



DUKE ENERGY CORPORATION

139 East Fourth Street
1202 Main
Cincinnati, OH 45201-0960
Telephone: (513) 287-4315
Facsimile: (513) 287-4385

Kristen Cocanougher
Sr. Paralegal
E-mail: Kristen.cocanougher@duke-energy.com

VIA HAND DELIVERY

January 31, 2011

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

JAN 31 2011

PUBLIC SERVICE
COMMISSION

Re: Case No. 2010-00523

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the *Responses of Duke Energy Kentucky, Inc. to Commission Staff's First Set of Data Requests* and Petition for Confidential Treatment in the above captioned case. Also enclosed in the white envelope is one set of the confidential responses to Staff-DR-01-003 and Staff-DR-01-005 being filed under seal.

Please date-stamp the two copies of the letter, the Data Requests and the Petition and return to me in the enclosed envelope.

Sincerely,

Kristen Cocanougher

cc: Dennis Howard II

RECEIVED

COMMONWEALTH OF KENTUCKY

JAN 31 2011

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

In the Matter of an Application of)	
Duke Energy Kentucky, Inc. For an Order Approving)	Case No. 2010-523
The Establishment of a Regulatory Asset)	
Related to Voluntary Opportunity and Other)	
Post-Retirement Expenses)	

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN
ITS RESPONSES TO COMMISSION STAFF'S FIRST SET OF DATA
REQUESTS**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in its response to data request Nos. 3 and 5, as requested by Commission Staff (Staff) in this case on January 21, 2011. Specifically, these requests ask:

3. Refer to the application, Item 8.
 - a. Quantify the anticipated cost savings of the VOP.
 - b. State the date the cost savings began or will begin to be realized by Duke Kentucky.
 - c. Explain why no request was made to defer the cost savings as a regulatory liability.
 - d. Explain why it is not appropriate to off-set the costs of the VOP with the savings to be created by the VOP when determining the amount to be deferred as a regulatory asset.

5. Refer to the application, Item 11. Provide the analysis, workpapers, etc. which demonstrate that, over time, the savings of the VOP will exceed its costs.

The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) pertains to the Company's internal analysis and financial projections of costs and future savings related to its voluntary opportunity plan (VOP). The analysis contains sensitive data related to savings to be obtained from reduction in employee overhead through one-time severance payments on a company-wide basis and replacing only those necessary positions at a lower cost. As the activities under the VOP have not yet been completed, the anticipated savings have not yet been realized. And, achieving the anticipated savings levels is dependent upon Duke Energy Kentucky and Duke Energy Corporation being able to negotiate new positions at a lower cost level.

Furthermore, if made public, the information provided herein could be used by third parties, including competitors of Duke Energy Kentucky, to ascertain the compensation of its employees, thereby undermining the Company's bargaining position vis-à-vis said third parties.

In support of this Petition, Duke Energy Kentucky states:

1. The Kentucky Open Records Act exempts from disclosure certain Commercial information. KRS 61.878(1)(c). Significantly, this rule applies to those records that are generally recognized as confidential or proprietary. And provided the records at issue satisfy this general characterization, they are subject to protection where the disclosure of such information would otherwise result in an unfair advantage to competitors of the party seeking non-disclosure. Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. The information for which Duke Energy Kentucky seeks protection concerns its internal analysis and financial projections of costs and future savings. Furthermore, the Confidential Information at issue herein also relates to Duke Energy Kentucky's sensitive data related to severance payments on a corporate-wide basis that have not yet occurred. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, Ky., 904 S.W.2d 766, 768.

3. Disclosure of the Confidential Information, which includes individual factors underlying Duke Energy Kentucky's ability to obtain the anticipated savings in negotiations would damage Duke Energy Kentucky's position and business interests. This information reveals sensitive information of Duke Energy Kentucky. If the Commission grants public access to the Confidential Information contained in data request Nos. 3 and 5, the Company could be placed at a competitive disadvantage in negotiating with potential parties who could provide services at a lower cost.


4. The information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Kentucky.

5. In accordance with the provisions of 807 KAR 5:001 Section 7, the Company is filing with the Commission one copy of the Confidential Material highlighted and ten (10) copies without the confidential information.

WHEREFORE, Duke Energy Kentucky, Inc. respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

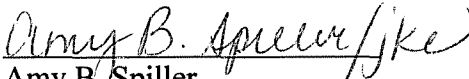
DUKE ENERGY KENTUCKY, INC.


Rocco O. D'Ascenzo (92796)
Associate General Counsel
Amy B. Spiller (85309)
Deputy General Counsel
Duke Energy Business Services, LLC
139 East Fourth Street, 1303 Main
Cincinnati, Ohio 45201-0960
Phone: (513) 287-4320
Fax: (513) 287-4385
e-mail: rocco.d'ascenzo@duke-energy.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via overnight mail, postage prepaid, this 31st day of January 2011:

Dennis G. Howard II
Assistant Attorney General
The Kentucky Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602-2000


Amy B. Spiller

VERIFICATION

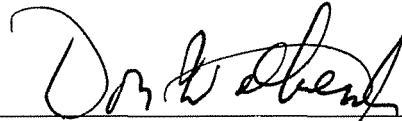
RECEIVED

JAN 31 2011

PUBLIC SERVICE
COMMISSION

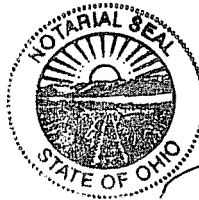
State of Ohio)
)
County of Hamilton)

The undersigned, William Don Wathen Jr., being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as General Manager Duke Energy & Vice President Rates-Ohio & Kentucky; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing response to information requests are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.



William Don Wathen Jr., Affiant

Subscribed and sworn to before me by William Don Wathen, Jr. on this 27th day of January 2011.



ROCCO O. D'ASCENZO
ATTORNEY AT LAW
Notary Public, State of Ohio
My Commission Has No Expiration
Section 147.03 R.C.

NOTARY PUBLIC

My Commission Expires: NO EXPIRATION

TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
STAFF-DR-01-001	William Don Wathen Jr.....	1
STAFF-DR-01-002	William Don Wathen Jr.....	2
STAFF-DR-01-003	William Don Wathen Jr.....	3
STAFF-DR-01-004	William Don Wathen Jr.....	4
STAFF-DR-01-005	William Don Wathen Jr.....	5
STAFF-DR-01-006	William Don Wathen Jr.....	6

**Duke Energy Kentucky
Case No. 2010-523
Staff First Set Data Request
Date Received: January 21, 2011**

STAFF-DR-01-001

REQUEST:

Refer to the second paragraph on page 2 of Duke Kentucky's application. The first sentence reads, "[a]s of December 31, 2010, Duke Energy Kentucky expects to have recorded actual charges totaling approximately \$4.37 million associated with the VOP." If the actual amount recorded is now known, provide the exact amount of the charges related to the voluntary opportunity severance plan ("VOP") as of December 31, 2010. If the actual amount is not yet known, when will it be known?

RESPONSE:

The actual amount of the Duke Energy Kentucky VOP expenses as of December 31, 2010 is \$4,502,779.

PERSON RESPONSIBLE: William Don Wathen Jr.

**Duke Energy Kentucky
Case No. 2010-523
Staff First Set Data Request
Date Received: January 21, 2011**

STAFF-DR-01-002

REQUEST:

Refer to Duke Kentucky's application, Item 6. State when Duke Kentucky anticipates filing its next base rate case, either electric or gas.

RESPONSE:

Duke Energy Kentucky has not yet determined when it will file its next gas or electric base rate case. Per the terms of the Commission's Order approving the Company's most recent gas rate case, the Company cannot file a new gas rate case earlier than 18 months after the Commission's December 29, 2009, Order.

PERSON RESPONSIBLE: William Don Wathen Jr.

**Duke Energy Kentucky
Case No. 2010-523
Staff First Set Data Request
Date Received: January 21, 2011**

STAFF-DR-01-003 PUBLIC

REQUEST:

Refer to the application, Item 8.

- a. Quantify the anticipated cost savings of the VOP.
- b. State the date the cost savings began or will begin to be realized by Duke Kentucky.
- c. Explain why no request was made to defer the cost savings as a regulatory liability.
- d. Explain why it is not appropriate to off-set the costs of the VOP with the savings to be created by the VOP when determining the amount to be deferred as a regulatory asset.

RESPONSE:

Objection. The information sought to be elicited by this Data Request is protected trade secret information. Such information is confidential and proprietary business information that, if publicly disseminated, would prejudice Duke Energy Kentucky in its business operations and conduct.

CONFIDENTIAL PROPRIETARY TRADE SECRET

This response is filed with the Commission under a Petition for Confidential Treatment.

PERSON RESPONSIBLE: As to Objection – Legal

**Duke Energy Kentucky
Case No. 2010-523
Staff First Set Data Request
Date Received: January 21, 2011**

STAFF-DR-01-004

REQUEST:

Refer to the application, Item 9.

- a. Provide all workpapers, spreadsheets, etc. which support each component of the total VOP cost of \$4,371,568. If, as of the response to this request, the actual charges have been determined (see Item 1 of this request), provide the documents which support the actual charges rather than the \$4,371.568.
- b. State the date that the cost of the VOP was or will be recorded on Duke's books.

RESPONSE:

- a) See Staff-DR-01-004 Attachment for workpapers that support actual VOP costs through December 31, 2010
- b) VOP costs were recorded on Duke Energy Kentucky's books beginning with the March 2010 accounting period. All costs were accrued in calendar year 2010 but some additional adjustments may be booked in calendar year 2011.

PERSON RESPONSIBLE: William Don Wathen Jr.

Recap of DEK VOP expenses for March 2010-Dec 2010

Mar CGVP spread	3,983.00	11
Mar	2,044,007.97	10
April	953,067.38	9
May	436,478.43	8
June	324,252.89	7
July	124,617.42	6
Aug	112,703.40	5
Sept	31,168.17	4
Oct	91,918.76	3
Nov	3,915.37	2
Dec	376,570.46	1
	<hr/>	
	4,502,683.25	
	<hr/>	
	4,502,779.00	Total YTD per VOP schedule
	<hr/>	
	-95.75	Diff IM

①

Recap of DEK VOP expenses as of Dec 2010

December Expenses

VOP/OC costs	217,350.36 A ₁
CGVP Spread	5,136.00 A ₃
FICA and Retention	6,042.10 A ₂
Facilities Integration	170,454.00 Not Posted to VP in Dec (Manually Moved)
Pension Costs	-22,412.00 Not Posted to VP in Dec (Manually Moved)
	<u>376,570.46</u>
Per VOP report	<u>376,571.00 A₄</u>
	-0.54 IM

Az

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 08:23:12 AM

FICA plus Retention

0408152
 Employer FICA Tax

Accounting Period	Bus Unit ID	Bus Unit Short Descr	Journal ID	Journal Descr	Journal Line	Oper Unit ID	Oper Resource Type	Posted Date	Operator ID	Affiliate ID	Monetary Amount
12	75071	DEKYELEG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA -DE KY_E	GOUG	VPKE	1/7/2011	AJZAFIR		2,417.18
			SEVACR110							Sum:	2,417.18
12		DEKYELEG	SEVACR110	MWOC ratable accrual for S	MWOC FICA -DE KY_E	GOUG	VPKE	1/7/2011	AJZAFIR		1,061.60
			SEVACR110							Sum:	1,061.60
12		DEKYELEG	SEVACR110	VOP ratable accrual for RETENT	RET FICA -DE KY_E	GOUG	VPKE	1/7/2011	AJZAFIR		192.13
			SEVACR110							Sum:	192.13
12		DEKYELEG	SEVACR110	To accrue additional separatio	Sep FICA KY-E	GOUG	VPKE	1/7/2011	AJZAFIR		33.41
			SEVACR110							Sum:	33.41
12		DEKYELEG	SEVACR110	Special Agreements ratable acc	OC SP AG FICA -DE KY_E	GOUG	VPKE	1/7/2011	AJZAFIR		849.54
			SEVACR110							Sum:	849.54
	75071									Sum:	4,553.86
12	75072	DEKYGASG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA -DE KY_G	GDKG	VPKG	1/7/2011	AJZAFIR		1,057.84
			SEVACR110							Sum:	1,057.84
12		DEKYGASG	SEVACR110	MWOC ratable accrual for S	MWOC FICA DE KY_G	GDKG	VPKG	1/7/2011	AJZAFIR		328.01
			SEVACR110							Sum:	328.01
12		DEKYGASG	SEVACR110	VOP ratable accrual for RETENT	RET FICA DE KY_G	GDKG	VPKG	1/7/2011	AJZAFIR		55.29
			SEVACR110							Sum:	55.29
12		DEKYGASG	SEVACR110	Special Agreements ratable acc	OC SP AG FICA -DE KY_G	GDKG	VPKG	1/7/2011	AJZAFIR		48.11
			SEVACR110							Sum:	48.11
	75072									Sum:	1,488.24
										Sum:	6,042.10

VOPOC FICA1110.rep

Dec-10
MTD
20013

CGVP/CG1	20046	75013	75014	75015	75071	75072	75101	75601	10145	10144	10222	75777	613983.52
DE Carolinas IE Ohio	DE Ohio	DE KY ELEC	DE KY GAS	DE Indiana	DEI	DIKENET	Royal	Ventures	DE Other	0.00%	0.00%	0.00%	100.00%
8.72%	0.00%	8.84%	2.60%	16.24%	5.02%	0.46%	0.01%	0.13%	0.00%	0.00%	0.00%	0.00%	100.00%
VPRELOC	1,634	255	-	259	76	-	475	62	147	13	0	4	2,926
VPINTRV	1,540	240	-	244	72	-	448	59	138	13	0	4	2,757
VPFACIN	(342,910)	(53,539)	-	(54,276)	(15,964)	-	(99,711)	(13,078)	(30,822)	(2,824)	(61)	(798)	(613,984)
VPHROTH	-	-	-	-	-	-	-	-	-	-	-	-	-
VPINOTH	150	23	-	24	7	-	44	6	13	1	0	0	268
Work Simple	449,908	70,245	-	71,212	20,945	-	130,824	17,159	40,439	3,706	81	1,047	806,666.06
	110,322	17,225	-	17,462	5,136	-	32,079	4,207	9,916	909	20	257	197,533

2.66%
↓
A1

WJF K SAF
Not VP
in BK I

Y:\VOP_OC\REPORTS\CGVP Spread_12_10.xls\CGVP Spread MTD

Y:\VOP_OC\REPORTS\CGVP Spread_12_10.xls\CGVP Spread MTD

A3

2

Recap of DEK VOP expenses for Nov 2010

<u>Nov Expenses</u>	
VOP/OC costs	-90,917.46 B1
CGVP Spread	92,313.00 B3
FICA and Retention	<u>2,519.83 B2</u>
	3,915.37
Per VOP report	<u>3,915.00 B4</u>
	0.37 IM

ACCOUNT DETAILS FOR PERIOD.rep

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 08:39:11 AM

For the Period Ending: / 2010

FICA plus Retention

0408152

Employer FICA Tax

Accounting Period	Bus Unit Short Descr	Journal ID	Journal ID	Journal Descr	Journal Line Descr	Unit ID	Unit ID	Center ID	Resource Type	Posted Date	Operator ID	Affiliate ID	Monetary Amount
Cmd	CB	CB	CB	JD	JD	CB	CB	CB	CB	JD	JD	CB	JD
11	75071	DEKYELEG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA -DE KY_E	GOUG	VPKE	98810	98810	12/2/2010	AJZAFIR		1,418.41
			SEVACR110									Sum:	1,418.41
11		DEKYELEG	SEVACR110	MWOC ratable accrual for S	MWOC FICA -DE KY_E	GOUG	VPKE	98810	98810	12/2/2010	AJZAFIR		346.42
			SEVACR110									Sum:	346.42
11		DEKYELEG	SEVACR110	VOP ratable accrual for RETENT	RET FICA -DE KY_E	GOUG	VPKE	98810	98810	12/2/2010	AJZAFIR		12.81
			SEVACR110									Sum:	12.81
11		DEKYELEG	SEVACR110	To accrue additional separate	Sep FICA KY-E	GOUG	VPKE	98810	98810	12/2/2010	AJZAFIR		6.68
			SEVACR110									Sum:	6.68
11		DEKYELEG	SEVACR110	Special Agreements ratable acc	DC SP AG FICA -DE KY_E	GOUG	VPKE	98810	98810	12/2/2010	AJZAFIR		80.48
			SEVACR110									Sum:	80.48
												Sum:	1,864.80
11	75072	DEKYGASG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA -DE KY_G	GDKG	VPKG	98810	98810	12/2/2010	AJZAFIR		540.48
			SEVACR110									Sum:	540.48
11		DEKYGASG	SEVACR110	MWOC ratable accrual for S	MWOC FICA DE KY_G	GDKG	VPKG	98810	98810	12/2/2010	AJZAFIR		102.87
			SEVACR110									Sum:	102.87
11		DEKYGASG	SEVACR110	VOP ratable accrual for RETENT	RET FICA DE KY_G	GDKG	VPKG	98810	98810	12/2/2010	AJZAFIR		3.69
			SEVACR110									Sum:	3.69
11		DEKYGASG	SEVACR110	Special Agreements ratable acc	OC SP AG FICA -DE KY_G	GDKG	VPKG	98810	98810	12/2/2010	AJZAFIR		7.99
			SEVACR110									Sum:	7.99
												Sum:	656.03
												Sum:	2,519.83

VOFICA FICA1110.rep

2
B2

3

Recap of DEK VOP expenses for Oct 2010

<u>Nov Expenses</u>	
VOP/OC costs	72,408.23 C1
CGVP Spread	16,278.00 C3
FICA and Retention	<u>3,232.53 C2</u>
	91,918.76 C
Per VOP report	<u>91,919.00 B4</u>
	-0.24 IM

C1

VOPI/C Costs

Code	Business Unit	Account	Category	Cost	Sum:
76073	Duke Energy Business	VPAC01	VPCC	614,076.62	614,076.62
	Duke Energy Business	VPAC02	VPCC	154.35	154.35
	Duke Energy Business	VPAC03	VPCC	818.59	818.59
	Duke Energy Business	VPAC04	VPCC	-519.99	-519.99
	Duke Energy Business	VPAC05	VPCC	153.00	153.00
	Duke Energy Business	VPAC06	VPCC	-38.17	-38.17
	Duke Energy Business	VPAC07	VPCC	837.21	837.21
	Duke Energy Business	VPAC08	VPCC	1,427.38	1,427.38
	Duke Energy Business	VPAC09	VPCC	16,968.22	16,968.22
	Duke Energy Business	VPAC10	VPCC	-18,968.22	-18,968.22
	Duke Energy Business	VPAC11	VPCC	9,239.61	9,239.61
	Duke Energy Business	VPAC12	VPCC	625,087.67	625,087.67
76074	DE Kentucky (USFR)	VPAC13	VPAC	54,737.07	54,737.07
	DE Kentucky (USFR)	VPAC14	VPAC	169.88	169.88
	DE Kentucky (USFR)	VPAC15	VPAC	1,515.18	1,515.18
	DE Kentucky (USFR)	VPAC16	VPAC	560.48	560.48
	DE Kentucky (USFR)	VPAC17	VPAC	883.33	883.33
			Sum:	67,865.90	67,865.90
76072	DE Kentucky (USFR)	VPAC18	VPAC	13,748.27	13,748.27
	DE Kentucky (USFR)	VPAC19	VPAC	367.53	367.53
	DE Kentucky (USFR)	VPAC20	VPAC	182.38	182.38
	DE Kentucky (USFR)	VPAC21	VPAC	254.17	254.17
			Sum:	14,552.35	14,552.35
			Sum:	689,495.90	689,495.90

ΣD=72,408.23 ③

C3

①

ACCOUNT DETAILS FOR PERIOD.rep

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 09:01:06 AM

For the Period Ending: / 2010

FICA plus Retention

0408152

Employer FICA Tax

Accounting Period	Bus Unit	Journal ID	Journal Descr	Journal Descr JD	Oper Unit	Resource Type	Operator	Affiliate	Monetary Amount
Cmd	Unit ID	CB	Descr	CB	Unit ID	CB	ID	ID	JD
10	75071	DEKYELEG	SEVACR110	VOP PayCo 110 ratable accrual	GOUG	99810	JAB6459		1,816.68
			SEVACR110					Sum:	1,816.68
10		DEKYELEG	SEVACRMWOC	MWOC ratable accrual for for S	GOUG	99810	AJZAFIR		616.74
			SEVACRMWOC					Sum:	616.74
10		DEKYELEG	SEVACRRRET	VOP ratable accrual for RETENT	GOUG	99810	AJZAFIR		12.81
			SEVACRRRET					Sum:	12.81
10		DEKYELEG	SEVACRSEP2	To accrue additional separatio	GOUG	99810	AJZAFIR		6.68
			SEVACRSEP2					Sum:	6.68
10		DEKYELEG	SEVACR_SPA	Special Agreements ratable acc	GOUG	99810	AJZAFIR		80.48
			SEVACR_SPA					Sum:	80.48
	75071							Sum:	2,533.39
10	75072	DEKYGASG	SEVACR110	VOP PayCo 110 ratable accrual	VPKG	99810	JAB6459		577.71
			SEVACR110					Sum:	577.71
10		DEKYGASG	SEVACRMWOC	MWOC ratable accrual for for S	VPKG	99810	AJZAFIR		109.76
			SEVACRMWOC					Sum:	109.76
10		DEKYGASG	SEVACRRRET	VOP ratable accrual for RETENT	VPKG	99810	AJZAFIR		3.69
			SEVACRRRET					Sum:	3.69
10		DEKYGASG	SEVACR_SPA	Special Agreements ratable acc	VPKG	99810	AJZAFIR		7.98
			SEVACR_SPA					Sum:	7.98
	75072							Sum:	699.14
								Sum:	3,232.53

VOFOC FICA1110.rep

3

63

Oct-10
 MTD
 20013

	20046	75013	75014	75015	75071	75072	75101	75601	10145	10144	10222	75777	
CGVP(CG1)	DE Carolinas	IE Ohio	ELEJE Ohio	GA DE Ohio	CP DE KY	ELEC DE KY	GAS DE Indiana	CP	DEI	DUKENET	Royal	Ventures	DE Other
	55.85%	8.72%	0.00%	8.84%	2.60%	0.00%	16.24%	2.13%	5.02%	0.46%	0.01%	0.13%	0.00%
VPRELOC	5,160	806	-	817	240	-	1,501	197	464	43	1	12	-
VPINTRV	1,265	197	-	200	59	-	368	48	114	10	0	3	-
VPFACIN	342,962	53,547	-	54,284	15,966	-	99,726	13,080	30,827	2,825	61	798	-
VPHROTH	86	13	-	14	4	-	25	3	8	1	0	0	-
VPINOTH	197	31	-	31	9	-	57	8	18	2	0	0	-
	349,670	54,595	-	55,346	16,278	-	101,677	13,336	31,430	2,880	63	814	-
													626,088

Y:\VOP_OC\REPORTS\CGVP Spread_10_10.xls\CGVP Spread MTD

Y:\VOP_OC\REPORTS\CGVP Spread_10_10.xls\CGVP Spread MTD

(4)

Recap of DEK VOP expenses for Sept 2010

<u>Nov Expenses</u>	
VOP/OC costs	31,271.50 D1
CGVP Spread	-132.00 D3
FICA and Retention	4,048.33 D2
Special FICA entry for MWOC True up	<u>-4,019.66</u> For Michael O'Reefe
	31,168.17
Per VOP report	<u>31,167.00</u> D4
	1.17 IM

D.

VO/POC Costs

20013	SEP	Summ	1,120.26	1,120.26
Duke Energy Business VPRACH	Facilitas Intrigation	VPOC		
Duke Energy Business VPRC0TH	Other Misc Benefits: Exp	VPOC	666.00	666.00
Duke Energy Business VPRC0TH	Other Misc Transition Costs	0744	-2,603.78	-2,603.78
Duke Energy Business VPRC0TH	Other Misc Transition Costs	0774	-896.28	-896.28
Duke Energy Business VPRC0TH	Other Misc Transition Costs	0729	-9,125.10	-9,125.10
Duke Energy Business VPRC0TH	Other Misc Transition Costs	0748	-536.06	-536.06
Duke Energy Business VPRC0TH	Other Misc Transition Costs	0974	-132.75	-132.75
Duke Energy Business VPRC0TH	Other Misc Transition Costs	0929	-1,796.04	-1,796.04
Duke Energy Business VPRC0TH	Employee Travel Lodging & Exp	0727	0.00	0.00
Duke Energy Business VPRC0TH	Employee Travel Lodging & Exp	0707	-68.73	-68.73
Duke Energy Business VPRC0TH	Employee Travel Lodging & Exp	0921100	2,349.73	2,349.73
Duke Energy Business VPRC0TH	Employee Relocation	VPOC	-715.00	-715.00
Duke Energy Business VPRC0TH	Employee Relocation	4065	-455.09	-455.09
Duke Energy Business VPRC0TH	Employee Relocation	4705	-31,936.44	-31,936.44
Duke Energy Business VPRC0TH	Employee Relocation	R104	-3,044.94	-3,044.94
Duke Energy Business VPRC0TH	Employee Relocation	VPOC	18,568.22	18,568.22
Duke Energy Business VPRC0TH	Employee Relocation	429	-257.69	-257.69
Duke Energy Business VPRC0TH	Employee Relocation	9342	-196.45	-196.45
Duke Energy Business VPRC0TH	Employee Relocation	0310260	-215.74	-215.74
Duke Energy Business VPRC0TH	Employee Relocation	0930250	-581.86	-581.86
Duke Energy Business VPRC0TH	Employee Relocation	0930250	-190.86	-190.86
Duke Energy Business VPRC0TH	Employee Relocation	0930250	-162.59	-162.59
Duke Energy Business VPRC0TH	Employee Relocation	0930250	28,384.28	28,384.28
Summ			-5,087.33	-5,087.33
75071			23,694.87	23,694.87
DE Kentucky (USFR) VPREPAY	Employee Severance Pmts	VPAE	1,870.04	1,870.04
DE Kentucky (USFR) VPRNTRV	Employee Travel Lodging & Exp	VPRK	-3,326.57	-3,326.57
DE Kentucky (USFR) VPRNTRV	Continuation of Paid Coverage	VPRK	2,787.76	2,787.76
DE Kentucky (USFR) VPRNTRV	Continuation of Paid Coverage	VPRK	883.39	883.39
DE Kentucky (USFR) VPRNTRV	Employee Retention	VPRK	-14,387.74	-14,387.74
DE Kentucky (USFR) VPRNTRV	Employee Salary	VPRK	-3,018.55	-3,018.55
Summ			18,502.93	18,502.93
75072			14,603.85	14,603.85
DE Kentucky (USFR) VPREPAY	Employee Severance Pmts	VPRK	-200.88	-200.88
DE Kentucky (USFR) VPRNTRV	Continuation of Paid Coverage	VPRK	509.54	509.54
DE Kentucky (USFR) VPRNTRV	Continuation of Paid Coverage	VPRK	254.17	254.17
DE Kentucky (USFR) VPRNTRV	Employee Retention	VPRK	-1,982.23	-1,982.23
DE Kentucky (USFR) VPRNTRV	Employee Salary	VPRK	-415.88	-415.88
Summ			12,768.67	12,768.67
Summ			26,183.67	26,183.67

Σ = 31,271.50 (4)

03

1

1

ACCOUNT DETAILS FOR PERIOD.rep

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 09:10:06 AM

For the Period Ending: / 2010

FICA plus Retention

0408152
 Employer FICA Tax

Accounting Period	Bus Unit ID	Bus Short Descr	Journal ID	Journal Descr	Journal Line Descr	Unit ID	Resource Center	Type ID	Posted Date	Operator ID	Affiliate ID	Monetary Amount
9	75071	DEKYELEG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 9-10 -DE	GOUG	VPKE	99810	10/4/2010	BLB2639		2,382.18
			SEVACR110								Sum:	2,382.18
9		DEKYELEG	SEVACRMWOC	MWOC ratable accrual for 9-10	MWOC FICA 9-10 -DE KY	GOUG	VPKE	99810	10/4/2010	BLB2639		816.74
			SEVACRMWOC								Sum:	816.74
9		DEKYELEG	SEVACRRRET	VOP ratable accrual for 9-10 R	RET FICA 9-10 -DE KY_E	GOUG	VPKE	99810	10/4/2010	BLB2639		12.81
			SEVACRRRET								Sum:	12.81
9		DEKYELEG	SEVACRSEP2	To accrue additional separation	Sep FICA 9 10 KY-E	GOUG	VPKE	99810	10/4/2010	BLB2639		6.68
			SEVACRSEP2								Sum:	6.68
9		DEKYELEG	SEVACR_SPA	Special Agreements ratable acc	OC SP AG FICA 9-10 -DE	GOUG	VPKE	99810	10/4/2010	BLB2639		80.48
			SEVACR_SPA								Sum:	80.48
	75071										Sum:	3,088.89
9	75072	DEKYGASG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 9-10 -DE	GDKG	VPKG	99810	10/4/2010	BLB2639		828.01
			SEVACR110								Sum:	828.01
9		DEKYGASG	SEVACRMWOC	MWOC ratable accrual for 9-10	MWOC FICA 9-10 DE KY	GDKG	VPKG	99810	10/4/2010	BLB2639		109.75
			SEVACRMWOC								Sum:	109.75
9		DEKYGASG	SEVACRRRET	VOP ratable accrual for 9-10 R	RET FICA 9-10 DE KY_G	GDKG	VPKG	99810	10/4/2010	BLB2639		3.69
			SEVACRRRET								Sum:	3.69
9		DEKYGASG	SEVACR_SPA	Special Agreements ratable acc	OC SP AG FICA 9-10 -DE	GDKG	VPKG	99810	10/4/2010	BLB2639		7.99
			SEVACR_SPA								Sum:	7.99
	75072										Sum:	949.44
											Sum:	4,048.33

VOPOC FICA1110.rep

2

5

Recap of DEK VOP expenses for August 2010

Nov Expenses	
<u>VOP/OC costs</u>	106,799.30 E1
CGVP Spread	1,059.00 E3
FICA and Retention	<u>4,845.10 E2</u>
	112,703.40
Per VOP report	<u>112,703.00 E4</u>
	0.40 IM

ACCOUNT DETAILS FOR PERIOD.rep

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 09:24:34 AM

For the Period Ending: / 2010

FICA plus Retention

0408152

Employer FICA Tax

Accounting Period	Unit ID	Buss Unit Short Descr	Journal ID	Journal Descr	Journal Line Descr	Unit ID	Oper Center	Resp Center	Type ID	Resource	Posted Date	Operator ID	Affiliate ID	Monetary Amount
75071	DEKYELEG	SEVACR110	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 8-10 -DE	GOUG	VPKE	98810	98810	98810	9/2/2010	BLB2639		2,841.82
													Sum:	2,841.82
														797.13
													Sum:	797.13
														12.81
													Sum:	12.81
														6.68
													Sum:	6.68
														80.48
													Sum:	80.48
													Sum:	3,738.92
75072	DEKYGASG	SEVACR110	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 8-10 -DE	GDKG	VPKG	98810	98810	98810	9/2/2010	BLB2639		978.99
													Sum:	978.99
														114.51
													Sum:	114.51
														3.69
													Sum:	3.69
														7.99
													Sum:	7.99
													Sum:	1,106.18
													Sum:	4,845.10

VOPOC FICA1110.rep

5

F3

Aug-10
 MTD
 20013

CGVP(CG1)	20046	75013	75014	75015	75071	75072	75101	75601	10145	10144	10222	75777	
DE Carolinas	DE Ohio	DE OHIO GA	DE OHIO CP	DE KY ELEC	DE KY GAS	DE Indiana	CP	DEI	DUKENET	Royal	Venturas	DE Other	
55.85%	8.72%	0.00%	8.84%	2.60%	0.00%	16.24%	2.13%	5.02%	0.46%	0.02%	0.13%	0.00%	100.00%
VPRELOC	15,925	2,486		2,521	741		4,631	607	1,431	131	3	37	28,513
VPINTRV	2,431	379		385	113		707	93	218	20	0	6	4,352
VPFACIN													
VPHROTH													
VPINOTH	4,397	687		696	205		1,279	168	395	36	1	10	7,873
	22,752	3,552		3,601	1,059		6,616	868	2,045	187	4	53	40,738

Y:\VOP_OC\VOP OC REPORTS\CGVP Spread_09_10.xlsx\AUG CGVP Spread MTD (2)

Y:\VOP_OC\VOP OC REPORTS\CGVP Spread_09_10.xlsx\AUG CGVP Spread MTD (2)

6

Recap of DEK VOP expenses for July 2010

<u>Nov Expenses</u>	
VOP/OC costs	118,017.34 F1
CGVP Spread	210.00 F3
FICA and Retention	<u>6,390.08 F2</u>
	124,617.42
Per VOP report	<u>124,618.00 F4</u>
	-0.58 IM

F₁

Exclude Also on BU's as credit + VPROTH

8,079 F₃

ΣD = 118,017.34 (6)

VOP/OC Costs

Account	Description	Code	Category	Amount	Sum:	
20014	Duke Energy Busine	VPR0TH	VPOC	-30,802.00	-30,802.00	
	Duke Energy Busine	VPHROTH	VPOC	-653,614.00	-684,416.00	
	Duke Energy Busine	VPHOTH	VPOC	30,802.00	-30,802.00	
	Duke Energy Busine	VPR0TH	1801	434.21	434.21	
	Duke Energy Busine	VPR0TH	4740	2,166.17	2,166.17	
	Duke Energy Busine	VPR0TH	4949	402.10	402.10	
	Duke Energy Busine	VPR0TH	6727	0.00	0.00	
	Duke Energy Busine	VPR0TH	693100	3,160.14	3,160.14	
	Duke Energy Busine	VPR0TH	693100	1,897.55	1,897.55	
		Sum:		-646,334.63	-646,334.63	
75071	DE Kentucky (USFR)	VPEESAY	VPNE	94,753.65	94,753.65	
	DE Kentucky (USFR)	VPHROTH	VPNE	-13,133.62	-13,133.62	
	DE Kentucky (USFR)	VPR0TH	VPNE	774.51	774.51	
	DE Kentucky (USFR)	VPR0TH	VPNE	3,080.21	3,080.21	
	DE Kentucky (USFR)	VPR0TH	VPNE	1,129.70	1,129.70	
	DE Kentucky (USFR)	VPR0TH	VPNE	883.33	883.33	
		Sum:		87,487.78	87,487.78	
	75072	DE Kentucky (USFR)	VPEEPAY	VPKG	32,779.83	32,779.83
		DE Kentucky (USFR)	VPHROTH	VPKG	-3,855.14	-3,855.14
		DE Kentucky (USFR)	VPR0TH	VPKG	46.01	46.01
DE Kentucky (USFR)		VPR0TH	VPKG	903.23	903.23	
DE Kentucky (USFR)		VPR0TH	VPKG	421.46	421.46	
DE Kentucky (USFR)		VPR0TH	VPKG	254.17	254.17	
		Sum:		30,549.66	30,549.66	
		Sum:		-627,317.49	-627,317.49	

F2

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 09:34:08 AM

ACCOUNT DETAILS FOR PERIOD.rep

For the Period Ending: / 2010

FICA plus Retention

0408152

Employer FICA Tax

Accounting Period	Bus Unit ID CB	Bus Unit Short Descr CB	Journal ID JD	Journal Descr ID	Journal Linn Descr JD	Oper Unit ID CB	Resp Center ID CB	Resource Types ID CB	Poste(d) Date JD	Operator ID/GB D/JD	Affiliate ID/GB	Monetary Amount JD
7	75071	DEKYELEG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 7-10 -DE	GOUG	VPKE	98810	8/3/2010	JAB8459		3,615.74
			SEVACR110								Sum:	3,615.74
7		DEKYELEG	SEVACRMWOC	MWOC ratable accrual for 7-10	MWOC FICA 7-10 -DE KY	GOUG	VPKE	98810	8/3/2010	JAB8459		841.71
			SEVACRMWOC								Sum:	841.71
7		DEKYELEG	SEVACRRRET	VOP ratable accrual for 7-10 R	RET FICA 7-10 -DE KY_E	GOUG	VPKE	98810	8/3/2010	JAB8459		12.81
			SEVACRRRET								Sum:	12.81
7		DEKYELEG	SEVACRSEP2	To accrue additional separatio	Sep FICA 7 10 KY-E	GOUG	VPKE	98810	8/3/2010	JAB8459		6.68
			SEVACRSEP2								Sum:	6.68
7		DEKYELEG	SEVACR_SPA	Special Agreements ratable acc	OC SP AG FICA 7-10 -DE	GOUG	VPKE	98810	8/3/2010	JAB8459		80.48
			SEVACR_SPA								Sum:	80.48
	75071										Sum:	4,657.42
7	75072	DEKYGASG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 7-10 -DE	GDKG	VPKG	98810	8/3/2010	JAB8459		1,570.27
			SEVACR110								Sum:	1,570.27
7		DEKYGASG	SEVACRMWOC	MWOC ratable accrual for 7-10	MWOC FICA 7-10 -DE KY	GDKG	VPKG	98810	8/3/2010	JAB8459		150.71
			SEVACRMWOC								Sum:	150.71
7		DEKYGASG	SEVACRRRET	VOP ratable accrual for 7-10 R	RET FICA 7-10 -DE KY_G	GDKG	VPKG	98810	8/3/2010	JAB8459		3.89
			SEVACRRRET								Sum:	3.89
7		DEKYGASG	SEVACR_SPA	Special Agreements ratable acc	OC SP AG FICA 7-10 -DE	GDKG	VPKG	98810	8/3/2010	JAB8459		7.99
			SEVACR_SPA								Sum:	7.99
	75072										Sum:	1,732.66
											Sum:	6,390.08

VOPOC FICA1110.rep

F3

Jul-10
 MTD
 20013

CGVP(CG1)	20046	75013	75014	75015	75071	75072	75101	75601	10145	10144	10222	75777	
	DE Carolinas	OHio ELEIE	OHio GA	DE Ohio CP	DE KY ELEC	DE KY GAS	DE Indiana	CP	DEI	DUKENET	Royal	Ventures	DE Other
	55.85%	8.72%	0.00%	8.84%	2.60%	0.00%	16.24%	2.13%	5.02%	0.46%	0.01%	0.13%	0.00%
Spread	4,512	704	-	714	210	-	1,312	172	406	37	1	11	-
	4,512	704	-	714	210	6	1,312	172	406	37	1	11	-
													8,079
													8,079
													100.00%

Y:\VOP_OC\TOP OC REPORTS\CGVP Spread_09_10.xlsx|July CGVP Spread MTD (3)

Y:\VOP_OC\TOP OC REPORTS\CGVP Spread_09_10.xlsx|July CGVP Spread MTD (3)

⑦

Recap of DEK VOP expenses for June 2010

Nov Expenses

VOP/OC costs	205,096.11	G1
CGVP Spread	3,166.00	G3
FICA and Retention	9,548.78	G2
Pension costs	<u>106,442.00</u>	Not included in VP query
	324,252.89	
Per VOP report	<u>324,252.00</u>	G4
	0.89	IM

6

Σ① = 205,096.11②

VOPAC Costs

Code	Description	Account	Sum:
2003	Duke Energy Busine	VPFACN	538.74
	Duke Energy Busine	VPACROTH	-13,667.10
	Duke Energy Busine	VPACROTH	124,939.00
	Duke Energy Busine	VPACROTH	549.30
	Duke Energy Busine	VPACROTH	1,665.43
	Duke Energy Busine	VPACROTH	4,125.02
	Duke Energy Busine	VPACROTH	543.40
	Duke Energy Busine	VPACROTH	215.74
	Duke Energy Busine	VPACROTH	-1,527.75
	Duke Energy Busine	VPACROTH	4,286.09
		Sum:	121,767.87
73071	DE Kentucky USFR	VPPEPAY	151,513.19
	DE Kentucky USFR	VPPEPAY	1,185.14
	DE Kentucky USFR	VPPEPAY	5,023.08
	DE Kentucky USFR	VPPEPAY	1,801.84
	DE Kentucky USFR	VPPEPAY	663.33
		Sum:	160,606.58
73072	DE Kentucky USFR	VPPEPAY	42,558.80
	DE Kentucky USFR	VPPEPAY	1,240.88
	DE Kentucky USFR	VPPEPAY	535.39
	DE Kentucky USFR	VPPEPAY	254.17
		Sum:	44,889.46
		Sum:	326,653.93

63

①

①

6.

7

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 09:53:08 AM

ACCOUNT DETAILS FOR PERIOD.rep

For the Period Ending: / 2010

FICA plus Retention

0408152
 Employer FICA Tax

Accounting Period	Bus Unit ID	Short Descr	Journal ID	Journal Descr	Journal Line Descr	Unit ID	Opn CB	Resp CB	Resources	Posted Date	Operator ID	Affiliate ID	Amount
6	75071	DEKYELEG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 6-10 -DE	GOUG	VPKE	99810		7/2/2010	JAB8459		5,814.92
			SEVACR110									Sum:	5,814.92
6		DEKYELEG	SEVACR_5	Reversals/tru ups 2nd qtr	Adj for date ch. FICA	GOUG	VPKE	99810		7/6/2010	JAB8459		80.83
			SEVACR_5									Sum:	80.83
6		DEKYELEG	SEVACR110	MWOC ratable accrual for 6-10	MWOC FICA 6-10 -DE KY	GOUG	VPKE	99810		7/6/2010	JAB8459		1,218.00
			SEVACR110									Sum:	1,218.00
6		DEKYELEG	SEVACRRET	VOP ratable accrual for 6-10 R	RET FICA 6-10 -DE KY E	GOUG	VPKE	99810		7/6/2010	JAB8459		12.81
			SEVACRRET									Sum:	12.81
6		DEKYELEG	SEVACRSEP2	To accrue additional separatio	Sep FICA 6 10 KY-E	GOUG	VPKE	99810		7/6/2010	JAB8459		6.68
			SEVACRSEP2									Sum:	6.68
6		DEKYELEG	SEVACRSEP3	To accrue additional separatio	Sep FICA 6 10 KY-E	GOUG	VPKE	99810		7/6/2010	JAB8459		148.88
			SEVACRSEP3									Sum:	148.88
6		DEKYELEG	SEVACR SPA	Special Agreements ratable acc	OC SP AG FICA 6-10 -DE	GOUG	VPKE	99810		7/6/2010	JAB8459		125.59
			SEVACR SPA									Sum:	125.59
	75071											Sum:	7,407.81
6	75072	DEKYGASG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 6-10 -DE	GDKG	VPKG	99810		7/2/2010	JAB8459		1,860.76
			SEVACR110									Sum:	1,860.76
6		DEKYGASG	SEVACR_5	Reversals/tru ups 2nd qtr	Adj for date ch. FICA	GDKG	VPKG	99810		7/6/2010	JAB8459		2.26
			SEVACR_5									Sum:	2.26
6		DEKYGASG	SEVACR110	MWOC ratable accrual for 6-10	MWOC FICA 6-10 -DE KY	GDKG	VPKG	99810		7/6/2010	JAB8459		233.01
			SEVACR110									Sum:	233.01
6		DEKYGASG	SEVACRRET	VOP ratable accrual for 6-10 R	RET FICA 6-10 -DE KY G	GDKG	VPKG	99810		7/6/2010	JAB8459		3.69
			SEVACRRET									Sum:	3.69
6		DEKYGASG	SEVACR SPA	Special Agreements ratable acc	OC SP AG FICA 6-10 -DE	GDKG	VPKG	99810		7/6/2010	JAB8459		21.23
			SEVACR SPA									Sum:	21.23
	75072											Sum:	2,143.97
												Sum:	9,548.78

VOPOC FICA1110.rep

63

Jun-10
 MTD
 20013

CGVP(CG1)	26046	75013	75014	75015	75071	75072	75101	75601	10145	10144	10222	75777	
DE Carolinas	IE Ohio	ELEIE Ohio	GA DE Ohio	CP DE KY	ELEC DE KY	GAS DE KY	DE Indiana	CP	DEI	DUKENET	Royal	Ventures	DE Other
	55.85%	8.72%	0.00%	8.84%	2.60%	0.00%	16.24%	2.13%	5.02%	0.46%	0.01%	0.13%	0.00%
VPRELOC	1,661	259	-	263	77	-	483	63	149	14	0	4	-
VPINTRV	303	47	-	48	14	-	88	12	27	2	0	1	-
VPFACIN	357	56	-	56	17	-	104	14	32	3	0	1	-
VPHROTH	62,134	9,701	-	9,835	2,893	-	18,067	2,370	5,585	512	11	145	-
VPINOTH	3,552	555	-	562	165	-	1,033	135	319	29	1	8	-
	68,007	10,618	-	10,764	3,166	-	19,775	2,594	6,113	560	12	158	-
													111,251
													100.00%
													2,974
													543
													639
													6,361
													121,768

Y:\VOP_OC\REPORTS\CGVP Spread_09_10.xlsx\June CGVP Spread MTD (2)

Y:\VOP_OC\REPORTS\CGVP Spread_09_10.xlsx\June CGVP Spread MTD (2)

(8)

Recap of DEK VOP expenses for May 2010

<u>Nov Expenses</u>	
VOP/OC costs	393,051.24 H1
CGVP Spread	27,214.00 H3
FICA and Retention	<u>16,213.19 H2</u>
	436,478.43
Per VOP report	<u>436,479.00 H4</u>
	-0.57 IM

H,

VOPI/OC Costs

Agency	Account	Description	VOPI/OC Code	May	Sum:
20013	Duke Energy Busine	VPFACIN	0921250	1,000,000.00	1,000,000.00
	Duke Energy Busine	VP4ROTH	0933000	-23,640.00	-23,640.00
	Duke Energy Busine	VP4ROTH	0932100	31,620.00	31,620.00
	Duke Energy Busine	VP140TH	0925500	1,385.50	1,385.50
	Duke Energy Busine	VP140TH	0921000	4,705.41	4,705.41
	Duke Energy Busine	VP140TH	0921100	48.00	48.00
	Duke Energy Busine	VP140TH	0921200	16.97	16.97
	Duke Energy Busine	VP140TH	0921300	-313.73	-313.73
	Duke Energy Busine	VP140TH	0921400	-316.50	-316.50
	Duke Energy Busine	VP140TH	0921500	-1,003.22	-1,003.22
	Duke Energy Busine	VP140TH	0921600	68.73	68.73
	Duke Energy Busine	VP140TH	0921700	7,091.69	7,091.69
	Duke Energy Busine	VP140TH	0921800	-7,091.64	-7,091.64
	Duke Energy Busine	VP140TH	0921900	-17,648.01	-17,648.01
	Duke Energy Busine	VP140TH	0922000	-619.48	-619.48
	Duke Energy Busine	VP140TH	0922100	-394.67	-394.67
	Duke Energy Busine	VP140TH	0922200	1,718.63	1,718.63
	Duke Energy Busine	VP140TH	0922300	-753.68	-753.68
	Duke Energy Busine	VP140TH	0922400	51,358.66	51,358.66
			Sum:	1,046,798.96	1,046,798.96
75071	DE Kentucky USFR	VPREPAY	0920000	233,344.64	233,344.64
	DE Kentucky USFR	VP140TH	0930000	6,177.26	6,177.26
	DE Kentucky USFR	VP140TH	0930000	2,888.20	2,888.20
	DE Kentucky USFR	VP140TH	0930000	29,333.63	29,333.63
		Sum:	271,643.73	271,643.73	
75072	DE Kentucky USFR	VPREPAY	0920000	107,074.80	107,074.80
	DE Kentucky USFR	VP140TH	0930000	2,449.41	2,449.41
	DE Kentucky USFR	VP140TH	0930000	894.76	894.76
	DE Kentucky USFR	VP140TH	0930000	9,094.42	9,094.42
		Sum:	119,509.81	119,509.81	
		Sum:	1,438,767.20	1,438,767.20	

2143

Σ 0 = 393,051.24

H2

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 10:28:28 AM

ACCOUNT DETAILS FOR PERIOD.rep

For the Period Ending: / 2010

FICA plus Retention

0408152

Employer FICA Tax

Accounting Period	Bus Unit ID	Bus Unit Descr	Journal ID	Journal Descr	Journal Linc Descr	Unit ID	Oper Unit ID	Resp Center	Resource Type	Posted Date	Operator ID	Affiliate ID	Monetary Amount
5	75071	DEKYELEG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 5-10 -DE	GOUG	VPKE	99810	99810	6/2/2010	JAB6459		9,890.59
			SEVACR110									Sum:	9,890.59
5		DEKYELEG	SEVACRMWOC	MWOC ratable accrual for 5-10	MWOC FICA 5-10 -DE KY	GOUG	VPKE	99810	99810	6/2/2010	JAB6459		1,393.05
			SEVACRMWOC									Sum:	1,393.05
5		DEKYELEG	SEVACRMWRT	MW RETENTION/FICA AGREEMENT	RET FICA 5-10 -DE KY_E	GOUG	VPKE	99810	99810	6/3/2010	JAB6459		412.53
			SEVACRMWRT									Sum:	412.53
5		DEKYELEG	SEVACRRET	VOP ratable accrual for 5-10 R	RET FICA 5-10 -DE KY_E	GOUG	VPKE	99810	99810	6/1/2010	JAB6459		12.81
			SEVACRRET									Sum:	12.81
5		DEKYELEG	SEVACRSEP2	To accrue additional separation	Sep FICA 5 10 KY-E	GOUG	VPKE	99810	99810	6/2/2010	JAB6459		6.88
			SEVACRSEP2									Sum:	6.88
5		DEKYELEG	SEVACR_SPA	Special Agreements ratable acc	OC SP AG FICA 5-10 -DE	GOUG	VPKE	99810	99810	6/2/2010	JAB6459		125.59
			SEVACR_SPA									Sum:	125.59
	75071											Sum:	11,841.25
5	75072	DEKYGASG	SEVACR110	VOP PayCo 110 ratable accrual	PayCo110 FICA 5-10 -DE	GDKG	VPKG	99810	99810	6/2/2010	JAB6459		3,977.82
			SEVACR110									Sum:	3,977.82
5		DEKYGASG	SEVACRMWOC	MWOC ratable accrual for 5-10	MWOC FICA 5-10 -DE KY	GDKG	VPKG	99810	99810	6/2/2010	JAB6459		241.02
			SEVACRMWOC									Sum:	241.02
5		DEKYGASG	SEVACRMWRT	MW RETENTION/FICA AGREEMENT	RET FICA 5-10 -DE KY_G	GDKG	VPKG	99810	99810	6/3/2010	JAB6459		128.18
			SEVACRMWRT									Sum:	128.18
5		DEKYGASG	SEVACRRET	VOP ratable accrual for 5-10 R	RET FICA 5-10 -DE KY_G	GDKG	VPKG	99810	99810	6/1/2010	JAB6459		3.69
			SEVACRRET									Sum:	3.69
5		DEKYGASG	SEVACR_SPA	Special Agreements ratable acc	OC SP AG FICA 5-10 -DE	GDKG	VPKG	99810	99810	6/2/2010	JAB6459		21.23
			SEVACR_SPA									Sum:	21.23
	75072											Sum:	4,371.94
												Sum:	16,213.19

VOPOC FICA110.rep

H₂

May-10
 MTD
 20013

CGVP(CG1)	20046	75013	75014	75015	75071	75072	75101	75601	10145	10144	10222	75777	
	DE Carolinas	IE Ohio	ELEJE Ohio	GA DE Ohio	CP DE KY	ELEC DE KY	GAS DE Indiana	CP	DEI	DIJENET	Royal	Ventures	DE Other
	55.85%	8.72%	0.00%	8.84%	2.60%	0.00%	16.24%	2.13%	5.02%	0.46%	0.01%	0.13%	0.00%
VPRELOC	15,159	2,367	-	2,399	706	-	4,408	578	1,363	125	3	35	-
VPINTRV	3,087	482	-	489	144	-	898	118	278	25	1	7	-
VPFACIN	558,500	87,200	-	88,400	26,000	-	162,400	21,300	50,200	4,600	100	1,300	-
VPHROTH	4,401	687	-	697	205	-	1,280	168	396	36	1	10	-
VPINOTH	3,438	537	-	544	160	-	1,000	131	309	28	1	8	-
	584,585	91,273	-	92,529	27,214	-	169,985	22,295	52,545	4,815	105	1,561	-
													1,046,706

Y:\VOP_OC\REPORTS\CGVP Spread_09_10.xlsx\May CGVP Spread MTD (3)

Y:\VOP_OC\REPORTS\CGVP Spread_09_10.xlsx\May CGVP Spread MTD (3)

9

Recap of DEK VOP expenses for April 2010

<u>Nov Expenses</u>	
VOP/OC costs	925,425.34 I1
CGVP Spread	2,014.00 I3
FICA and Retention	<u>25,628.04 I2</u>
	953,067.38
Per VOP report	<u>953,069.00 I4</u>
	-1.62 IM

I,

Σ ① = 925,425.34 ①

VOP/OC Costs

Agency	Account	Account Description	Account	Account Description	Account	Account Description	Sum:	Sum:
20013	Duke Energy Business	VPHROTH	0921000	Other Misc Benefits Exp	VPOC		23,895.00	-24,894.00
	Duke Energy Business	VPHROTH	0921000	Other Misc Benefits Exp	VPOC		24,904.00	24,904.00
	Duke Energy Business	VPHROTH	0921000	Other Misc Transition Costs	VPOC		396.28	396.28
	Duke Energy Business	VPHROTH	0921000	Other Misc Transition Costs	VPOC		69.53	69.53
	Duke Energy Business	VPHROTH	0921000	Employee Travel Lodging & Exp	VPOC		319.79	319.79
	Duke Energy Business	VPHROTH	0921000	Employee Travel Lodging & Exp	VPOC		1,008.22	1,008.22
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		3,008.44	3,008.44
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		455.00	455.00
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		16,958.22	16,958.22
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		3,044.84	3,044.84
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		7,081.84	7,081.84
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		17,646.01	17,646.01
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		257.69	257.69
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		215.37	215.37
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		196.45	196.45
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		581.86	581.86
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		-25.00	-25.00
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		334.57	334.57
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		488.67	488.67
	Duke Energy Business	VPHROTH	0921000	Employee Relocation	VPOC		162.99	162.99
			Sum:			77,444.81	77,444.81	
20071	DE Kentucky (USFR)	VPERPAY	0920000	Employee Severance Pmt	VPAE		284,720.51	284,720.51
	DE Kentucky (USFR)	VPMED	0920000	Contribution of Med Coverage	VPAE		35,951.62	35,951.62
	DE Kentucky (USFR)	VPOUTP	0920000	Supplemental Cost	VPAE		4,006.44	4,006.44
	DE Kentucky (USFR)	VPRELCC	0920000	Employee Relocation	VPAE		319,482.27	319,482.27
	DE Kentucky (USFR)	VPRETEN	0920000	Employee Retention	VPAE		802.33	802.33
	DE Kentucky (USFR)	VPSALRY	0920000	Employee Salary	VPAE		73,900.11	73,900.11
	DE Kentucky (USFR)	VPSALRY	0920000	Employee Salary	VPAE		15,504.24	15,504.24
				Sum:			734,428.82	734,428.82
20072	DE Kentucky (USFR)	VPERPAY	0920000	Employee Severance Pmt	VPAE		113,646.05	113,646.05
	DE Kentucky (USFR)	VPMED	0920000	Contribution of Med Coverage	VPAE		10,158.77	10,158.77
	DE Kentucky (USFR)	VPOUTP	0920000	Supplemental Cost	VPAE		1,053.28	1,053.28
	DE Kentucky (USFR)	VPRELCC	0920000	Employee Relocation	VPAE		53,356.89	53,356.89
	DE Kentucky (USFR)	VPRETEN	0920000	Employee Retention	VPAE		254.17	254.17
	DE Kentucky (USFR)	VPSALRY	0920000	Employee Salary	VPAE		10,181.48	10,181.48
			Sum:			180,968.62	180,968.62	
			Sum:			1,002,870.23	1,002,870.23	

I₂

Source System Last Update: 01/25/2011 07:14:15 AM
 Last Query Refresh: 01/25/2011 10:42:32 AM

ACCOUNT DETAILS FOR PERIOD.rep
 For the Period Ending: / 2010

FICA plus Retention

0408152
 Employer FICA Tax

Accounting Period	Unit ID	Bus Unit	Journal ID	Journal Descr ID	Journal Line Descr ID	Unit ID	Oper	Resp	Resource	Posted Date JD	Operator ID JD	Affiliate ID	Monthly Amount JD
CB	CB	CB	CB	CB	CB	CB	CB	CB	CB	CB	CB	CB	CB
4	75071	DEKYELEG	SEVACR_1	Adjust MWOC payable accrual fo	MWOC FICA 3-10-DE KY	GOUK	VPKE	98810	5/8/2010	JAB8459			3,068.65
			SEVACR_1										Sum: 3,068.65
4		DEKYELEG	SEVACR110	VOP PayCo 110 payable accrual	PayCo110 FICA 4-10-DE	GOUK	VPKE	98810	5/6/2010	JAB8459			9,680.59
			SEVACR110										Sum: 9,680.59
4		DEKYELEG	SEVACR2MO	MW Invol estimated accrual for	MW IN FICA 2 mo-DE KY	GOUK	VPKE	98810	5/6/2010	JAB8459			9,390.69
			SEVACR2MO										Sum: 9,390.69
4		DEKYELEG	SEVACRMMWC	MWOC payable accrual for 4-10	MWOC FICA 4-10-DE KY	GOUK	VPKE	98810	5/6/2010	JAB8459			5,653.38
			SEVACRMMWC										Sum: 5,653.38
4		DEKYELEG	SEVACRRET	VOP payable accrual for 4-10 R	RET FICA 4-10-DE KY_E	GOUK	VPKE	98810	5/6/2010	JAB8459			1,393.05
			SEVACRRET										Sum: 1,393.05
4		DEKYELEG	SEVACRSEP2	To accrue additional separate	Sep FICA 3 and 4-10 KY_E	GOUK	VPKE	98810	5/6/2010	JAB8459			12.81
			SEVACRSEP2										Sum: 12.81
4		DEKYELEG	SEVACR_SPA	Special Agreements payable acc	OC SP AG FICA 4-10-DE	GOUK	VPKE	98810	5/6/2010	JAB8459			13.37
			SEVACR_SPA										Sum: 13.37
	75071												Sum: 126.59
													Sum: 126.59
													Sum: 20,167.42
4	76072	DEKYGASG	SEVACR_1	Adjust MWOC payable accrual fo	MWOC FICA 3-10-DE KY	GDKG	VPKG	98810	5/6/2010	JAB8459			447.98
			SEVACR_1										Sum: 447.98
4		DEKYGASG	SEVACR110	VOP PayCo 110 payable accrual	PayCo110 FICA 4-10-DE	GDKG	VPKG	98810	5/6/2010	JAB8459			3,977.82
			SEVACR110										Sum: 3,977.82
4		DEKYGASG	SEVACR2MO	MW Invol estimated accrual for	MW IN FICA 2 mo-DE KY	GDKG	VPKG	98810	5/6/2010	JAB8459			778.88
			SEVACR2MO										Sum: 778.88
4		DEKYGASG	SEVACRMMWC	MWOC payable accrual for 4-10	MWOC FICA 4-10-DE KY	GDKG	VPKG	98810	5/6/2010	JAB8459			241.02
			SEVACRMMWC										Sum: 241.02
4		DEKYGASG	SEVACRRET	VOP payable accrual for 4-10 R	RET FICA 4-10-DE KY_G	GDKG	VPKG	98810	5/6/2010	JAB8459			3.69
			SEVACRRET										Sum: 3.69
4		DEKYGASG	SEVACR_SPA	Special Agreements payable acc	OC SP AG FICA 4-10-DE	GDKG	VPKG	98810	5/6/2010	JAB8459			21.23
			SEVACR_SPA										Sum: 21.23
	76072												Sum: 6,470.62
													Sum: 6,470.62
													Sum: 25,828.64

VOPFC FICA110.rep

I₃

Apr-10
 MTD
 20013

CGVP(CGI)	20046	75013	75014	75015	75071	75072	75101	75601	10145	10144	10222	75777		
DE Carolines	IE Ohio	ELENE Ohio	GA DE Ohio	CP DE Ohio	DE KY ELEC	DE KY GAS	DE Indiana	CP	DEI	DUKENET	Royal	Ventures		
	55.85%	8.72%	0.00%	8.84%	2.60%	0.00%	16.24%	2.13%	5.02%	0.46%	0.01%	0.13%		
												0.00%		
VPRELOC	39,988	6,240	-	6,326	1,861	-	11,622	1,524	3,592	329	7	93	-	71,564
VPINTRV	2,461	384	-	390	115	-	716	94	221	20	0	6	-	4,406
VPFACIN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VPHROTH	564	88	-	89	26	-	164	21	51	5	0	1	-	1,009
VPINOTH	250	41	-	41	12	-	76	10	23	2	0	1	-	466
	43,253	6,753	-	6,846	2,014	-	12,577	1,650	3,888	356	8	101	-	77,445

Y:\VOP_OC\REPORTS\CGVP Spread_09_10.xlsx\April CGVP Spread MTD (4)

Y:\VOP_OC\REPORTS\CGVP Spread_09_10.xlsx\April CGVP Spread MTD (4)

10

Recap of DEK VOP expenses for March 2010

<u>Nov Expenses</u>	
VOP/OC costs	1,528,842.11 J1
FICA and Retention	90,452.86 J2
Pension Costs	<u>424,713.00</u>
	<u>2,044,007.97</u>
Per VOP report	<u>2,044,026.00 J3</u>
	-18.03 IM

J,

VOP/OC Costs

76071	DE Kentucky (USFR) VP/EE/PAY	Employee Service Bonus	0320000	VPKE	Sum:
	DE Kentucky (USFR) VP/MED	Contribution of Med Coverage	0320400	VPKE	1,131,004.04
	DE Kentucky (USFR) VP/OUTPL	Outplacement Costs	0320500	VPKE	27,848.67
	DE Kentucky (USFR) VP/RELOC	Employee Relocation	0320600	VPKE	10,959.00
	DE Kentucky (USFR) VP/RETEN	Employee Retention	0320700	VPKE	325.47
					883.33
				Sum:	1,179,936.11
76072	DE Kentucky (USFR) VP/EE/PAY	Employee Service Bonus	0320000	VPKG	Sum:
	DE Kentucky (USFR) VP/MED	Contribution of Med Coverage	0320400	VPKG	340,198.32
	DE Kentucky (USFR) VP/OUTPL	Outplacement Costs	0320500	VPKG	4,806.02
	DE Kentucky (USFR) VP/RELOC	Employee Relocation	0320600	VPKG	4,498.47
	DE Kentucky (USFR) VP/RETEN	Employee Retention	0320700	VPKG	63.02
				Sum:	254.17
				Sum:	349,920.00
				Sum:	1,528,842.11

Σ ① = 1,528,842.11

①

①

**Duke Energy Kentucky
Case No. 2010-523
Staff First Set Data Request
Date Received: January 21, 2011**

STAFF-DR-01-005 PUBLIC

REQUEST:

Refer to the application, Item 11. Provide the analysis, workpapers, etc. which demonstrate that, over time, the savings of the VOP will exceed its costs.

RESPONSE:

Objection. The information sought to be elicited by this Data Request is protected trade secret information. Such information is confidential and proprietary business information that, if publicly disseminated, would prejudice Duke Energy Kentucky in its business operations and conduct.

CONFIDENTIAL PROPRIETARY TRADE SECRET

This response is filed with the Commission under a Petition for Confidential Treatment.

PERSON RESPONSIBLE: As to Objection – Legal

**Duke Energy Kentucky
Case No. 2010-523
Staff First Set Data Request
Date Received: January 21, 2011**

STAFF-DR-01-006

REQUEST:

Refer to the application, Item 15. Provide a breakdown of the total VOP costs, by component, separately identifying the amounts related to the consolidation of the Midwest corporate functions.

RESPONSE:

See Staff-DR-01-006 Attachment.

PERSON RESPONSIBLE: William Don Wathen Jr.

**Duke Energy Kentucky
 Actual VOP Costs
 Year to Date 2010**

	<u>Other VOP Costs</u>	<u>Costs included in total related to Midwest Office Relocation</u>	<u>Total VOP Costs</u>
Separation Expense- Electric (1)	1,857,846	426,535	2,284,381
Separation Expense- Gas	714,222	63,329	777,551
COBRA- Electric	66,817	17,320	84,137
COBRA- Gas	18,726	2,654	21,380
Outplacement-Electric	24,086	10,365	34,451
Outplacement-Gas	7,332	1,527	8,859
Pension Costs-Electric	311,351	64,962	376,313
Pension Costs-Gas	96,392	19,068	115,460
Relocation-Electric		324,968	324,968
Relocation-Gas		53,420	53,420
Facilities Integration-Electric		229,895	229,895
Retention-Electric		50,370	50,370
Retention-Gas		15,157	15,157
Work Simplification-Electric	112,865		112,865
Employee Travel & Misc-Electric		13,541	13,541
Employee Travel-Gas		212	212
Total	<u>3,209,637</u>	<u>1,293,323</u>	<u>4,502,960</u>

(1) Net of Joint Owner Reimbursement