
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)	\$ (1,134,863.05)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06	\$ 33,365,265.06
7	Total Generation and Purchase Power (per books)	1,076,923,194	1,076,923,194	1,076,923,194	1,076,923,194
8	Losses (kWh) (1-Line 2)*(Line 7)	65,764,469	65,764,469	65,764,469	65,764,469
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,011,158,725	1,011,158,725	1,011,158,725	1,011,158,725
10	kWh Subject to FPP	880,040,304	570,092,435	283,349,570	26,598,299
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	87.03%	56.38%	28.02%	2.63%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 29,844,450.86	\$ 19,332,749.92	\$ 9,609,765.31	\$ 901,935.63
15	Per Stipulation (Case No. 07-974-EL-UNC Commission Order 9/30/09)	\$ 325,000.00	\$ 210,535.85	\$ 104,641.36	\$ 9,822.79
16	Per Stipulation (Case No. 09-974-EL-FAC Commission Order 9/22/10)	\$ (288,455.00)	\$ (144,227.00)	\$ (144,228.00)	\$ -
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ 129,000.00	\$ 83,566.54	\$ 41,534.57	\$ 3,898.89
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 29,037,790.18	\$ 18,811,336.44	\$ 9,348,947.27	\$ 877,506.47
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (641,115.68)	\$ (371,538.09)	\$ (258,870.11)	\$ (10,707.48)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
21	EA Expense Allocated to FPP	\$ 624,477.00	\$ 404,537.85	\$ 201,064.98	\$ 18,874.17
22	EA Sales Margin Allocated to FPP	\$ (146,440.24)	\$ (94,864.38)	\$ (47,149.86)	\$ (4,426.00)
23	Net EA Cost (Line 21 + Line 22)	\$ 478,036.76	\$ 309,673.47	\$ 153,915.12	\$ 14,448.17
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 485,155.99	\$ 314,316.08	\$ 156,197.74	\$ 14,642.17
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ (7,119.23)	\$ (4,642.61)	\$ (2,282.62)	\$ (194.00)
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
28	ER Expense Allocated to FPP	\$ 1,061,821.06	\$ 687,850.49	\$ 341,878.14	\$ 32,092.43
29	ER Revenue in FPP (per books)	\$ 1,469,962.33	\$ 952,192.82	\$ 473,399.29	\$ 44,370.22
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (408,141.27)	\$ (264,342.33)	\$ (131,521.15)	\$ (12,277.79)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	880,040,304	570,092,435	283,349,570	26,598,299
32	AEPS Expense	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 66,140.84	\$ 42,846.21	\$ 21,295.59	\$ 1,999.04
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 242,578.00	\$ 157,158.04	\$ 78,098.87	\$ 7,321.09
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (176,437.16)	\$ (114,311.83)	\$ (56,803.28)	\$ (5,322.05)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 2nd Quarter Filing (spread evenly)	\$ 3,953,505.62	\$ 1,110,207.24	\$ 2,644,108.56	\$ 199,189.82
38	Actual RA recovery through FPP	\$ 2,970,219.04	\$ 1,550,780.06	\$ 1,297,642.73	\$ 121,796.25
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 983,286.58	\$ (440,572.82)	\$ 1,346,465.83	\$ 77,393.57
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 876,048.26	\$ 569,522.34	\$ 283,066.22	\$ 23,459.70
42	Actual SLA recovery through FPP	\$ 1,223,576.00	\$ 804,279.37	\$ 400,106.51	\$ 19,190.12
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,880,310.53	\$ 1,218,107.65	\$ 605,380.91	\$ 56,821.97
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (219,313.73)	\$ (155,694.06)	\$ (77,791.82)	\$ 14,172.15
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40
Net Under/(Over) Recovery of FPP Costs (Page 5K, Line 45)					
46		\$ (468,840.49)	\$ (1,351,101.74)	\$ 819,196.85	\$ 63,064.40
47	Net Adjustment for June 2010 (Line 45 - Line 46) To Page 3 Line 10	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28
7	Total Generation and Purchase Power (per books)	1,110,507,796	1,110,507,796	1,110,507,796	1,110,507,796
8	Losses (kWh) (1-Line 2)*(Line 7)	67,815,380	67,815,380	67,815,380	67,815,380
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,042,692,416	1,042,692,416	1,042,692,416	1,042,692,416
10	kWh Subject to FPP	1,006,730,934	697,349,985	283,182,658	26,198,291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.55%	66.88%	27.16%	2.51%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,287,228.26	\$ 23,750,697.32	\$ 9,645,169.55	\$ 891,361.39
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (40,142.15)	\$ (27,968.47)	\$ (10,268.21)	\$ (1,905.47)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
20	EA Expense Allocated to FPP	\$ 690,079.69	\$ 478,009.61	\$ 194,112.05	\$ 17,958.03
21	EA Sales Margin Allocated to FPP	\$ (504,166.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 185,913.65	\$ 128,780.07	\$ 52,295.53	\$ 4,838.05
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,896.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,986.90)	\$ (322,116.91)	\$ (130,722.64)	\$ (12,147.35)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
27	ER Expense Allocated to FPP	\$ 1,677,167.46	\$ 1,161,753.02	\$ 471,769.30	\$ 43,645.14
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.93)	\$ (17,895.21)	\$ (1,575.73)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
31	AEPS Expense	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 183,598.77	\$ 75,146.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (195,973.03)	\$ (135,304.01)	\$ (55,534.80)	\$ (5,134.22)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,210,024.73	\$ 1,530,879.90	\$ 621,691.06	\$ 57,453.77
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (219,552.56)	\$ (167,466.03)	\$ (67,242.11)	\$ 15,155.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59

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

Line	Reconciliation Adjustment (RA)	July 2010	Residential July 2010	Non-Residential July 2010	Voltage Reduction July 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99	\$ 37,483,338.99
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93	\$ 35,194,343.93
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82	\$ 1,880,214.82
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)	\$ (1,562,152.47)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28	\$ 35,512,406.28
7	Total Generation and Purchase Power (per books)	1,110,507,796	1,110,507,796	1,110,507,796	1,110,507,796
8	Losses (kWh) (1-Line 2)*(Line 7)	67,815,380	67,815,380	67,815,380	67,815,380
9	Total Generation After Losses (kWh) (Line 7-Line 8)	1,042,692,416	1,042,692,416	1,042,692,416	1,042,692,416
10	kWh Subject to FPP	1,006,730,934	697,349,985	283,182,658	26,198,291
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	96.55%	66.88%	27.16%	2.51%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 34,421,027.00	\$ 23,843,540.55	\$ 9,681,782.35	\$ 895,704.10
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 11,437.03	\$ 7,922.29	\$ 3,217.11	\$ 297.63
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 82,219.56	\$ 56,952.47	\$ 23,127.48	\$ 2,139.61
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 34,287,228.26	\$ 23,750,697.32	\$ 9,645,169.55	\$ 891,361.39
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (40,142.15)	\$ (27,968.47)	\$ (10,268.21)	\$ (1,905.47)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
20	EA Expense Allocated to FPP	\$ 890,079.69	\$ 478,009.61	\$ 194,112.05	\$ 17,958.03
21	EA Sales Margin Allocated to FPP	\$ (504,166.04)	\$ (349,229.54)	\$ (141,816.52)	\$ (13,119.98)
22	Net EA Cost (Line 19 + Line 20)	\$ 185,913.65	\$ 128,780.07	\$ 52,295.53	\$ 4,838.05
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 650,900.55	\$ 450,896.98	\$ 183,018.17	\$ 16,985.40
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (464,986.90)	\$ (322,116.91)	\$ (130,722.64)	\$ (12,147.35)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
27	ER Expense Allocated to FPP	\$ 1,677,167.46	\$ 1,161,753.02	\$ 471,769.30	\$ 43,645.14
28	ER Revenue in FPP (per books)	\$ 1,739,077.33	\$ 1,204,191.95	\$ 489,664.51	\$ 45,220.87
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (61,909.87)	\$ (42,438.93)	\$ (17,895.21)	\$ (1,575.73)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	1,006,730,934	697,349,985	283,182,658	26,198,291
31	AEPS Expense	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 69,720.84	\$ 48,294.76	\$ 19,611.73	\$ 1,814.35
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 265,693.87	\$ 183,598.77	\$ 75,146.53	\$ 6,948.57
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (195,973.03)	\$ (135,304.01)	\$ (55,534.80)	\$ (5,134.22)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,719,559.00	\$ 315,897.89	\$ 1,284,763.31	\$ 118,897.80
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,003,337.72	\$ (63,885.83)	\$ 959,839.77	\$ 107,383.78
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 1,002,659.00	\$ 696,652.63	\$ 282,899.48	\$ 23,106.89
41	Actual SLA recovery through FPP	\$ 1,426,918.29	\$ 1,001,693.30	\$ 406,033.69	\$ 19,191.30
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 2,210,024.73	\$ 1,530,879.90	\$ 621,691.06	\$ 57,453.77
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (219,552.56)	\$ (167,466.03)	\$ (67,242.11)	\$ 15,155.58
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59
45	Net Under/(Over) Recovery of FPP Costs (Page 5M, Line 44)	\$ 20,773.21	\$ (759,180.18)	\$ 678,176.80	\$ 101,776.59
46	Net Adjustment for July 2010 (Line 44 - Line 45) To Page 3 Line 9	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00
7	Total Generation and Purchase Power (per books)	971,392,163	971,392,163	971,392,163	971,392,163
8	Losses (kWh) (1-Line 2)*(Line 7)	59,320,005	59,320,005	59,320,005	59,320,005
9	Total Generation After Losses (kWh) (Line 7-Line 8)	912,072,158	912,072,158	912,072,158	912,072,158
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.02%	70.76%	27.84%	2.42%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,858.96
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,511,746.43	\$ 22,072,571.55	\$ 8,684,290.44	\$ 754,884.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 127,950.67	\$ 89,087.96	\$ 36,971.26	\$ 1,891.45
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 582,413.51	\$ 407,960.69	\$ 160,478.00	\$ 13,974.82
21	EA Sales Margin Allocated to FPP	\$ (98,898.06)	\$ (69,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 483,515.45	\$ 338,685.99	\$ 133,227.67	\$ 11,601.79
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.95	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (112,202.24)	\$ (78,614.39)	\$ (30,856.28)	\$ (2,731.57)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 731,938.33	\$ 512,697.69	\$ 201,678.01	\$ 17,562.63
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.88	\$ 439,006.07	\$ 38,160.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (859,694.86)	\$ (601,769.19)	\$ (237,328.06)	\$ (20,597.61)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 169,918.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (39,185.70)	\$ (27,045.51)	\$ (11,170.71)	\$ (969.48)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.26	\$ 292,360.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 253,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,056.53	\$ 364,027.31	\$ 16,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,996,276.67	\$ 1,398,302.68	\$ 550,151.88	\$ 47,822.11
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (228,855.68)	\$ (173,490.70)	\$ (67,493.20)	\$ 12,128.22
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08

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

Line	Reconciliation Adjustment (RA)	August 2010	Residential August 2010	Non-Residential August 2010	Voltage Reduction August 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08	\$ 32,359,871.08
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84	\$ 30,383,750.84
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86	\$ 1,852,887.86
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)	\$ (1,043,066.70)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00	\$ 31,193,572.00
7	Total Generation and Purchase Power (per books)	971,392,163	971,392,163	971,392,163	971,392,163
8	Losses (kWh) (1-Line 2)*(Line 7)	59,320,005	59,320,005	59,320,005	59,320,005
9	Total Generation After Losses (kWh) (Line 7-Line 8)	912,072,158	912,072,158	912,072,158	912,072,158
10	kWh Subject to FPP	921,361,651	645,382,231	253,871,640	22,107,780
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.02%	70.76%	27.84%	2.42%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 31,502,945.60	\$ 22,066,943.97	\$ 8,680,149.68	\$ 755,851.95
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 119,149.84	\$ 83,460.38	\$ 32,830.50	\$ 2,858.96
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 31,511,746.43	\$ 22,072,571.55	\$ 8,684,290.44	\$ 754,884.44
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ 127,950.67	\$ 89,087.96	\$ 36,971.26	\$ 1,891.45
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
20	EA Expense Allocated to FPP	\$ 582,413.51	\$ 407,960.69	\$ 160,478.00	\$ 13,974.82
21	EA Sales Margin Allocated to FPP	\$ (98,898.06)	\$ (69,274.70)	\$ (27,250.33)	\$ (2,373.03)
22	Net EA Cost (Line 19 + Line 20)	\$ 483,515.45	\$ 338,685.99	\$ 133,227.67	\$ 11,601.79
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 595,717.69	\$ 417,300.38	\$ 164,083.95	\$ 14,333.36
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (112,202.24)	\$ (78,614.39)	\$ (30,856.28)	\$ (2,731.57)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
27	ER Expense Allocated to FPP	\$ 731,938.33	\$ 512,697.69	\$ 201,678.01	\$ 17,562.63
28	ER Revenue in FPP (per books)	\$ 1,591,633.19	\$ 1,114,466.88	\$ 439,006.07	\$ 38,160.24
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (859,694.86)	\$ (601,769.19)	\$ (237,328.06)	\$ (20,597.61)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	921,361,651	645,382,231	253,871,640	22,107,780
31	AEPS Expense	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 203,968.89	\$ 142,873.21	\$ 56,201.51	\$ 4,894.17
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 243,154.59	\$ 169,918.72	\$ 67,372.22	\$ 5,863.65
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (39,185.70)	\$ (27,045.51)	\$ (11,170.71)	\$ (969.48)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
37	Actual RA recovery through FPP	\$ 1,544,541.26	\$ 292,360.15	\$ 1,151,847.60	\$ 100,333.51
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,178,355.46	\$ (40,348.09)	\$ 1,092,755.48	\$ 125,948.07
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 917,853.68	\$ 644,736.85	\$ 253,617.77	\$ 19,499.06
41	Actual SLA recovery through FPP	\$ 1,307,278.67	\$ 927,056.53	\$ 364,027.31	\$ 16,194.83
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,996,276.67	\$ 1,398,302.68	\$ 550,151.88	\$ 47,822.11
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (228,855.68)	\$ (173,490.70)	\$ (67,493.20)	\$ 12,128.22
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08
Net Under/(Over) Recovery of FPP Costs (Page 50, Line 44)					
45		\$ 66,367.65	\$ (832,179.92)	\$ 782,878.49	\$ 115,669.08
46	Net Adjustment for August 2010 (Line 44 - Line 45) To Page 3 Line 8	\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90
7	Total Generation and Purchase Power (per books)	660,480,934	660,480,934	660,480,934	660,480,934
8	Losses (kWh) (1-Line 2)*(Line 7)	40,333,589	40,333,589	40,333,589	40,333,589
9	Total Generation After Losses (kWh) (Line 7-Line 8)	620,147,345	620,147,345	620,147,345	620,147,345
10	kWh Subject to FPP	708,268,416	500,680,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	114.21%	80.74%	33.20%	0.27%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,029.81	\$ 9,917.78	\$ 4,078.94	\$ 33.09
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,357,314.18	\$ 17,219,241.28	\$ 7,080,490.59	\$ 57,582.31
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 277,874.01	\$ 199,552.55	\$ 77,516.91	\$ 804.55
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 488,567.11	\$ 345,371.71	\$ 142,043.07	\$ 1,152.34
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.81)
23	Net EA Cost (Line 21 + Line 22)	\$ 462,868.95	\$ 327,205.49	\$ 134,571.74	\$ 1,091.73
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.36	\$ 323,758.44	\$ 133,162.86	\$ 1,083.06
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 4,864.59	\$ 3,447.05	\$ 1,408.88	\$ 8.67
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 936,222.08	\$ 661,822.32	\$ 272,191.60	\$ 2,208.16
29	ER Revenue in FPP (per books)	\$ 1,223,808.54	\$ 864,648.28	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (287,586.46)	\$ (202,825.96)	\$ (84,085.19)	\$ (675.31)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
32	AEPS Expense	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,948.99	\$ 131,829.78	\$ 54,676.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (124,845.41)	\$ (87,928.30)	\$ (36,620.52)	\$ (296.59)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,169,191.84	\$ 226,824.77	\$ 934,785.65	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 295,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,542,542.98	\$ 1,090,490.50	\$ 448,405.80	\$ 3,646.67
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (180,720.77)	\$ (128,936.80)	\$ (52,733.54)	\$ 949.56
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04

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

Line	Reconciliation Adjustment (RA)	September 2010	Residential September 2010	Non-Residential September 2010	Voltage Reduction September 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18	\$ 22,117,017.18
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29	\$ 20,766,397.29
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67	\$ 1,145,974.67
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)	\$ (585,593.06)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90	\$ 21,326,778.90
7	Total Generation and Purchase Power (per books)	660,480,934	660,480,934	660,480,934	660,480,934
8	Losses (kWh) (1-Line 2)*(Line 7)	40,333,589	40,333,589	40,333,589	40,333,589
9	Total Generation After Losses (kWh) (Line 7-Line 8)	620,147,345	620,147,345	620,147,345	620,147,345
10	kWh Subject to FPP	708,268,416	500,680,187	205,917,716	1,670,513
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	114.21%	80.74%	33.20%	0.27%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 24,221,941.15	\$ 17,120,423.73	\$ 7,044,403.56	\$ 57,113.86
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 14,029.81	\$ 9,917.78	\$ 4,078.94	\$ 33.09
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 128,471.17	\$ 90,817.22	\$ 37,350.94	\$ 303.01
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 24,357,314.18	\$ 17,219,241.28	\$ 7,080,490.59	\$ 57,582.31
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ 277,874.01	\$ 199,552.55	\$ 77,516.91	\$ 804.55
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
21	EA Expense Allocated to FPP	\$ 488,567.11	\$ 345,371.71	\$ 142,043.07	\$ 1,152.34
22	EA Sales Margin Allocated to FPP	\$ (25,698.16)	\$ (18,166.22)	\$ (7,471.33)	\$ (60.61)
23	Net EA Cost (Line 21 + Line 22)	\$ 462,868.95	\$ 327,205.49	\$ 134,571.74	\$ 1,091.73
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 458,004.36	\$ 323,758.44	\$ 133,162.86	\$ 1,083.06
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 4,864.59	\$ 3,447.05	\$ 1,408.88	\$ 6.67
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
28	ER Expense Allocated to FPP	\$ 936,222.08	\$ 661,822.32	\$ 272,191.60	\$ 2,208.16
29	ER Revenue in FPP (per books)	\$ 1,223,808.54	\$ 864,648.28	\$ 356,276.79	\$ 2,883.47
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (287,586.46)	\$ (202,825.96)	\$ (84,085.19)	\$ (675.31)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	708,268,416	500,680,187	205,917,716	1,670,513
32	AEPS Expense	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
33	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
34	Net AEPS Cost (Line 32 + Line 33)	\$ 62,103.58	\$ 43,901.48	\$ 18,055.62	\$ 146.48
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 186,948.99	\$ 131,829.78	\$ 54,676.14	\$ 443.07
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ (124,845.41)	\$ (87,928.30)	\$ (36,620.52)	\$ (296.59)
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 2,722,896.72	\$ 252,012.06	\$ 2,244,603.08	\$ 226,281.58
38	Actual RA recovery through FPP	\$ 1,169,191.84	\$ 226,824.77	\$ 934,785.65	\$ 7,581.42
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,553,704.88	\$ 25,187.29	\$ 1,309,817.43	\$ 218,700.16
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 707,364.70	\$ 500,179.51	\$ 205,711.80	\$ 1,473.39
42	Actual SLA recovery through FPP	\$ 1,015,899.05	\$ 719,247.79	\$ 295,427.54	\$ 1,223.72
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,542,542.98	\$ 1,090,490.50	\$ 448,405.80	\$ 3,646.67
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (180,720.77)	\$ (128,936.80)	\$ (52,733.54)	\$ 949.56
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04
Net Under/(Over) Recovery of FPP Costs (Page 5Q, Line 45)					
46		\$ 1,243,290.84	\$ (191,504.17)	\$ 1,215,303.97	\$ 219,491.04
Net Adjustment for September 2010 (Line 45 - Line 46) To Page 3 Line 7					
47		\$ -	\$ -	\$ -	\$ -

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

Line	Reconciliation Adjustment (RA)	October 2010	Residential October 2010	Non-Residential October 2010	Voltage Reduction October 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,439,760.06	\$ 17,439,760.06	\$ 17,439,760.06	\$ 17,439,760.06
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 16,374,766.24	\$ 16,374,766.24	\$ 16,374,766.24	\$ 16,374,766.24
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (410,321.30)	\$ (410,321.30)	\$ (410,321.30)	\$ (410,321.30)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 17,699,693.55	\$ 17,699,693.55	\$ 17,699,693.55	\$ 17,699,693.55
7	Total Generation and Purchase Power (per books)	547,396,382	547,396,382	547,396,382	547,396,382
8	Losses (kWh) (1-Line 2)*(Line 7)	33,427,855	33,427,855	33,427,855	33,427,855
9	Total Generation After Losses (kWh) (Line 7-Line 8)	513,968,527	513,968,527	513,968,527	513,968,527
10	kWh Subject to FPP	502,998,290	334,028,999	168,080,614	888,677
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	97.87%	64.99%	32.70%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ (168.32)	\$ (111.78)	\$ (56.24)	\$ (0.30)
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 108,175.35	\$ 71,836.63	\$ 36,147.60	\$ 191.12
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,322,690.08	\$ 11,503,030.84	\$ 5,787,799.79	\$ 31,859.45
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,915,555.02)	\$ (1,916,947.16)	\$ (990,462.12)	\$ (8,145.74)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
20	EA Expense Allocated to FPP	\$ 318,215.07	\$ 211,318.93	\$ 106,333.93	\$ 562.21
21	EA Sales Margin Allocated to FPP	\$ (29,794.50)	\$ (19,785.81)	\$ (9,956.05)	\$ (52.64)
22	Net EA Cost (Line 19 + Line 20)	\$ 288,420.57	\$ 191,533.12	\$ 96,377.88	\$ 509.57
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 355,924.43	\$ 236,129.40	\$ 119,094.48	\$ 700.55
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (67,503.86)	\$ (44,596.28)	\$ (22,716.60)	\$ (190.98)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
27	ER Expense Allocated to FPP	\$ 557,255.65	\$ 370,060.00	\$ 186,211.12	\$ 984.53
28	ER Revenue in FPP (per books)	\$ 795,490.17	\$ 527,074.55	\$ 266,843.27	\$ 1,572.35
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (238,234.52)	\$ (157,014.55)	\$ (80,632.15)	\$ (587.82)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
31	AEPS Expense	\$ 96,009.62	\$ 63,757.67	\$ 32,082.33	\$ 169.62
32	AEPS Sales Margin	\$ 4,150.56	\$ 2,756.16	\$ 1,386.77	\$ 7.63
33	Net AEPS Cost (Line 31 + Line 32)	\$ 100,160.18	\$ 66,513.83	\$ 33,469.10	\$ 177.25
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 211,713.87	\$ 140,553.21	\$ 70,740.33	\$ 420.33
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (111,553.69)	\$ (74,039.38)	\$ (37,271.23)	\$ (243.08)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 394,568.89	\$ (975,439.29)	\$ 1,361,975.21	\$ 8,032.97
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,033,348.57	\$ (277,645.92)	\$ 996,772.53	\$ 314,221.96
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 502,391.31	\$ 333,694.97	\$ 167,912.53	\$ 783.81
41	Actual SLA recovery through FPP	\$ 957,736.46	\$ 635,300.52	\$ 321,465.55	\$ 970.39
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,042,309.45	\$ 692,139.49	\$ 348,252.98	\$ 1,916.98
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (417,818.32)	\$ (276,856.00)	\$ (141,125.10)	\$ 162.78
44	Net Under/(Over) Recovery of FPP Costs (Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,717,316.84)	\$ (2,747,099.29)	\$ (275,434.67)	\$ 305,217.12

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

Line	Reconciliation Adjustment (RA)	October 2010	Residential October 2010	Non-Residential October 2010	Voltage Reduction October 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27	\$ 17,035,930.27
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12	\$ 15,995,597.12
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61	\$ 1,735,248.61
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)	\$ (403,549.94)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79	\$ 17,327,295.79
7	Total Generation and Purchase Power (per books)	529,481,724	529,481,724	529,481,724	529,481,724
8	Losses (kWh) (1-Line 2)*(Line 7)	32,333,860	32,333,860	32,333,860	32,333,860
9	Total Generation After Losses (kWh) (Line 7-Line 8)	497,147,864	497,147,864	497,147,864	497,147,864
10	kWh Subject to FPP	502,998,290	334,028,999	168,080,614	888,677
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	101.18%	67.19%	33.81%	0.18%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 20,346,252.13	\$ 13,491,702.85	\$ 6,814,353.27	\$ 40,196.01
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ (162.44)	\$ (107.88)	\$ (54.27)	\$ (0.29)
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ 108,175.35	\$ 71,836.63	\$ 36,147.60	\$ 191.12
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 17,531,757.88	\$ 11,642,210.04	\$ 5,858,358.71	\$ 31,189.13
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,706,481.34)	\$ (1,777,764.06)	\$ (919,901.23)	\$ (8,816.05)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
20	EA Expense Allocated to FPP	\$ 316,939.51	\$ 210,471.86	\$ 105,907.69	\$ 559.96
21	EA Sales Margin Allocated to FPP	\$ (29,794.50)	\$ (19,785.81)	\$ (9,956.05)	\$ (52.64)
22	Net EA Cost (Line 19 + Line 20)	\$ 287,145.01	\$ 190,686.05	\$ 95,951.64	\$ 507.32
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 355,924.43	\$ 236,129.40	\$ 119,094.48	\$ 700.55
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ (68,779.42)	\$ (45,443.35)	\$ (23,142.84)	\$ (193.23)
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
27	ER Expense Allocated to FPP	\$537,802.13	\$ 357,141.39	\$ 179,710.58	\$ 950.16
28	ER Revenue in FPP (per books)	\$ 795,490.17	\$ 527,074.55	\$ 266,843.27	\$ 1,572.35
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (257,688.04)	\$ (169,933.16)	\$ (87,132.69)	\$ (622.19)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	502,998,290	334,028,999	168,080,614	888,677
31	AEPS Expense	\$ 96,009.62	\$ 63,757.67	\$ 32,082.33	\$ 169.62
32	AEPS Sales Margin	\$ 4,150.56	\$ 2,756.24	\$ 1,386.94	\$ 7.38
33	Net AEPS Cost (Line 31 + Line 32)	\$ 100,160.18	\$ 66,513.91	\$ 33,469.27	\$ 177.00
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 211,713.87	\$ 140,553.21	\$ 70,740.33	\$ 420.33
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ (111,553.69)	\$ (74,039.30)	\$ (37,271.06)	\$ (243.33)
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 394,568.89	\$ (975,439.29)	\$ 1,361,975.21	\$ 8,032.97
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,033,348.57	\$ (277,645.92)	\$ 996,772.53	\$ 314,221.96
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 502,391.31	\$ 333,694.97	\$ 167,912.53	\$ 783.81
41	Actual SLA recovery through FPP	\$ 957,736.46	\$ 635,300.52	\$ 321,465.55	\$ 970.39
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,052,609.08	\$ 698,999.85	\$ 351,736.64	\$ 1,872.59
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (407,518.69)	\$ (269,995.64)	\$ (137,641.44)	\$ 118.39
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,518,672.61)	\$ (2,614,821.43)	\$ (208,316.73)	\$ 304,465.55
Net Under/(Over) Recovery of FPP Costs (Page 5S, Line 44)					
45		\$ (2,717,316.84)	\$ (2,747,099.29)	\$ (275,434.67)	\$ 305,217.12
Net Adjustment for October 2010 (Line 44 - Line 45) To Page 3 Line 6					
46		\$ 198,644.23	\$ 132,277.86	\$ 67,117.94	\$ (751.57)

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

Line	Reconciliation Adjustment (RA)	November 2010	Residential November 2010	Non-Residential November 2010	Voltage Reduction November 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 20,007,066.33	\$ 20,007,066.33	\$ 20,007,066.33	\$ 20,007,066.33
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 18,785,294.81	\$ 18,785,294.81	\$ 18,785,294.81	\$ 18,785,294.81
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (437,688.37)	\$ (437,688.37)	\$ (437,688.37)	\$ (437,688.37)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,299,242.50	\$ 19,299,242.50	\$ 19,299,242.50	\$ 19,299,242.50
7	Total Generation and Purchase Power (per books)	598,583,981	598,583,981	598,583,981	598,583,981
8	Losses (kWh) (1-Line 2)*(Line 7)	36,553,728	36,553,728	36,553,728	36,553,728
9	Total Generation After Losses (kWh) (Line 7-Line 8)	562,030,253	562,030,253	562,030,253	562,030,253
10	kWh Subject to FPP	473,974,549	316,712,300	155,576,791	1,685,458
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	84.33%	56.35%	27.68%	0.30%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,275,051.20	\$ 10,875,123.15	\$ 5,342,030.32	\$ 57,897.73
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,863,931.71)	\$ (1,910,998.43)	\$ (942,801.10)	\$ (10,132.18)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
20	EA Expense Allocated to FPP	\$ 419,900.81	\$ 280,579.94	\$ 137,827.70	\$ 1,493.17
21	EA Sales Margin Allocated to FPP	\$ (35,195.69)	\$ (23,517.95)	\$ (11,552.59)	\$ (125.15)
22	Net EA Cost (Line 19 + Line 20)	\$ 384,705.12	\$ 257,061.99	\$ 126,275.11	\$ 1,368.02
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 334,806.11	\$ 223,780.44	\$ 109,840.02	\$ 1,185.65
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 49,899.01	\$ 33,281.55	\$ 16,435.09	\$ 182.37
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
27	ER Expense Allocated to FPP	\$ 721,788.56	\$ 482,302.93	\$ 236,918.94	\$ 2,566.69
28	ER Revenue in FPP (per books)	\$ 748,278.75	\$ 499,509.91	\$ 246,107.72	\$ 2,661.12
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (26,490.19)	\$ (17,206.98)	\$ (9,188.78)	\$ (94.43)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
31	AEPS Expense	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,157.35	\$ 133,202.64	\$ 65,243.32	\$ 711.39
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 24,086.75	\$ 15,970.25	\$ 8,034.03	\$ 82.47
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 345,309.53	\$ (924,426.33)	\$ 1,256,140.42	\$ 13,595.44
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,082,607.93	\$ (328,658.88)	\$ 1,102,607.32	\$ 308,659.49
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 473,303.37	\$ 316,395.59	\$ 155,421.21	\$ 1,486.57
41	Actual SLA recovery through FPP	\$ 900,203.76	\$ 602,075.94	\$ 296,485.48	\$ 1,642.34
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,030,319.92	\$ 688,468.25	\$ 338,186.36	\$ 3,665.31
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (343,187.21)	\$ (230,003.28)	\$ (113,720.33)	\$ 536.40
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,077,015.42)	\$ (2,437,615.77)	\$ 61,366.23	\$ 299,234.12

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

Line	Reconciliation Adjustment (RA)	November 2010	Residential November 2010	Non-Residential November 2010	Voltage Reduction November 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28	\$ 19,727,434.28
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05	\$ 18,522,739.05
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06	\$ 951,636.06
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)	\$ (416,172.82)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29	\$ 19,058,202.29
7	Total Generation and Purchase Power (per books)	588,648,911	588,648,911	588,648,911	588,648,911
8	Losses (kWh) (1-Line 2)*(Line 7)	35,947,023	35,947,023	35,947,023	35,947,023
9	Total Generation After Losses (kWh) (Line 7-Line 8)	552,701,888	552,701,888	552,701,888	552,701,888
10	kWh Subject to FPP	473,974,549	316,712,300	155,576,791	1,685,458
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	85.76%	57.30%	28.15%	0.31%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 19,138,982.91	\$ 12,786,121.58	\$ 6,284,831.42	\$ 68,029.91
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ -	\$ -	\$ -	\$ -
17	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 16,344,314.28	\$ 10,920,349.91	\$ 5,364,883.94	\$ 59,080.43
18	Under/(Over) Recovery of Fuel Costs (Line 17 + Line 16 + Line 15 - Line 14)	\$ (2,794,668.63)	\$ (1,865,771.67)	\$ (919,947.48)	\$ (8,949.48)
Emissions Allowance Component (EA)					
19	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
20	EA Expense Allocated to FPP	\$ 419,552.93	\$ 280,347.49	\$ 137,713.51	\$ 1,491.93
21	EA Sales Margin Allocated to FPP	\$ (35,195.69)	\$ (23,517.95)	\$ (11,552.59)	\$ (125.15)
22	Net EA Cost (Line 19 + Line 20)	\$ 384,357.24	\$ 256,829.54	\$ 126,160.92	\$ 1,366.78
23	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
24	EA Revenue in FPP (per books)	\$ 334,806.11	\$ 223,780.44	\$ 109,840.02	\$ 1,185.65
25	Under/(Over) Recovery of EA Costs (Line 22 - Line 23 - Line 24)	\$ 49,551.13	\$ 33,049.10	\$ 16,320.90	\$ 181.13
Environmental Reagents Component (ER)					
26	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
27	ER Expense Allocated to FPP	\$ 716,061.10	\$ 478,475.81	\$ 235,038.97	\$ 2,546.32
28	ER Revenue in FPP (per books)	\$ 748,278.75	\$ 499,509.91	\$ 246,107.72	\$ 2,661.12
29	Under/(Over) Recovery of EA Costs (Line 27 - Line 28)	\$ (32,217.65)	\$ (21,034.10)	\$ (11,068.75)	\$ (114.80)
Alternative Energy Portfolio Standard					
30	kWh Subject to FPP (Line 10)	473,974,549	316,712,300	155,576,791	1,685,458
31	AEPS Expense	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
32	AEPS Sales Margin	\$ -	\$ -	\$ -	\$ -
33	Net AEPS Cost (Line 31 + Line 32)	\$ 223,244.10	\$ 149,172.89	\$ 73,277.35	\$ 793.86
34	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 199,157.35	\$ 133,202.64	\$ 65,243.32	\$ 711.39
35	Under/(Over) Recovery of EA Costs (Line 33 - Line 34)	\$ 24,086.75	\$ 15,970.25	\$ 8,034.03	\$ 82.47
Reconciliation Adjustment Amortization (RA)					
36	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.74	\$ 322,254.93
37	Actual RA recovery through FPP	\$ 345,309.53	\$ (924,426.33)	\$ 1,256,140.42	\$ 13,595.44
38	Under/(Over) Recovery of RA (Line 36 - Line 37)	\$ 1,082,607.93	\$ (328,658.88)	\$ 1,102,607.32	\$ 308,659.49
System Loss Component (SLA)					
39	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
40	Total Losses Recovered in Base Rates (Line 10 x Line 39)	\$ 473,303.37	\$ 316,395.59	\$ 155,421.21	\$ 1,486.57
41	Actual SLA recovery through FPP	\$ 900,203.76	\$ 602,075.94	\$ 296,485.48	\$ 1,642.34
42	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,033,146.62	\$ 690,290.36	\$ 339,121.71	\$ 3,734.55
43	Under/(Over) Recovery of Losses (Line 42 - Line 41 - Line 40)	\$ (340,360.51)	\$ (228,181.17)	\$ (112,784.98)	\$ 605.64
Net Under/(Over) Recovery of FPP Costs					
44	(Line 18+Line 25+Line 29+Line 35+Line 38+Line 43)	\$ (2,011,000.98)	\$ (2,394,626.47)	\$ 83,161.04	\$ 300,464.45
Net Under/(Over) Recovery of FPP Costs (Page 5U, Line 44)					
45		\$ (2,077,015.42)	\$ (2,437,615.77)	\$ 61,366.23	\$ 299,234.12
46	Net Adjustment for November 2010 (Line 44 - Line 45) To Page 3 Line 5	\$ 66,014.44	\$ 42,989.30	\$ 21,794.81	\$ 1,230.33

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

Line	Reconciliation Adjustment (RA)	December 2010	Residential December 2010	Non-Residential December 2010	Voltage Reduction December 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 26,476,035.45	\$ 26,476,035.45	\$ 26,476,035.45	\$ 26,476,035.45
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 24,859,223.39	\$ 24,859,223.39	\$ 24,859,223.39	\$ 24,859,223.39
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (690,637.56)	\$ (690,637.56)	\$ (690,637.56)	\$ (690,637.56)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,363,759.61	\$ 25,363,759.61	\$ 25,363,759.61	\$ 25,363,759.61
7	Total Generation and Purchase Power (per books)	796,715,550	796,715,550	796,715,550	796,715,550
8	Losses (kWh) (1-Line 2)*(Line 7)	48,653,029	48,653,029	48,653,029	48,653,029
9	Total Generation After Losses (kWh) (Line 7-Line 8)	748,062,521	748,062,521	748,062,521	748,062,521
10	kWh Subject to FPP	675,707,818	493,858,216	180,019,813	1,829,789
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	90.33%	66.02%	24.07%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 3,721.88	\$ 2,720.23	\$ 991.57	\$ 10.08
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (434,886.31)	\$ (317,847.70)	\$ (115,860.95)	\$ (1,177.65)
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 22,911,084.06	\$ 16,745,154.09	\$ 6,105,056.94	\$ 60,873.02
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (4,787,906.13)	\$ (3,498,996.13)	\$ (1,274,759.94)	\$ (14,150.06)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
21	EA Expense Allocated to FPP	\$ 585,549.65	\$ 427,963.83	\$ 156,000.18	\$ 1,585.65
22	EA Sales Margin Allocated to FPP	\$ 414,238.10	\$ 302,756.43	\$ 110,359.93	\$ 1,121.74
23	Net EA Cost (Line 21 + Line 22)	\$ 999,787.75	\$ 730,720.26	\$ 266,360.11	\$ 2,707.39
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 477,050.93	\$ 348,794.23	\$ 126,969.52	\$ 1,287.18
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 522,736.82	\$ 381,926.03	\$ 139,390.59	\$ 1,420.21
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
28	ER Expense Allocated to FPP	\$ 710,913.45	\$ 519,589.15	\$ 189,399.18	\$ 1,925.12
29	ER Revenue in FPP (per books)	\$ 1,065,935.64	\$ 778,558.55	\$ 284,488.09	\$ 2,889.00
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (355,022.19)	\$ (258,969.40)	\$ (95,088.91)	\$ (963.88)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
32	AEPS Expense	\$ 414,598.06	\$ 303,019.52	\$ 110,455.83	\$ 1,122.71
33	AEPS Sales Margin	\$ 4,591.62	\$ 3,355.90	\$ 1,223.28	\$ 12.43
34	Net AEPS Cost (Line 32 + Line 33)	\$ 419,189.68	\$ 306,375.42	\$ 111,679.11	\$ 1,135.14
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 283,805.90	\$ 207,615.61	\$ 75,417.98	\$ 772.31
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 135,383.78	\$ 98,759.81	\$ 36,261.13	\$ 362.83
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.75	\$ 322,254.92
38	Actual RA recovery through FPP	\$ 25,942.14	\$ (1,440,852.36)	\$ 1,452,034.84	\$ 14,759.66
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,401,975.32	\$ 187,767.15	\$ 906,712.91	\$ 307,495.26
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 674,818.02	\$ 493,364.36	\$ 179,839.79	\$ 1,613.87
42	Actual SLA recovery through FPP	\$ 1,282,927.78	\$ 938,422.57	\$ 342,722.23	\$ 1,782.98
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (line 11))	\$ 1,460,466.33	\$ 1,067,419.32	\$ 389,166.66	\$ 3,880.35
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (497,279.47)	\$ (364,367.61)	\$ (133,395.36)	\$ 483.50
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (3,580,111.87)	\$ (3,453,880.15)	\$ (420,879.58)	\$ 294,647.86

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

Line	Reconciliation Adjustment (RA)	December 2010	Residential December 2010	Non-Residential December 2010	Voltage Reduction December 2010
Fuel Component (FC)					
1	Net Includable Fuel	\$ 26,976,970.91	\$ 26,976,970.91	\$ 26,976,970.91	\$ 26,976,970.91
2	Ratio Metered Sales/Generation Sales	0.938933	0.938933	0.938933	0.938933
3	Fuel Cost @Meter Sales Level (Line 1 x Line 2)	\$ 25,329,568.22	\$ 25,329,568.22	\$ 25,329,568.22	\$ 25,329,568.22
4	Coal Sales Margin Credits (per books current year contracts only)	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78	\$ 1,195,173.78
5	RSG Make Whole Payments & Secondary MISO Costs	\$ (671,110.00)	\$ (671,110.00)	\$ (671,110.00)	\$ (671,110.00)
6	Net Fuel Cost (Line 3 + Line 4 + Line 5)	\$ 25,853,632.00	\$ 25,853,632.00	\$ 25,853,632.00	\$ 25,853,632.00
7	Total Generation and Purchase Power (per books)	812,365,126	812,365,126	812,365,126	812,365,126
8	Losses (kWh) (1-Line 2)*(Line 7)	49,608,701	49,608,701	49,608,701	49,608,701
9	Total Generation After Losses (kWh) (Line 7-Line 8)	762,756,425	762,756,425	762,756,425	762,756,425
10	kWh Subject to FPP	675,707,818	493,858,216	180,019,813	1,829,789
11	Ratio of FPP Sales to Total Generation (Line 10/Line 9)	88.59%	64.75%	23.60%	0.24%
12	Amount Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
13	Amount Recovered via FPP (per books)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
14	Total Fuel Costs Recovered (Line 12 + Line 13)	\$ 27,267,825.76	\$ 19,929,022.75	\$ 7,264,947.50	\$ 73,855.51
15	Fuel Flexibility per Case No. 08-920-EL-SSO	\$ 3,721.88	\$ 2,720.23	\$ 991.57	\$ 10.08
16	PowerShare Program per Case No. 08-920-EL-SSO	\$ (434,886.31)	\$ (317,847.70)	\$ (115,860.95)	\$ (1,177.65)
17	Audit Fees for 2009 (Case No. 08-920-EL-SSO Commission Order 12/17/08)	\$ -	\$ -	\$ -	\$ -
18	Total Actual Fuel Costs Attributable to FPP Sales (Line 6 x Line 11)	\$ 22,903,732.59	\$ 16,740,226.72	\$ 6,101,457.15	\$ 62,048.72
19	Under/(Over) Recovery of Fuel Costs (Line 18 + Line 17 + Line 16 + Line 15 - Line 14)	\$ (4,795,257.60)	\$ (3,503,923.50)	\$ (1,278,359.73)	\$ (12,974.36)
Emissions Allowance Component (EA)					
20	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
21	EA Expense Allocated to FPP	\$ 630,333.09	\$ 460,694.94	\$ 167,931.23	\$ 1,706.93
22	EA Sales Margin Allocated to FPP	\$ 414,238.10	\$ 302,756.43	\$ 110,359.93	\$ 1,121.74
23	Net EA Cost (Line 21 + Line 22)	\$ 1,044,571.19	\$ 763,451.37	\$ 278,291.16	\$ 2,828.67
24	EA Expense Recovered in Base Rates	\$ -	\$ -	\$ -	\$ -
25	EA Revenue in FPP (per books)	\$ 477,050.93	\$ 348,794.23	\$ 126,969.52	\$ 1,287.18
26	Under/(Over) Recovery of EA Costs (Line 23 - Line 24 - Line 25)	\$ 567,520.26	\$ 414,657.14	\$ 151,321.64	\$ 1,541.49
Environmental Reagents Component (ER)					
27	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
28	ER Expense Allocated to FPP	\$ 710,913.45	\$ 519,589.14	\$ 189,399.18	\$ 1,925.12
29	ER Revenue in FPP (per books)	\$ 1,065,935.64	\$ 778,558.55	\$ 284,488.09	\$ 2,889.00
30	Under/(Over) Recovery of EA Costs (Line 28 - Line 29)	\$ (355,022.19)	\$ (258,969.41)	\$ (95,088.91)	\$ (963.88)
Alternative Energy Portfolio Standard					
31	kWh Subject to FPP (Line 10)	675,707,818	493,858,216	180,019,813	1,829,789
32	AEPS Expense	\$ 414,598.06	\$ 303,019.52	\$ 110,455.83	\$ 1,122.71
33	AEPS Sales Margin	\$ 4,591.62	\$ 3,355.90	\$ 1,223.28	\$ 12.43
34	Net AEPS Cost (Line 32 + Line 33)	\$ 419,189.68	\$ 306,375.42	\$ 111,679.11	\$ 1,135.14
35	Alternative Energy Portfolio Standard Revenue in FPP (per books)	\$ 283,805.90	\$ 207,615.61	\$ 75,417.98	\$ 772.31
36	Under/(Over) Recovery of EA Costs (Line 34 - Line 35)	\$ 135,383.78	\$ 98,759.81	\$ 36,261.13	\$ 362.83
Reconciliation Adjustment Amortization (RA)					
37	RA Amount from 3rd Quarter Filing (spread evenly)	\$ 1,427,917.46	\$ (1,253,085.21)	\$ 2,358,747.75	\$ 322,254.92
38	Actual RA recovery through FPP	\$ 25,942.14	\$ (1,440,852.36)	\$ 1,452,034.84	\$ 14,759.66
39	Under/(Over) Recovery of RA (Line 37 - Line 38)	\$ 1,401,975.32	\$ 187,767.15	\$ 906,712.91	\$ 307,495.26
System Loss Component (SLA)					
40	Losses in Base Rates (from Case No. 92-1464-EL-AIR) (cents per kWh)	0.0999 / 0.0882	0.0999	0.0999	0.0882
41	Total Losses Recovered in Base Rates (Line 10 x Line 40)	\$ 674,818.02	\$ 493,364.36	\$ 179,839.79	\$ 1,613.87
42	Actual SLA recovery through FPP	\$ 1,282,927.78	\$ 938,422.57	\$ 342,722.23	\$ 1,782.98
43	Actual Losses on FPP Sales ((Line 1 - Line 3) x (Line 11))	\$ 1,459,434.04	\$ 1,066,693.24	\$ 388,787.03	\$ 3,953.77
44	Under/(Over) Recovery of Losses (Line 43 - Line 42 - Line 41)	\$ (498,311.78)	\$ (365,093.69)	\$ (133,774.99)	\$ 556.92
Net Under/(Over) Recovery of FPP Costs					
45	(Line 19+Line 26+Line 30+Line 36+Line 39+Line 44)	\$ (3,543,712.19)	\$ (3,426,802.50)	\$ (412,927.95)	\$ 296,018.26
46	Net Under/(Over) Recovery of FPP Costs (Page 5W, Line 45)	\$ (3,580,111.87)	\$ (3,453,880.15)	\$ (420,879.58)	\$ 294,647.86
47	Net Adjustment for December 2010 (Line 45 - Line 46) To Page 3 Line 4	\$ 36,399.69	\$ 27,077.65	\$ 7,951.63	\$ 1,370.40