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Dianne B. Kuhnell  
Senior Paralegal

**VIA OVERNIGHT DELIVERY**

October 5, 2009

**RECEIVED**

**OCT 06 2009**

**PUBLIC SERVICE  
COMMISSION**

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

Re: Case No. 2009-00202

Dear Mr. Derouen:

Enclosed please find for filing an original and twelve copies of two supplemental responses of Duke Energy Kentucky to Staff's first set of data requests and a supplemental response to Duke Energy Kentucky's initial filing requirement. For clarity, these are labeled STAFF-DR-01-045-2<sup>nd</sup> Supplemental, STAFF-DR-01-054-Supplemental and FR(10)(9)(o) Supplemental.

Please date-stamp the extra two copies of the letter and two copies of each set of Responses and return to me in the enclosed envelope.

Sincerely,

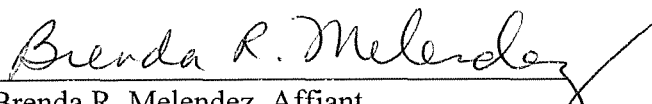
Dianne B. Kuhnell  
Senior Paralegal

cc: Dennis Howard II


VERIFICATION

State of Ohio            )  
                                  )  
County of Hamilton    )

The undersigned, Brenda R. Melendez being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Manager, Accounting; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to 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.

  
\_\_\_\_\_  
Brenda R. Melendez, Affiant

Subscribed and sworn to before me by Brenda R. Melendez on this 2nd day of October, 2009.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:




**ANITA M. SCHAFER**  
Notary Public, State of Ohio  
My Commission Expires  
November 4, 2009


VERIFICATION

State of Ohio            )  
                                  )  
County of Hamilton    )

The undersigned, Robert M. Parsons being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Rates Manager; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing responses to 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 inquire.

  
\_\_\_\_\_  
Robert M. Parsons, Affiant

Subscribed and sworn to before me by Robert M. Parsons on this 2<sup>ND</sup> day of October, 2009.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:



**ANITA M. SCHAFER**  
Notary Public, State of Ohio  
My Commission Expires  
November 4, 2009

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**Duke Energy Kentucky, Inc.**  
**Case No. 2009-00202**  
**First Set Staff Data Requests**  
**Date Received: June 19, 2009**  
**Supplemental Response Submitted: October 5, 2009**

**STAFF-DR-01-045 2<sup>ND</sup> SUPPLEMENTAL**

**REQUEST:**

As the historical data becomes available, provide detailed monthly income statements for each forecasted month of the base period, including the month in which the Commission hears this case.

**RESPONSE:**

See Attachment STAFF-DR-01-045 2<sup>ND</sup> Supplemental which has been updated to include actual revenue and expenses through the month of August 2009.

**PERSON RESPONSIBLE:** Robert M. Parsons

DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Account	Description	Total	ACTUAL										BUDGET	
			Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
403000	Depreciation Expense	8,496,882	664,777	673,669	662,890	665,511	674,754	791,221	697,646	840,043	707,629	716,729	722,212	679,801
404201	Amort Exp - Limited Term	645,567	50,958	61,744	52,276	51,287	52,554	56,020	49,829	54,217	54,261	55,047	55,054	52,320
407907	DSM Amortization	(141,710)	(7,897)	(26,562)	(22,363)	(92,490)	(87,134)	(58,792)	(34,649)	34,112	59,633	48,905	45,527	0
408000	General Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
408015	Ohio Property Taxes - General	0	0	0	0	0	0	0	0	0	0	0	0	0
408050	Kentucky Property Tax - Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
408090	West Virginia Property Tax-Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
408095	Misc States Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
408121	Taxes Property-Operating	1,486,362	283,919	283,919	(1,857,882)	307,898	307,898	307,898	307,898	307,898	304,268	304,268	304,268	324,112
408150	State Unemployment Tax	6,243	7	18	11	2,998	206	2,953	8	0	14	28	0	0
408151	Federal Unemployment Tax	4,514	11	26	9	4,264	174	12	0	0	10	8	0	0
408152	Employer FICA Tax	454,964	31,340	28,901	26,731	54,955	35,533	40,602	33,050	38,088	33,719	48,078	33,103	50,864
408410	Social Security Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
408490	Indiana Highway Use Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
408500	Federal Highway Use Tax - Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
408530	Ohio Highway Use	0	0	0	0	0	0	0	0	0	0	0	0	0
408550	Kentucky Highway Use	163	0	0	0	0	0	0	0	0	0	0	0	163
408700	Fed Social Security Tax-Elec	26,253	5,976	(8,480)	995	(4,136)	2,835	5,319	3,758	5,223	4,103	5,947	4,713	0
408740	Sales and Use Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
408960	Allocated Payroll Taxes	163,826	150,094	31,381	(134,620)	14,291	6,128	83,666	1,906	(3,054)	(5,531)	2,933	16,632	0
409060	Federal Income Taxes Utility Op Income	(5,474,568)	43,508	43,508	43,508	43,508	43,508	43,508	6,178	275,996	(620,789)	(457,595)	(4,982,919)	43,513
409104	State/Local Inc Tx Exp Utility Op Inc PY	64,915	164,144	0	0	0	0	0	0	0	0	0	(99,229)	0
409160	State/Local Inc Tax Exp Utility Op Inc	(839,778)	20,905	20,905	20,905	20,905	20,905	20,905	1,521	47,670	(105,712)	(77,800)	(851,792)	20,905
409193	Fed Inc Tax - Utility Operating Inc - PY	(636,607)	(57,450)	0	0	0	0	0	0	0	0	0	(579,157)	0
409233	State/Local Inc Tax - Oth Inc & Ded - PY	0	0	0	0	0	0	0	0	0	0	0	0	0
409980	Taxes Alloc From Serv Co - Gas Federal	0	0	0	0	0	0	0	0	0	0	0	0	0
409985	Taxes Alloc From Serv Co - Gas State	0	0	0	0	0	0	0	0	0	0	0	0	0
410060	Deferred FIT Utility Operating Inc	4,772,952	2,477	2,477	2,477	2,477	2,477	2,477	(200,871)	(423,931)	374,981	244,308	4,761,129	2,474
410109	Def FIT- Utility Operating Inc - PY	2,205,577	9	0	83	0	0	0	0	0	0	0	2,205,485	0
410112	Defer SIT Utility Operating Inc - PY	366,149	0	0	(238)	0	0	0	0	0	0	0	366,387	0
410113	UTP Tax Expense State Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
410130	UTP DFIT Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
410131	UTP DSIT Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
410160	Deferred SIT Utility Operating Inc	703,649	(10,994)	(10,994)	(10,994)	(10,994)	(10,994)	(10,994)	(35,253)	(72,309)	60,410	38,702	789,062	(10,999)
410195	UTP Tax Expense Fed Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
411060	Deferred FIT Credit - Utility Op Inc	0	0	0	0	0	0	0	0	0	0	0	0	0
411065	Amortization of Investment Tax Credit	(62,001)	6,530	(6,277)	(6,277)	(6,220)	(6,219)	(6,220)	(6,220)	(6,219)	(6,220)	(6,220)	(6,219)	(6,220)
411106	Def FIT Credit - Utility Oper Inc - PY	(1,625,807)	0	0	(476)	0	0	0	0	0	0	0	(1,625,331)	0
411107	Def SIT Credit - Utility Oper Inc - PY	(268,674)	(26)	0	1,361	0	0	0	0	0	0	0	(270,009)	0
411113	UTP Tax Expense State Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
411130	UTP DFIT Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
411131	UTP DSIT Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
411160	Deferred SIT Credit - Utility Op Inc	0	0	0	0	0	0	0	0	0	0	0	0	0
411195	UTP Tax Expense Fed Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
480400	Residential Sales Gas	30,171,311	1,381,526	2,116,715	4,046,884	4,790,182	4,588,481	3,427,442	2,446,624	1,721,768	1,476,623	1,386,219	1,369,790	1,419,057
480410	Residential Unbilled Gas	289,154	2,423,000	1,677,000	1,379,000	1,242,000	(3,156,000)	(2,515,000)	(1,042,000)	(454,000)	(209,000)	159,000	227,000	558,154
480603	Res DSM	(323,804)	(12,797)	(43,315)	(122,928)	(152,691)	(143,949)	(97,034)	(56,762)	54,342	97,354	79,703	74,273	0
480620	Res Gas Cost Recovery	51,283,360	1,154,605	3,566,686	9,814,983	11,386,410	10,894,182	6,545,950	2,980,888	1,470,550	985,632	713,158	681,455	1,088,861
480625	Res Merger Savings Credit Rider	(130,301)	(2,436)	(7,889)	(22,340)	(27,843)	(26,318)	(17,651)	(10,360)	(4,912)	(3,028)	(2,461)	(2,309)	(2,754)
481400	Commercial Sales Gas	9,137,504	377,598	637,285	1,310,109	1,607,236	1,499,029	1,078,860	708,793	458,440	389,866	335,226	353,991	381,071
481410	Commercial Unbilled Gas	345,990	511,000	824,000	986,000	312,000	(1,214,000)	(1,007,000)	(48,000)	(161,000)	(149,000)	56,000	68,000	167,990

DUKE ENERGY KENTUCKY, INC.  
 CASE NO. 2009-00202  
 MONTHLY REVENUES AND EXPENSES BY ACCOUNT  
 BASE PERIOD

DATA: "X" BASE PERIOD FORECASTED PERIOD  
 TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Account	Description	Total	ACTUAL										BUDGET	
			Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
481450	Industrial Sales Gas	833,176	37,218	55,422	122,248	145,274	147,110	95,844	61,357	39,021	25,673	27,847	28,779	47,383
481460	Industrial Unbilled Gas	(308)	54,000	50,000	132,000	44,000	(127,000)	(120,000)	(45,000)	(20,000)	(20,000)	9,000	4,000	38,692
481603	Com DSM	(6,446)	(645)	(1,897)	(4,206)	(4,729)	(4,355)	(3,031)	(2,212)	3,724	4,147	3,539	3,219	0
481620	Com Gas Cost Recovery	24,516,679	787,343	1,836,065	4,539,055	5,337,003	5,009,568	3,002,598	1,336,050	685,262	576,842	334,125	403,634	669,134
481625	Com Merger Savings Credit Rider	(27,526)	(731)	(1,829)	(4,590)	(5,737)	(5,323)	(3,576)	(2,109)	(1,053)	(795)	(539)	(613)	(631)
481660	Ind Gas Cost Recovery	2,623,742	110,161	178,679	473,588	529,505	520,684	304,675	142,970	67,940	45,219	46,828	50,092	153,401
481665	Ind Merger Savings Credit Rider	(2,674)	(92)	(159)	(431)	(518)	(504)	(330)	(199)	(93)	(58)	(66)	(69)	(155)
482400	Public Str/Hgwy Lighting Gas	485	40	40	42	41	40	40	41	40	40	41	40	40
482450	Other Sales To Pub Authority Gas	1,099,982	63,338	69,417	156,999	184,183	216,183	143,298	82,564	47,470	29,746	30,156	24,644	51,984
482460	Other Sales To Pub Auth Unbill	(23,980)	127,000	128,000	(7,000)	97,000	(165,000)	(164,000)	(52,000)	(36,000)	(19,000)	2,000	4,000	61,020
482620	SL Gas Cost Recovery	451	46	45	51	44	40	35	31	29	31	31	28	40
482653	OPA DSM	(25)	0	(1)	(6)	(9)	(9)	0	0	0	0	0	0	0
482660	OPA Gas Cost Recovery	3,503,797	108,765	263,261	625,916	672,364	805,047	432,456	189,875	99,725	57,092	58,145	36,801	154,350
482665	OPA Merger Savings Credit Rider	(3,559)	(92)	(233)	(571)	(659)	(778)	(469)	(271)	(137)	(70)	(72)	(51)	(156)
484400	Inter Departmental Sales Gas	46,712	710	4,045	10,330	11,721	10,640	5,102	2,485	2,537	(1,704)	63	63	720
487001	Discounts Earned / Lost	0	0	0	0	0	0	0	0	0	0	0	0	0
488010	Misc Service Revenue - Gas	180	15	15	15	15	15	15	15	15	15	15	15	15
488020	Misc Rev Recon Charges Gas	36,117	5,042	4,230	2,307	1,040	1,897	1,948	3,000	3,967	4,676	3,312	2,875	1,823
488100	Misc Gas Rev Erlanger Gas Pit	514,092	42,841	42,841	42,841	42,841	42,841	42,841	42,841	42,841	42,841	42,841	42,841	42,841
488040	Misc Rev Cust Diversn Exp Gas	23	23	0	0	0	0	0	0	0	0	0	0	0
488060	Misc Rev Bad Check Charge Gas	11,377	665	935	765	1,177	610	853	963	1,271	1,348	1,045	902	843
488070	Misc Rev - Field Coll Charge	4,107	285	180	315	315	645	596	480	180	251	270	270	320
489000	Rev Transp Gas of Others	1,192,552	112,395	107,700	109,343	114,606	98,141	108,078	91,885	95,994	96,929	91,691	95,301	70,489
489010	Rev Transp of Gas - I/C	601,738	49,590	49,590	52,036	50,058	50,058	50,058	50,058	50,058	50,058	50,058	50,058	50,058
489025	Trans Merger Savings Cr Rider	(4,067)	(338)	(393)	(371)	(376)	(394)	(349)	(371)	(310)	(295)	(325)	(308)	(237)
489110	Rev Firm Transp Agm-Commer Bld	425,757	29,134	44,050	56,258	64,260	48,945	36,999	31,291	27,752	21,851	21,811	27,689	15,717
489115	Comm Rev Transp-Unbilled	2,384	11,000	17,000	(10,000)	2,000	(6,000)	(12,000)	(7,000)	4,000	(2,000)	(2,000)	7,000	384
489120	Rev Firm Transp Agreements - I	2,094,245	182,883	193,294	242,200	259,709	214,557	183,323	146,166	177,033	120,617	130,752	143,118	100,593
489125	Indust Rev Transp-Unbilled	(15,277)	63,000	49,000	(78,000)	14,000	(25,000)	(34,000)	(20,000)	5,000	(14,000)	8,000	15,000	1,723
489130	Rev Firm Transp Agree - Other	554,929	31,798	58,273	80,308	90,951	69,952	52,483	39,200	55,112	16,606	17,948	16,994	25,304
489135	Other Rev Transp-Unbilled	14,331	12,000	43,000	(23,000)	16,000	(11,000)	(18,000)	(8,000)	1,000	(6,000)	(2,000)	4,000	6,331
489160	Com Transp Gas Cost Recovery	(1,683)	183	241	332	(53)	(69)	(46)	(49)	(76)	(114)	(829)	(1,203)	0
489165	Com Transp Merger Savings Cr Rider	(1,308)	(56)	(88)	(147)	(195)	(227)	(166)	(119)	(91)	(71)	(51)	(71)	(26)
489170	Ind Transp Gas Cost Recovery	205	0	32	250	(77)	0	0	0	0	0	0	0	0
489175	Ind Transp Merger Savings Cr Rider	(7,387)	(546)	(670)	(719)	(896)	(973)	(787)	(665)	(521)	(398)	(421)	(461)	(330)
489180	Oth Transp Gas Cost Recovery	(1,305)	168	610	1,127	(224)	(256)	(203)	(216)	(142)	(105)	(1,034)	(1,030)	0
489185	OPA Transp Merger Savings Cr Rider	(1,601)	(19)	(95)	(193)	(280)	(322)	(237)	(168)	(116)	(49)	(31)	(30)	(61)
493040	Rent Land And Buildings-Affil	34,176	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848
495020	Sales Use Tax Collect Fee	18,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
495030	Gas Losses Damaged Lines	972	0	0	0	0	0	0	0	0	0	0	0	972
496017	Provision for Rate Refunds	(7,517,628)	0	0	(7,517,628)	0	0	0	0	0	0	0	0	0
711000	Gas Boiler Labor	11,618	62	0	2,504	0	4,045	0	0	0	3,486	0	0	1,521
712000	Gas Production - Other Expense	7,662	115	450	1,058	2,458	820	511	218	215	(4)	123	612	1,086
717000	Liquid Petroleum Gas Expense	18,601	634	70	71	418	292	238	906	2,744	2,876	3,867	6,055	430
728000	Liquid Petroleum Gas	118,432	0	0	14,353	86,442	7,777	7,852	0	1,513	624	2,447	147	(2,723)
735000	Miscellaneous Prod Expense	24,551	1,347	794	1,959	7,152	5,286	1,276	282	89	127	340	4,638	1,261
736000	Rents	65,880	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	4,467
742000	Production Equipment	68,052	6,474	10,414	7,873	15,762	5,962	3,233	3,588	569	1,707	1,375	1,010	10,085
801000	Natural Gas Field Line Purchase	86,531,032	4,393,212	10,931,258	17,121,558	20,073,123	13,164,270	9,502,708	3,438,903	1,594,645	1,303,756	1,458,950	1,482,294	2,066,355
805000	Unrecovered Purch Gas Adjustment	(4,576,195)	(2,213,624)	(5,082,065)	(1,678,824)	(2,227,015)	4,219,876	751,095	1,187,374	723,787	344,685	(294,508)	(306,976)	0
805200	Purchase Gas Cost Unbilled Rev	(67,814)	1,590,348	2,557,475	2,279,497	1,360,605	(3,633,219)	(2,979,406)	(1,081,536)	(518,840)	(337,334)	66,998	154,276	473,322





DATA: "X" BASE PERIOD FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED

Account	Description	Total	ACTUAL											BUDGET
			Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
	Production	751,929	45,493	33,743	84,616	144,269	70,018	58,315	46,678	49,140	55,985	72,338	55,896	35,438
	Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
	Distribution	4,362,760	512,550	565,509	25,478	380,747	230,836	338,743	312,246	310,075	486,483	314,209	559,187	326,697
	A&G	14,627,705	1,400,939	1,141,886	1,931,661	1,417,249	877,109	1,206,868	1,216,875	1,035,692	1,126,327	1,195,111	1,103,788	974,200
	Other	(141,710)	(7,897)	(26,562)	(22,363)	(92,490)	(87,134)	(58,792)	(34,649)	34,112	59,633	48,905	45,527	0
	<b>Maintenance</b>													
	Production	68,052	6,474	10,414	7,873	15,762	5,962	3,233	3,588	569	1,707	1,375	1,010	10,085
	Transmission	0	0	0	0	0	0	0	0	0	0	0	0	0
	Distribution	1,641,714	219,511	164,824	66,739	117,114	104,031	85,296	112,148	96,299	183,509	201,703	149,190	141,350
	A&G	344,181	8,397	7,127	11,837	19,945	34,965	32,713	33,452	34,823	34,254	38,237	35,832	52,599
	Operation & Maintenance Expense	21,654,631	2,185,467	1,896,941	2,105,841	2,002,596	1,235,787	1,666,376	1,690,338	1,560,710	1,947,898	1,871,878	1,950,430	1,540,369
	Depreciation Expense	9,142,449	715,735	735,413	715,166	716,798	727,308	847,241	747,475	894,260	761,890	771,776	777,266	732,121
	Amortization of Deferred Expenses													
	Taxes Other Than Income Taxes	2,142,325	471,347	335,765	(1,964,756)	380,270	352,774	440,450	346,620	348,155	336,583	361,262	358,716	375,139
	Income Taxes	(794,193)	169,103	49,619	50,349	49,676	49,677	49,676	(234,645)	(178,793)	(297,330)	(258,605)	(292,593)	49,673
	Operating Income	7,256,414	352,380	541,024	(2,231,311)	4,469,943	3,219,063	1,245,823	971,895	17,044	(438,030)	(374,408)	(389,338)	(127,671)

**Duke Energy Kentucky, Inc.**  
**Case No. 2009-00202**  
**First Set Staff Data Requests**  
**Date Received: June 19, 2009**  
**Supplemental Response Submitted: October 5, 2009**

**STAFF-DR-01-054 SUPPLEMENTAL**

**REQUEST:**

Provide the following information concerning the costs for the preparation of this case:

- a. A detailed schedule of expenses incurred to date for the following:
  - (1) Accounting;
  - (2) Engineering;
  - (3) Legal;
  - (4) Consultants; and
  - (5) Other Expense (identify separately).

For each category, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the base period.

- b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.
- c. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in (a) above. Updates will be due when Duke Kentucky files its monthly financial statements with the Commission, through the month of the public hearing.

**RESPONSE:**

See Staff-DR-01-054(a) Supplemental for actual rate case expenses updated through August 2009.

**PERSON RESPONSIBLE:** Robert M. Parsons

Duke Energy Kentucky Inc.  
 Case No. 2009-00202  
 Account 0186357, BU 75086, OU GD70  
 Rate Case Expenses

Document/ Journal Entry No.	Invoice Date	Payment Date	Description	Hours Worked	Rate Per Hour	Consultants					Misc.	Total			
						Legal	Depreciation Study	Rate of Return	Taxes	Other Consultants			Publish Legal Notices	Transport/ Lodging/Meals	Transcript Expenses
<b>May 2009</b>												5,335.00			
APACR69340	17-Apr-09	15-May-09	Gannett Fleming Valuation & Rate Cnslts	48.50	\$110.00		5,335.00						1,800.00		
APACR69340	17-Apr-09	15-May-09	Gannett Fleming Valuation & Rate Cnslts	20.00	\$90.00		1,800.00						1,170.00		
APACR69340	17-Apr-09	15-May-09	Gannett Fleming Valuation & Rate Cnslts	6.00	\$195.00		1,170.00						4,235.00		
APACR69340	6-May-09	25-Jun-09	Gannett Fleming Valuation & Rate Cnslts	38.50	\$110.00		4,235.00						1,710.00		
APACR69698	6-May-09	25-Jun-09	Gannett Fleming Valuation & Rate Cnslts	19.00	\$90.00		1,710.00						1,950.00		
APACR69698	6-May-09	25-Jun-09	Gannett Fleming Valuation & Rate Cnslts	10.00	\$195.00		1,950.00						40.00		
APACR69698	6-May-09	25-Jun-09	Gannett Fleming Valuation & Rate Cnslts	0.50	\$80.00		40.00						31,000.00		
APACR69698	21-Apr-09	27-Apr-09	Dr. Roger A. Monn	N/A	N/A			31,000.00					47,240.00		
<b>Total May 2009</b>						0.00	16,240.00	31,000.00	0.00	0.00	0.00	0.00	0.00	47,240.00	
<b>Total Actual Costs to Date</b>						0.00	16,240.00	31,000.00	0.00	0.00	0.00	0.00	0.00	47,240.00	
<b>June 2009</b>												952.40	952.40		
AP80A53097	10-Jun-09	10-Jul-09	Ikon Office Solutions, Inc.						2,492.53				2,492.53		
APACR70372	3-May-09	21-May-09	Guidant Group						2,492.53				2,492.53		
APACR70948	10-May-09	28-May-09	Guidant Group						2,492.53				2,492.53		
APACR70948	17-May-09	28-May-09	Guidant Group						2,492.53				1,994.02		
APACR71261	24-May-09	3-Jun-09	Guidant Group						1,994.02				2,492.53		
APACR73595	31-May-09	16-Jun-09	Guidant Group						2,492.53				2,492.53		
APACR74733	14-Jun-09	26-Jun-09	Guidant Group						2,492.53				2,492.53		
APACR74903	7-Jun-09	26-Jun-09	Guidant Group						2,492.53				3,630.00		
APACR75343	21-Jun-09	2-Jul-09	Guidant Group						2,492.53				6,825.00		
APACR74023	11-Jun-09	19-Jun-09	Gannett Fleming Valuation & Rate Cnslts	33.00	\$110.00		3,630.00						6,825.00		
APACR74023	11-Jun-09	19-Jun-09	Gannett Fleming Valuation & Rate Cnslts	35.00	\$195.00		6,825.00						640.00		
APACR74023	11-Jun-09	19-Jun-09	Gannett Fleming Valuation & Rate Cnslts	8.00	\$80.00		640.00						19,441.73		
<b>Total June 2009</b>						0.00	11,095.00	0.00	0.00	19,441.73	0.00	0.00	0.00	952.40	31,489.13
<b>Total Actual Costs to Date</b>						0.00	27,335.00	31,000.00	0.00	19,441.73	0.00	0.00	0.00	952.40	78,729.13
<b>July 2009</b>												5,440.00	5,440.00		
AP80A54622	30-Jun-09	27-Jul-09	Ikon Office Solutions, Inc.										991.52		
AP80A54696	2-Jul-09	28-Jul-09	Ikon Office Solutions, Inc.										3,323.08		
AP80A54853	22-Jul-09	30-Jul-09	Ikon Office Solutions, Inc.										9,754.60		
<b>Total July 2009</b>						0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,754.60	9,754.60	
<b>Total Actual Costs to Date</b>						0.00	27,335.00	31,000.00	0.00	19,441.73	0.00	0.00	0.00	10,707.00	88,483.73
<b>August 2009</b>												117.15	117.15		
AP80A55218	24-Jul-09	5-Aug-09	Ikon Office Solutions, Inc.							1,870.65			1,870.65		
AP80A55903	31-Jul-09	18-Aug-09	Gallatin County News							4,276.35			4,276.35		
AP80A55903	31-Jul-09	18-Aug-09	The Falmouth Outlook							2,932.50			2,932.50		
AP80A55903	31-Jul-09	18-Aug-09	Grant County News							13,235.40			13,235.40		
AP80A56240	2-Aug-09	24-Aug-09	Gannett Satellite Information									159.75	159.75		
AP80A56460	20-Aug-09	28-Aug-09	Ikon Office Solutions, Inc.										550.00		
APACR81185	24-Jul-09	10-Aug-09	Gannett Fleming Valuation & Rate Cnslts	5.00	\$110.00		550.00						975.00		
APACR81185	24-Jul-09	10-Aug-09	Gannett Fleming Valuation & Rate Cnslts	5.00	\$195.00		975.00						360.00		
APACR81185	24-Jul-09	10-Aug-09	Gannett Fleming Valuation & Rate Cnslts	4.50	\$80.00		360.00						249.25		
APACR81185	24-Jul-09	10-Aug-09	Gannett Fleming Valuation & Rate Cnslts				249.25						276.90		
<b>Total August 2009</b>						0.00	2,134.25	0.00	0.00	0.00	22,314.90	0.00	0.00	276.90	24,726.05
<b>Total Actual Costs to Date</b>						0.00	29,469.25	31,000.00	0.00	19,441.73	22,314.90	0.00	0.00	10,983.90	113,209.78
<b>Rate Case Projected Costs</b>						15,000.00	50,000.00	60,000.00	0.00	25,000.00	80,000.00	20,000.00	0.00	10,000.00	260,000.00

**DUKE ENERGY KENTUCKY  
CASE NO. 2009-00202  
FORECASTED TEST PERIOD FILING REQUIREMENTS  
FR 10(9)(o)**

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**807 KAR 5:001, SECTION 10(9)(o)**

Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.

Response:

See attached variance reports for May through August 2009. The Company will provide this data for any subsequent months as it becomes available.

Sponsoring Witness: Brenda R. Melendez

**US Franchised Electric & Gas**  
**Capital Turn / Year-end Projected Variance Status**  
 \$ Millions

Function	Duke Energy Ohio (CG&E) / Kentucky (ULH&P) 5 & 7 2009				Year - End Status	
	Year To Date - May		Turnaround F (U)	Projection	Budget	Proposed Var. F(U)
	Actual	Budget				
<i>Nuclear Operations</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Nuclear Fuel</i>	-	-	-	-	-	-
<i>Nuclear Expansion</i>	-	-	-	-	-	-
<b>Nuclear (Jamil) Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Fossil-Hydro Operations</i>	\$ 5.9	\$ 6.3	\$ 0.4	\$ 19.0	\$ 6.3	\$ (12.7)
<i>Fossil-Hydro NCCap</i>	-	-	-	-	-	-
<i>Fossil-Hydro Env Additions Midwest (Reg Treatment)</i>	-	-	-	-	-	-
<i>Fossil-Hydro Expansion</i>	-	-	-	-	-	-
<b>Fossil-Hydro (Pulsikamp) Total</b>	\$ 5.9	\$ 6.3	\$ 0.4	\$ 19.0	\$ 6.3	\$ (12.7)
<i>Power Delivery</i>	\$ 26.3	\$ 34.2	\$ 7.9	\$ 87.9	\$ 82.6	\$ (5.3)
<i>Power Delivery - Expansion</i>	9.9	17.5	7.6	38.4	42.2	3.8
<b>Power Delivery (Meyer) Total</b>	\$ 36.2	\$ 51.7	\$ 15.5	\$ 126.3	\$ 124.8	\$ (1.5)
<i>Gas Operations</i>	\$ 34.0	\$ 38.6	\$ 4.6	\$ 115.0	\$ 111.8	\$ (3.2)
<i>Gas Operations - Expansion</i>	5.9	9.3	3.4	24.0	26.8	2.8
<b>Gas Operations (Walker) Total</b>	\$ 39.9	\$ 47.9	\$ 8.0	\$ 139.0	\$ 138.6	\$ (0.4)
<i>Customer Service (Manes) Total</i>	\$ -	\$ 2.0	\$ 2.0	\$ 4.9	\$ 4.9	\$ -
<b>Remaining FE&amp;G (Note 1)</b>	\$ 2.3	\$ 8.8	\$ 6.5	\$ 17.9	\$ 17.0	\$ (0.9)
<b>Unidentified Mitigation Efforts Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G-Function Total</b>	\$ 84.3	\$ 116.7	\$ 32.4	\$ 307.1	\$ 291.6	\$ (15.5)
<b>Plus: AFDC - Debt Component</b>	\$ (0.7)	\$ 0.6	\$ 1.3	\$ 3.2	\$ 3.2	\$ -
<b>FE&amp;G Cap Ex Total (Accrual Basis)</b>	\$ 83.6	\$ 117.3	\$ 33.7	\$ 310.3	\$ 294.8	\$ (15.5)
<b>Plus: Timing of Cash Payments</b>	\$ 4.7	\$ -	\$ (4.7)	\$ -	\$ -	\$ -
<b>FE&amp;G Cap Ex Total (Cash Basis) Tie Point</b>	\$ 88.3	\$ 117.4	\$ 29.1	\$ 310.3	\$ 294.8	\$ (15.5)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

**US Franchised Electric & Gas  
Capital Turn / Year-end Projected Variance Status**  
\$ Millions

Function	Duke Energy Kentucky (ULH&P) 5 & 7 2009				Turnaround F (U)	Year - End Status	
	Year To Date - May		Projection	Budget		Proposed Var. F(U)	
	Actual	Budget					Var. F(U)
<i>Nuclear Operations</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Nuclear Fuel</i>	-	-	-	-	-	-	-
<i>Nuclear Expansion</i>	-	-	-	-	-	-	-
<b>Nuclear (Jami) Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Fossil-Hydro Operations</i>	\$ 5.9	\$ 6.3	\$ 0.4	\$ (13.1)	\$ 19.0	\$ 6.3	\$ (12.7)
<i>Fossil-Hydro NCCap</i>	-	-	-	-	-	-	-
<i>Fossil-Hydro Env Additions Midwest (Reg Treatment)</i>	-	-	-	-	-	-	-
<i>Fossil-Hydro Expansion</i>	-	-	-	-	-	-	-
<b>Fossil-Hydro (Puiskamp) Total</b>	\$ 5.9	\$ 6.3	\$ 0.4	\$ (13.1)	\$ 19.0	\$ 6.3	\$ (12.7)
<i>Power Delivery</i>	\$ 3.4	\$ 5.8	\$ 2.4	\$ (3.2)	\$ 13.9	\$ 13.1	\$ (0.8)
<i>Power Delivery - Expansion</i>	\$ 1.5	\$ 2.3	\$ 0.8	\$ (1.3)	\$ 6.0	\$ 5.5	\$ (0.5)
<b>Power Delivery (Meyer) Total</b>	\$ 4.9	\$ 8.1	\$ 3.2	\$ (4.5)	\$ 19.9	\$ 18.6	\$ (1.3)
<i>Gas Operations</i>	\$ 11.4	\$ 10.6	\$ (0.8)	\$ 0.8	\$ 28.0	\$ 28.0	\$ -
<i>Gas Operations - Expansion</i>	\$ 0.9	\$ 2.0	\$ 1.1	\$ (0.4)	\$ 5.0	\$ 5.7	\$ 0.7
<b>Gas Operations (Walker) Total</b>	\$ 12.3	\$ 12.6	\$ 0.3	\$ 0.4	\$ 33.0	\$ 33.7	\$ 0.7
<i>Customer Service (Manes) Total</i>	\$ -	\$ 0.2	\$ 0.2	\$ (0.2)	\$ 0.5	\$ 0.5	\$ -
<i>Remaining FE&amp;G (Note 1)</i>	\$ 0.4	\$ 1.2	\$ 0.8	\$ (0.8)	\$ 3.9	\$ 3.9	\$ -
<b>Unidentified Mitigation Efforts Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G-Function Total</b>	\$ 23.5	\$ 28.4	\$ 4.9	\$ (18.2)	\$ 76.3	\$ 63.0	\$ (13.3)
<b>Plus: AFDC - Debt Component</b>	\$ (0.1)	\$ 0.4	\$ 0.5	\$ (0.5)	\$ 0.9	\$ 0.9	\$ -
<b>FE&amp;G Cap. Ex. Total (Accrual Basis)</b>	\$ 23.4	\$ 28.8	\$ 5.4	\$ (18.7)	\$ 77.2	\$ 63.9	\$ (13.3)
<b>Plus: Timing of Cash Payments</b>	\$ 1.0	\$ -	\$ (1.0)	\$ 1.0	\$ -	\$ -	\$ -
<b>FE&amp;G Cap. Ex. Total (Cash Basis) Tie Point</b>	\$ 24.4	\$ 28.8	\$ 4.4	\$ (17.7)	\$ 77.2	\$ 63.9	\$ (13.3)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

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**Duke Energy Kentucky (ULH&P) Franchised Electric & Gas**  
**11 & 1 2008 Capital Turn / Year-end Projected Variance Status**  
 \$ Millions

Duke Energy Kentucky (ULH&P) 5 & 7 2009									
Year-end Key Variance Drivers (Accrual Basis - Function Total)									
Total	Nuclear <i>Jamit</i>	F/H <i>Pulskamp</i>	PD <i>Meyer</i>	GO <i>Walker</i>	CS <i>Mates</i>	Corp & SS	Un-ID <i>Ming</i>		
(12.7)	-	(12.7)	-	-	-	-	-	-	-
(0.8)	-	-	(0.8)	-	-	-	-	-	-
(0.5)	-	-	(0.5)	-	-	-	-	-	-
0.7	-	-	-	0.7	-	-	-	-	-
\$ (13.3)	\$ -	\$ (12.7)	\$ (1.3)	\$ 0.7	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fossil-Hydro Operations: Woodsdale CT - \$(8.2) - Overhaul of U5 originally planned in 2010; Misc - \$(2.8)</b>									
<b>Power Delivery Operations: Re-deployment of expansion funds to maintenance capex</b>									
<b>Power Delivery Expansion: Less customer addition volume than expected</b>									
<b>Gas Operations Expansion: Less customer addition volume than expected</b>									
<b>Year-end Total</b>									

US Franchised Electric & Gas

Capital Turn / Year-end Projected Variance Status  
\$ Millions

Function	Duke Energy Ohio (CG&E) / Kentucky (ULH&P) 6 & 6 2009				Year-End Status	
	Year-To-Date - June		Turnaround F (U)	Projection	Budget	Proposed Var. F(U)
	Actual	Budget				
<i>Fossil-Hydro Operations</i>	\$ 7.4	\$ 6.4	\$ (1.1)	\$ 17.6	\$ 6.3	\$ (11.3)
<i>Fossil-Hydro NCCap</i>	-	-	-	-	-	-
<i>Fossil-Hydro Env Additions Midwest (Reg Treatment)</i>	-	-	-	-	-	-
<i>Fossil-Hydro Expansion</i>	-	-	-	-	-	-
<b>Fossil-Hydro (Puistamp) Total</b>	\$ 7.4	\$ 6.4	\$ (1.1)	\$ 17.6	\$ 6.3	\$ (11.3)
<i>Power Delivery</i>	\$ 32.0	\$ 40.5	\$ 8.5	\$ 89.7	\$ 82.6	\$ (7.1)
<i>Power Delivery - Expansion</i>	13.8	21.0	7.2	35.0	42.2	7.2
<b>Power Delivery (Meyer) Total</b>	\$ 45.8	\$ 61.5	\$ 15.7	\$ 124.7	\$ 124.8	\$ 0.1
<i>Gas Operations</i>	\$ 45.7	\$ 50.8	\$ 5.1	\$ 116.7	\$ 111.8	\$ (4.9)
<i>Gas Operations - Expansion</i>	8.1	11.9	3.8	21.4	26.8	5.4
<b>Gas Operations (Walker) Total</b>	\$ 53.8	\$ 62.7	\$ 8.9	\$ 138.1	\$ 138.6	\$ 0.5
<i>Customer Service (Manes) Total</i>	\$ 0.0	\$ 2.5	\$ 2.5	\$ 4.9	\$ 4.9	\$ -
<i>Remaining FE&amp;G (Note 1)</i>	\$ 4.8	\$ 10.1	\$ 5.3	\$ 17.0	\$ 17.0	\$ -
<b>Unidentified Mitigation Efforts Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G Function Total</b>	\$ 111.9	\$ 143.1	\$ 31.3	\$ 302.3	\$ 291.6	\$ (10.7)
<i>Less: Removal &amp; Salvage / Prelim Survey &amp; Invest Total</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Plus: AFDC - Debt Component</i>	\$ (0.7)	\$ 0.7	\$ 1.4	\$ 3.2	\$ 3.2	\$ -
<b>FE&amp;G Cap Ex Total (Accrual Basis)</b>	\$ 111.2	\$ 143.8	\$ 32.7	\$ 305.5	\$ 294.8	\$ (10.7)
<b>Plus: Timing of Cash Payments</b>	\$ 8.8	\$ -	\$ (8.8)	\$ -	\$ -	\$ -
<b>FE&amp;G Cap Ex Total (Cash Basis) Tie Point</b>	\$ 119.8	\$ 144.7	\$ 24.9	\$ 305.5	\$ 294.8	\$ (10.7)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Note 2: Ohio and Kentucky variance explanations are provided on pages 9 & 11 respectively.



US Franchised Electric & Gas

Capital Turn / Year-end Projected Variance Status  
\$ Millions

Function	Duke Energy Kentucky (ULH&P) 6 & 6 2009						Year - End Status	
	Year To Date - June		Turnaround F (U)	Projection	Budget	Proposed Var. F(U)	Budget	Proposed Var. F(U)
	Actual	Budget						
<i>Nuclear Operations</i>	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Nuclear Fuel</i>	-	-	-	-	-	-	-	-
<i>Nuclear Expansion</i>	-	-	-	-	-	-	-	-
	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Nuclear (Jamil) Total</i>								
<i>Fossil-Hydro Operations</i>	\$ 7.4	\$ 6.4	(1.1)	\$ (10.2)	\$ 17.6	\$ 6.3	\$ (11.3)	
<i>Fossil-Hydro NCCap</i>	-	-	-	-	-	-	-	-
<i>Fossil-Hydro Env Additions Midwest (Reg Treatment)</i>	-	-	-	-	-	-	-	-
<i>Fossil-Hydro Expansion</i>	-	-	-	-	-	-	-	-
	\$ 7.4	\$ 6.4	(1.1)	\$ (10.2)	\$ 17.6	\$ 6.3	\$ (11.3)	
<i>Fossil-Hydro (Putskamp) Total</i>								
<i>Power Delivery</i>	\$ 4.2	\$ 6.8	2.6	(3.1)	\$ 13.6	\$ 13.1	\$ (0.5)	
<i>Power Delivery - Expansion</i>	2.1	2.7	0.6	-	4.9	5.5	0.6	
	\$ 6.3	\$ 9.5	3.2	(3.1)	\$ 18.5	\$ 18.6	\$ 0.1	
<i>Power Delivery (Meyer) Total</i>								
<i>Gas Operations</i>	\$ 14.7	\$ 14.0	(0.7)	1.9	\$ 26.8	\$ 28.0	\$ 1.2	
<i>Gas Operations - Expansion</i>	1.3	2.7	1.4	(0.1)	4.4	5.7	1.3	
	\$ 16.0	\$ 16.7	0.7	1.8	\$ 31.2	\$ 33.7	\$ 2.5	
<i>Gas Operations (Walker) Total</i>								
<i>Customer Service (Manes) Total</i>	\$ 0.0	\$ 0.3	0.2	(0.2)	\$ 0.5	\$ 0.5	\$ -	
<i>Remaining FE&amp;G (Note 1)</i>	\$ 0.7	\$ 1.4	0.7	(0.7)	\$ 3.9	\$ 3.9	\$ -	
<i>Unidentified Mitigation Efforts Total</i>	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	
<i>FE&amp;G Function Total</i>	\$ 30.4	\$ 34.3	3.8	(12.5)	\$ 71.7	\$ 63.0	\$ (8.7)	
<i>Plus: AFDC - Debt Component</i>	\$ (0.1)	\$ 0.4	0.5	(0.5)	\$ 0.9	\$ 0.9	\$ -	
<i>FE&amp;G Cap Ex Total (Accrual Basis)</i>	\$ 30.3	\$ 34.7	4.3	(13.0)	\$ 72.6	\$ 63.9	\$ (8.7)	
<i>Plus: Timing of Cash Payments</i>	\$ 0.5	\$ -	(0.5)	0.5	\$ -	\$ -	\$ -	
<i>FE&amp;G Cap Ex Total (Cash Basis) Tie Point</i>	\$ 30.8	\$ 34.7	3.8	(12.5)	\$ 72.6	\$ 63.9	\$ (8.7)	

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

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**Duke Energy Kentucky (ULH&P) Franchised Electric & Gas  
11 & 1 2008 Capital Turn / Year-end Projected Variance Status**  
\$ Millions

Duke Energy Kentucky (ULH&P) 6 & 6 2009										
Year-end Key Variance Drivers: (Accrual Basis - Function Total)										
	Total	Nuclear Jamil	F/H Paiskamp	PD Meyer	GO Walker	CS Manes	Corp & SS	Un-ID Mitig.		
Nuclear Operations:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: <i>Woodsdale CT - Overhaul of US originally planned in 2010 - \$(6.2); Misc - \$(3.1)</i>	(11.3)	-	(11.3)	-	-	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-	-	-
Power Delivery Operations: <i>Re-deployment of expansion funds to maintenance capex</i>	(0.5)	-	-	(0.5)	-	-	-	-	-	-
Power Delivery Expansion: <i>Less customer addition volume than expected</i>	0.6	-	-	0.6	-	-	-	-	-	-
Gas Operations: <i>Re-deployment of expansion funds to maintenance capex</i>	1.2	-	-	-	1.2	-	-	-	-	-
Gas Operations Expansion: <i>Less customer addition volume than expected</i>	1.3	-	-	-	1.3	-	-	-	-	-
Customer Service:	-	-	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	-	-	-	-	-	-	-	-	-	-
<b>Year-end Total</b>	<b>\$ (8.7)</b>	<b>\$ -</b>	<b>\$ (11.3)</b>	<b>\$ 0.1</b>	<b>\$ 2.5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

US Franchised Electric & Gas

Capital Turn / Year-end Projected Variance Status

\$ Millions

Function	Year To Date - July				Turnaround F (U)	Year - End Status	
	Actual	Budget	Var. F(U)	Projection		Budget	Proposed Var. F(U)
<i>Fossil-Hydro Operations</i>	\$ 8.8	\$ 6.4	\$ (2.4)	\$ 16.3	\$ 6.3	\$ (10.0)	
<i>Fossil-Hydro NCCap</i>	-	-	-	-	-	-	
<i>Fossil-Hydro Env Additions Midwest (Reg Treatment)</i>	-	-	-	-	-	-	
<i>Fossil-Hydro Expansion</i>	-	-	-	-	-	-	
<b>Fossil-Hydro (Pulskamp) Total</b>	\$ 8.8	\$ 6.4	\$ (2.4)	\$ 16.3	\$ 6.3	\$ (10.0)	
<i>Power Delivery</i>	\$ 36.6	\$ 49.1	\$ 12.5	\$ 87.9	\$ 82.6	\$ (5.3)	
<i>Power Delivery - Expansion</i>	18.4	24.7	6.3	41.3	42.2	0.9	
<b>Power Delivery (Meyer) Total</b>	\$ 55.0	\$ 73.8	\$ 18.8	\$ 129.2	\$ 124.8	\$ (4.4)	
<i>Gas Operations</i>	\$ 59.8	\$ 65.9	\$ 6.1	\$ 119.5	\$ 111.8	\$ (7.7)	
<i>Gas Operations - Expansion</i>	10.2	14.2	4.0	16.0	26.8	10.8	
<b>Gas Operations (Walker) Total</b>	\$ 70.0	\$ 80.1	\$ 10.1	\$ 135.5	\$ 138.6	\$ 3.1	
<b>Customer Service (Manes) Total</b>	\$ 0.0	\$ 2.9	\$ 2.8	\$ 4.4	\$ 4.9	\$ 0.5	
<b>Remaining FE&amp;G (Note 1)</b>	\$ 6.5	\$ 12.1	\$ 5.6	\$ 14.7	\$ 17.0	\$ 2.3	
<b>Unidentified Mitigation Efforts Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>FE&amp;G-Function Total</b>	\$ 140.3	\$ 175.2	\$ 34.9	\$ 300.1	\$ 291.6	\$ (8.5)	
<b>Plus: AFDC - Debt Component</b>	\$ (0.6)	\$ 0.5	\$ 1.1	\$ 3.2	\$ 3.2	\$ -	
<b>FE&amp;G Cap. Ex. Total (Accrual Basis)</b>	\$ 139.7	\$ 175.7	\$ 36.0	\$ 303.3	\$ 294.8	\$ (8.5)	
<b>Plus: Timing of Cash Payments</b>	\$ 9.0	\$ -	\$ (9.0)	\$ -	\$ -	\$ -	
<b>FE&amp;G Cap. Ex. Total (Cash Basis) Tie Point</b>	\$ 148.4	\$ 175.7	\$ 27.3	\$ 303.3	\$ 294.8	\$ (8.5)	

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Note 2: Ohio and Kentucky variance explanations are provided on pages 9 & 11 respectively.

US Franchised Electric & Gas

Capital Turn / Year-end Projected Variance Status

\$ Millions

Function	Year To Date - July				Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)	Projection		Budget	Proposed Var. F(U)	
Nuclear Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nuclear Fuel	-	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-	-
<b>Nuclear (Jamil) Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fossil-Hydro Operations	\$ 8.8	\$ 6.4	\$ (2.4)	\$ (7.6)	\$ (7.6)	\$ 16.3	\$ 6.3	\$ (10.0)
Fossil-Hydro NCCap	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion	\$ 8.8	\$ 6.4	\$ (2.4)	\$ (7.6)	\$ (7.6)	\$ 16.3	\$ 6.3	\$ (10.0)
<b>Fossil-Hydro (Paiskamp) Total</b>	\$ 8.8	\$ 6.4	\$ (2.4)	\$ (7.6)	\$ (7.6)	\$ 16.3	\$ 6.3	\$ (10.0)
Power Delivery	\$ 5.1	\$ 8.3	\$ 3.2	\$ (4.0)	\$ (4.0)	\$ 13.9	\$ 13.1	\$ (0.8)
Power Delivery - Expansion	2.4	3.2	0.8	(0.6)	(0.6)	5.3	5.5	0.2
<b>Power Delivery (Meyer) Total</b>	\$ 7.5	\$ 11.5	\$ 4.0	\$ (4.6)	\$ (4.6)	\$ 19.2	\$ 18.6	\$ (0.6)
Gas Operations	\$ 17.1	\$ 17.9	\$ 0.8	\$ 0.2	\$ 0.2	\$ 27.0	\$ 28.0	\$ 1.0
Gas Operations - Expansion	1.9	3.2	1.3	1.4	1.4	3.0	5.7	2.7
<b>Gas Operations (Walker) Total</b>	\$ 19.0	\$ 21.1	\$ 2.1	\$ 1.6	\$ 1.6	\$ 30.0	\$ 33.7	\$ 3.7
Customer Service (Manes) Total	\$ 0.0	\$ 0.3	\$ 0.2	\$ 0.3	\$ 0.3	\$ -	\$ 0.5	\$ 0.5
Remaining FE&G (Note.1)	\$ 0.7	\$ 2.3	\$ 1.6	\$ (0.7)	\$ (0.7)	\$ 3.0	\$ 3.9	\$ 0.9
Unidentified Mitigation Efforts Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G Function Total</b>	\$ 36.0	\$ 41.5	\$ 5.5	\$ (11.0)	\$ (11.0)	\$ 68.5	\$ 63.0	\$ (5.5)
Plus: AFDC - Debt Component	\$ -	\$ 0.1	\$ 0.1	\$ (0.1)	\$ (0.1)	\$ 0.9	\$ 0.9	\$ -
<b>FE&amp;G Cap: Ex: Total (Accrual Basis)</b>	\$ 36.0	\$ 41.6	\$ 5.6	\$ (11.1)	\$ (11.1)	\$ 69.4	\$ 63.9	\$ (5.5)
Plus: Timing of Cash Payments	\$ 0.9	\$ -	\$ (0.9)	\$ 0.9	\$ 0.9	\$ -	\$ -	\$ -
<b>FE&amp;G Cap: Ex: Total (Cash Basis) Tie Point</b>	\$ 36.9	\$ 41.6	\$ 4.7	\$ (10.2)	\$ (10.2)	\$ 69.4	\$ 63.9	\$ (5.5)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas  
11 & 1 2008 Capital Turn / Year-end Projected Variance Status  
\$ Millions

Duke Energy Kentucky (ULH&P) 7 & 5 2009									
Year-end Key Variance Drivers (Accrual Basis - Function Total)									
	Total	Nuclear Jamil	F/H Pulskamp	PD Meyer	GO Walker	CS Mates	Corp & SS	Un-ID Mitg.	
Nuclear Operations:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: <i>Woodsdale CT - Overhaul of US originally planned in 2010 - \$(7.1); Misc - \$(2.9)</i>	(10.0)	-	(10.0)	-	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-	-
Power Delivery Operations: <i>Re-deployment of expansion funds to maintenance capex</i>	(0.8)	-	-	(0.8)	-	-	-	-	-
Power Delivery Expansion: <i>Less customer addition volume than expected</i>	0.2	-	-	0.2	-	-	-	-	-
Gas Operations: <i>Re-deployment of expansion funds to maintenance capex</i>	1.0	-	-	-	1.0	-	-	-	-
Gas Operations Expansion: <i>Less customer addition volume than expected</i>	2.7	-	-	-	2.7	-	-	-	-
Customer Service: <i>Miscellaneous equipment</i>	0.5	-	-	-	-	0.5	-	-	-
Remaining FE&G:	0.9	-	-	-	-	-	0.9	-	-
Unidentified mitigation efforts:	-	-	-	-	-	-	-	-	-
<b>Year-end Total</b>	<b>\$ (5.5)</b>	<b>\$ -</b>	<b>\$ (10.0)</b>	<b>\$ (0.6)</b>	<b>\$ 3.7</b>	<b>\$ 0.5</b>	<b>\$ 0.9</b>	<b>\$ -</b>	<b>\$ -</b>

**US Franchised Electric & Gas**  
**Capital Turn / Year-end Projected Variance Status**  
 \$ Millions

Function	Duke Energy Ohio (CG&E) / Kentucky (ULH&P) 8 & 4 2009				Turnaround F (U)	Year - End Status	
	Year To Date - August		Projection	Budget		Proposed Var. F(U)	
	Actual	Budget					Var. F(U)
<i>Fossil-Hydro Operations</i>	\$ 10.9	\$ 6.5	\$ (4.4)	\$ (2.9)	\$ 13.6	\$ 6.3	\$ (7.3)
<i>Fossil-Hydro NCCap</i>	-	-	-	-	-	-	-
<i>Fossil-Hydro Env Additions Midwest (Reg Treatment)</i>	-	-	-	-	-	-	-
<i>Fossil-Hydro Expansion</i>	-	-	-	-	-	-	-
<b>Fossil-Hydro (Pulsikamp) Total</b>	\$ 10.9	\$ 6.5	\$ (4.4)	\$ (2.9)	\$ 13.6	\$ 6.3	\$ (7.3)
<i>Power Delivery</i>	\$ 45.3	\$ 56.6	\$ 11.3	\$ (16.6)	\$ 87.9	\$ 82.6	\$ (5.3)
<i>Power Delivery - Expansion</i>	22.8	27.4	4.6	(3.7)	41.3	42.2	0.9
<b>Power Delivery (Meyer) Total</b>	\$ 68.1	\$ 84.0	\$ 15.9	\$ (20.3)	\$ 129.2	\$ 124.8	\$ (4.4)
<i>Gas Operations</i>	\$ 69.9	\$ 79.7	\$ 9.8	\$ (16.7)	\$ 118.7	\$ 111.8	\$ (6.9)
<i>Gas Operations - Expansion</i>	10.8	16.6	5.8	5.1	16.1	26.8	10.7
<b>Gas Operations (Walker) Total</b>	\$ 80.7	\$ 96.3	\$ 15.6	\$ (11.6)	\$ 134.8	\$ 138.6	\$ 3.8
<i>Customer Service (Manes) Total</i>	\$ 0.0	\$ 3.3	\$ 3.3	\$ (2.3)	\$ 3.9	\$ 4.9	\$ 1.0
<b>Remaining FE&amp;G (Note 1)</b>	\$ 0.8	\$ 12.2	\$ 11.4	\$ 2.2	\$ 10.2	\$ 17.0	\$ 6.8
<b>Unidentified Mitigation Efforts Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G Function Total</b>	\$ 160.5	\$ 202.2	\$ 41.8	\$ (34.9)	\$ 291.7	\$ 291.6	\$ (0.1)
<b>Plus: AFDC - Debt Component</b>	\$ 5.9	\$ 2.0	\$ (3.9)	\$ 5.9	\$ 3.2	\$ 3.2	\$ -
<b>FE&amp;G Cap Ex Total (Accrual Basis)</b>	\$ 166.4	\$ 204.2	\$ 37.9	\$ (29.0)	\$ 294.9	\$ 294.8	\$ (0.1)
<b>Plus: Timing of Cash Payments</b>	\$ 12.0	\$ -	\$ (12.0)	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G Cap Ex Total (Cash Basis) Tie Point</b>	\$ 178.4	\$ 204.2	\$ 25.9	\$ (29.0)	\$ 294.9	\$ 294.8	\$ (0.1)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Note 2: Ohio and Kentucky variance explanations are provided on pages 9 & 11 respectively.

**US Franchised Electric & Gas  
Capital Turn / Year-end Projected Variance Status**  
\$ Millions

Function	Duke Energy Kentucky (UL&P) 8 & 4 2009										
	Year To Date - August		Year-End Status		Turnaround F(U)	Projection	Budget	Proposed Var. F(U)	Projection	Budget	Proposed Var. F(U)
	Actual	Budget	Var. F(U)	Actual							
<i>Nuclear Operations</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Nuclear Fuel</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Nuclear Expansion</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Nuclear (Jamil) Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Fossil-Hydro Operations</i>	\$ 10.9	\$ 6.5	\$ (4.4)	\$ (2.9)	\$ 13.6	\$ 6.3	\$ (7.3)	\$ -	\$ -	\$ -	\$ -
<i>Fossil-Hydro NCCap</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Fossil-Hydro Env Additions Midwest (Reg Treatment)</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Fossil-Hydro Expansion</i>	\$ 10.9	\$ 6.5	\$ (4.4)	\$ (2.9)	\$ 13.6	\$ 6.3	\$ (7.3)	\$ -	\$ -	\$ -	\$ -
<b>Fossil-Hydro (Puisiamp) Total</b>	\$ 10.9	\$ 6.5	\$ (4.4)	\$ (2.9)	\$ 13.6	\$ 6.3	\$ (7.3)	\$ -	\$ -	\$ -	\$ -
<i>Power Delivery</i>	\$ 5.8	\$ 9.4	\$ 3.6	\$ (4.4)	\$ 13.9	\$ 13.1	\$ (0.8)	\$ -	\$ -	\$ -	\$ -
<i>Power Delivery - Expansion</i>	2.7	3.5	0.8	(0.6)	5.3	5.5	0.2	\$ -	\$ -	\$ -	\$ -
<b>Power Delivery (Meyer) Total</b>	\$ 8.5	\$ 12.9	\$ 4.4	\$ (5.0)	\$ 19.2	\$ 18.6	\$ (0.6)	\$ -	\$ -	\$ -	\$ -
<i>Gas Operations</i>	\$ 19.5	\$ 21.6	\$ 2.1	\$ (0.1)	\$ 26.0	\$ 28.0	\$ 2.0	\$ -	\$ -	\$ -	\$ -
<i>Gas Operations - Expansion</i>	1.8	3.7	1.9	1.0	3.0	5.7	2.7	\$ -	\$ -	\$ -	\$ -
<b>Gas Operations (Walker) Total</b>	\$ 21.3	\$ 25.3	\$ 4.0	\$ 0.9	\$ 29.0	\$ 33.7	\$ 4.7	\$ -	\$ -	\$ -	\$ -
<i>Customer Service (Manes) Total</i>	\$ 0.0	\$ 0.3	\$ 0.3	\$ 0.2	\$ -	\$ 0.5	\$ 0.5	\$ -	\$ -	\$ -	\$ -
<i>Remaining FE&amp;G (Note 1)</i>	\$ 0.8	\$ 1.8	\$ 1.1	\$ (0.2)	\$ 3.0	\$ 3.9	\$ 0.9	\$ -	\$ -	\$ -	\$ -
<b>Unidentified Mitigation Efforts Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G Function Total</b>	\$ 41.5	\$ 46.9	\$ 5.4	\$ (7.0)	\$ 64.8	\$ 63.0	\$ (1.8)	\$ -	\$ -	\$ -	\$ -
<b>Plus: AFDC - Debt Component</b>	\$ -	\$ -	\$ -	\$ -	\$ 0.9	\$ 0.9	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G Cap Ex Total (Accrual Basis)</b>	\$ 41.5	\$ 46.9	\$ 5.4	\$ (7.0)	\$ 65.7	\$ 63.9	\$ (1.8)	\$ -	\$ -	\$ -	\$ -
<b>Plus: Timing of Cash Payments</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FE&amp;G Cap Ex Total (Cash Basis) Tie Point</b>	\$ 41.5	\$ 46.9	\$ 5.4	\$ (7.0)	\$ 65.7	\$ 63.9	\$ (1.8)	\$ -	\$ -	\$ -	\$ -

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

**Duke Energy Kentucky (ULH&P) Franchised Electric & Gas  
11 & 1 2008 Capital Turn / Year-end Projected Variance Status**  
\$ Millions

Duke Energy Kentucky (ULH&P) 8 & 4 2009		Total	Nuclear <i>Jamil</i>	F/H <i>Pulsikamp</i>	PD <i>Meyer</i>	GO <i>Walker</i>	CS <i>Mares</i>	Corp & SS	Un-ID <i>Mfig.</i>
Year-end Key Variance Drivers (Accrual Basis - Function Total)									
Nuclear Operations:									
Nuclear Fuel:									
Nuclear Expansion:									
Fossil-Hydro Operations: <i>Woodsdale CT - Overhaul of U5 originally planned in 2010 - \$(6.7); Misc - \$(3.2); partially offset by refurbished materials returned to inventory - \$2.6</i>				(7.3)					
Fossil-Hydro NCCap:									
Fossil-Hydro Env Additions Midwest:									
Fossil-Hydro Expansion:									
Power Delivery Operations: <i>Re-deployment of expansion funds to maintenance capex</i>					(0.8)				
Power Delivery Expansion: <i>Less customer addition volume than expected</i>					0.2				
Gas Operations: <i>Re-deployment of expansion funds to maintenance capex</i>						2.0			
Gas Operations Expansion: <i>Less customer addition volume than expected</i>						2.7			
Customer Service: <i>Miscellaneous equipment</i>							0.5		
Remaining FE&G:								0.9	
Unidentified mitigation efforts:									
<b>Year-end Total</b>		\$ -	\$ -	\$ (7.3)	\$ (0.6)	\$ 4.7	\$ 0.5	\$ 0.9	\$ -



**US Franchised Electric & Gas  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 5 & 7 2009**

Function	Year To Date - May		Turnaround F(U)	Year - End Status		
	Actual	Budget		Projection	Budget	
Fossil-Hydro (Pulskamp)	\$ 17.6	\$ 21.9	\$ 4.3	\$ 50.7	\$ 49.0	\$ (1.7)
Power Delivery (Meyer)	50.3	51.1	0.8	131.2	131.2	-
Gas Operations (Walker)	19.4	22.4	3.0	54.7	54.7	-
Retail Customer Services (Manes)	36.3	40.7	4.4	88.1	94.6	6.5
Storm Contingency (Turner)	10.1	-	(10.1)	9.5	-	(9.5)
Remaining Corporate & Shared Services (Note 1)	39.9	47.3	7.4	111.0	112.8	1.8
<b>Functions Total</b>	<b>\$ 173.6</b>	<b>\$ 183.4</b>	<b>\$ 9.8</b>	<b>\$ 445.2</b>	<b>\$ 442.3</b>	<b>\$ (2.9)</b>
<b>Less: Elimination Entries</b>	<b>\$ (6.4)</b>	<b>\$ (6.8)</b>	<b>\$ (0.4)</b>	<b>\$ (19.1)</b>	<b>\$ (19.1)</b>	<b>\$ -</b>
<b>FE&amp;G with Eliminations Total</b>	<b>\$ 167.2</b>	<b>\$ 176.6</b>	<b>\$ 9.4</b>	<b>\$ 426.1</b>	<b>\$ 423.2</b>	<b>\$ (2.9)</b>

**Notes:**

1. Remaining Corporate and Shared Services lines represent costs not directed to above line functions.
2. Ohio and Kentucky variance explanations are provided on pages 10 and 12 respectively.

**US Franchised Electric & Gas  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 5 & 7 2009**

Function	Year To Date - May		Year - End Status		Turnaround F(U)	Projection	Budget	Proposed Var. F(U)
	Actual	Budget	Actual	Budget				
Fossil-Hydro ( <i>Putskamp</i> )	\$ 17.6	\$ 21.9	\$ 4.3	\$ (6.0)	\$ (6.0)	\$ 50.7	\$ 49.0	\$ (1.7)
Power Delivery ( <i>Meyer</i> )	12.7	12.1	(0.6)	0.6	0.6	32.3	32.3	-
Gas Operations ( <i>Walker</i> )	3.6	4.8	1.2	(1.2)	(1.2)	11.8	11.8	-
Retail Customer Services ( <i>Manes</i> )	4.9	5.2	0.3	(0.6)	(0.6)	12.9	12.6	(0.3)
Storm Contingency ( <i>Turner</i> )	2.2	-	(2.2)	0.2	0.2	2.0	-	(2.0)
Remaining Corporate & Shared Services ( <i>Note 1</i> )	7.8	7.2	(0.6)	3.6	3.6	15.7	18.7	3.0
<b>Functions Total</b>	<b>\$ 48.8</b>	<b>\$ 51.2</b>	<b>\$ 2.4</b>	<b>\$ (3.4)</b>	<b>\$ (3.4)</b>	<b>\$ 125.4</b>	<b>\$ 124.4</b>	<b>\$ (1.0)</b>

Note 1: Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

**US Franchised Electric & Gas  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 5 & 7 2009**

Year-end Key Variance Drivers (Excluding Duke Energy One / Elimination Entries)	Total	Nuclear Jamil	F/H Pulskamp	PD Meyer	GO Parker	RCS Manes	Strm Cont Turner	Satuda Jamil	Allen Pulskamp	Corp & SS
Major storms YTD May (primarily January MW ice storms and March SE snow storms)	\$ (2.0)		\$ -	\$ -	\$ -	\$ -	\$ (2.0)			\$ -
Generation outage work	(4.0)		(4.0)	-	-	-	-			-
Save-a-watt reductions due to delay in regulatory approval	1.8		-	-	-	-	-			1.8
Fees for sale of accounts receivable	0.7		-	-	-	0.7	-			-
Retail Customer Services (RCS) costs in RCS Function offset in Remaining Corporate & Shared Service Function for RCS non save-a-watt costs	-		-	-	-	(1.0)	-			1.0
Other permanent variances (including budget challenge mitigation efforts)	2.5		2.3	-	-	-	-			0.2
<b>Year-end Total</b>	<b>\$ (1.0)</b>		<b>\$ (1.7)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.3)</b>	<b>\$ (2.0)</b>			<b>\$ 3.0</b>

**US Franchised Electric & Gas  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 6 & 6 2009**

Function	Year To Date - June		Turnaround F(U)	Year - End Status		
	Actual	Budget		Projection	Budget	Proposed Var. F(U)
Fossil-Hydro ( <i>Pulskamp</i> )	\$ 22.0	\$ 26.7	\$ 4.7	\$ 50.7	\$ 49.0	\$ (1.7)
Power Delivery ( <i>Meyer</i> )	60.8	62.5	1.7	131.2	131.2	-
Gas Operations ( <i>Walker</i> )	23.3	27.4	4.1	54.7	54.7	-
Retail Customer Services ( <i>Manes</i> )	41.8	48.0	6.2	88.1	94.6	6.5
Storm Contingency ( <i>Turner</i> )	9.6	-	(9.6)	9.6	-	(9.6)
Remaining Corporate & Shared Services ( <i>Note 1</i> )	58.9	56.9	(2.0)	117.7	112.8	(4.9)
<b>Functions Total</b>	<b>\$ 216.4</b>	<b>\$ 221.5</b>	<b>\$ 5.1</b>	<b>\$ 452.0</b>	<b>\$ 442.3</b>	<b>\$ (9.7)</b>
<b>Less: Elimination Entries</b>	<b>\$ (7.9)</b>	<b>\$ (8.6)</b>	<b>\$ (0.7)</b>	<b>\$ (19.1)</b>	<b>\$ (19.1)</b>	<b>\$ -</b>
<b>FE&amp;G with Eliminations Total</b>	<b>\$ 208.5</b>	<b>\$ 212.9</b>	<b>\$ 4.4</b>	<b>\$ 432.9</b>	<b>\$ 423.2</b>	<b>\$ (9.7)</b>

**Notes:**

1. Remaining Corporate and Shared Services lines represent costs not directed to above line functions.
2. Ohio and Kentucky variance explanations are provided on pages 10 and 12 respectively.

**US Franchised Electric & Gas  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 6 & 6 2009**

Function	Year To Date - June		Year - End Status		Turnaround F(U)	Proposed Var. F(U)
	Actual	Budget	Projection	Budget		
Fossil-Hydro (Puskamp)	\$ 22.0	\$ 26.7	\$ 50.7	\$ 49.0	\$ (6.4)	\$ (1.7)
Power Delivery (Meyer)	15.8	15.1	32.3	32.3	0.7	-
Gas Operations (Walker)	4.6	5.9	11.8	11.8	(1.3)	-
Retail Customer Services (Manes)	5.6	6.2	12.9	12.6	(0.9)	(0.3)
Storm Contingency (Turner)	1.5	-	1.5	-	-	(1.5)
Remaining Corporate & Shared Services (Note 1)	8.1	8.6	16.0	18.7	2.2	2.7
<b>Functions Total</b>	<b>\$ 57.6</b>	<b>\$ 62.5</b>	<b>\$ 125.2</b>	<b>\$ 124.4</b>	<b>\$ (5.7)</b>	<b>\$ (0.8)</b>

Note 1: Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

**US Franchised Electric & Gas  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 6 & 6 2009**

Year-end Key Variance Drivers (Excluding Duke Energy One / Elimination Entries)	Total	Nuclear Janil	F/H Pulskamp	PD Meyer	GO Walker	RCS Mances	Sim Cont Turner	Saluda Janil	Allen Pulskamp	Corp & SS
Major storms YTD June (primarily January MW ice storms and March SE snow storms)	\$ (1.5)		\$ -	\$ -	\$ -	\$ -	\$ (1.5)			\$ -
IT reductions due to project slowdowns	0.2		-	-	-	-	-			0.2
Generation outage work	(4.0)		(4.0)	-	-	-	-			-
Save-a-watt reductions due to delay in regulatory approval	1.8		-	-	-	-	-			1.8
Reagent costs - nonrecoverable	1.0		1.0	-	-	-	-			-
Fees for sale of accounts receivable	0.7		-	-	-	0.7	-			-
Open positions & less than budgeted overtime	1.1		1.1	-	-	-	-			-
Retail Customer Services (RCS) costs in RCS Function offset in Remaining Corporate & Shared Service Function for RCS non save-a-watt costs	-		-	-	-	(1.0)	-			1.0
Other non-recoverable variances	(0.1)		0.2	-	-	-	-			(0.3)
<b>Year-end Total</b>	<b>\$ (0.8)</b>		<b>\$ (1.7)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.3)</b>	<b>\$ (1.5)</b>			<b>\$ 2.7</b>

**US Franchised Electric & Gas (FE&G)  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 7 & 5 2009**

Function	Year-To-Date - July			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Fossil-Hydro ( <i>Pulskamp</i> )	\$ 25.1	\$ 30.5	\$ 5.4	\$ (4.4)	\$ 48.0	\$ 49.0	\$ 1.0
Power Delivery ( <i>Meyer</i> )	72.9	74.8	1.9	1.1	128.2	131.2	3.0
Gas Operations ( <i>Walker</i> )	27.2	32.0	4.8	(4.1)	54.0	54.7	0.7
Retail Customer Services ( <i>Manes</i> )	48.6	55.8	7.2	0.3	87.1	94.6	7.5
Storm Contingency ( <i>Turner</i> )	11.0	-	(11.0)	-	11.0	-	(11.0)
Remaining Corporate & Shared Services ( <i>Note 1</i> )	66.2	65.3	(0.9)	(4.8)	118.5	112.8	(5.7)
<b>Functions Total</b>	<b>\$ 251.0</b>	<b>\$ 258.4</b>	<b>\$ 7.4</b>	<b>\$ (11.9)</b>	<b>\$ 446.8</b>	<b>\$ 442.3</b>	<b>\$ (4.5)</b>
<b>Less: Elimination Entries</b>	<b>\$ (9.3)</b>	<b>\$ (10.6)</b>	<b>\$ (1.3)</b>	<b>\$ 1.3</b>	<b>\$ (19.1)</b>	<b>\$ (19.1)</b>	<b>\$ -</b>
<b>FE&amp;G with Eliminations Total</b>	<b>\$ 241.7</b>	<b>\$ 247.8</b>	<b>\$ 6.1</b>	<b>\$ (10.6)</b>	<b>\$ 427.7</b>	<b>\$ 423.2</b>	<b>\$ (4.5)</b>

**Notes:**

1. Remaining Corporate and Shared Services lines represent costs not directed to above line functions.
2. Ohio and Kentucky variance explanations are provided on pages 10 and 12 respectively.

**US Franchised Electric & Gas (FE&G)  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 7 & 5 2009**

Function	Year To Date - July			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Fossil-Hydro ( <i>Pulskamp</i> )	\$ 25.1	\$ 30.5	\$ 5.4	\$ (4.4)	\$ 48.0	\$ 49.0	\$ 1.0
Power Delivery ( <i>Meyer</i> )	18.8	18.1	(0.7)	0.6	32.4	32.3	(0.1)
Gas Operations ( <i>Walker</i> )	5.4	6.9	1.5	(1.3)	11.6	11.8	0.2
Retail Customer Services ( <i>Manes</i> )	6.7	7.3	0.6	(0.9)	12.9	12.6	(0.3)
Storm Contingency ( <i>Turner</i> )	1.6	-	(1.6)	-	1.6	-	(1.6)
Remaining Corporate & Shared Services ( <i>Note 1</i> )	9.6	10.2	0.6	0.9	17.2	18.7	1.5
<b>Functions Total</b>	<b>\$ 67.2</b>	<b>\$ 73.0</b>	<b>\$ 5.8</b>	<b>\$ (5.1)</b>	<b>\$ 123.7</b>	<b>\$ 124.4</b>	<b>\$ 0.7</b>

Note 1: Remaining Corporate and Shared Services lines represent costs not directed to above line functions.



**US Franchised Electric & Gas (FE&G)  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 7 & 5 2009**

Year-end Key Variance Drivers (Excluding Duke Energy One / Elimination Entries)	Total	Nuclear Jamil	F/H Puskamp	PD Meyer	GO Walker	RCS Monies	Stm Cont Turner	Saluda Jamil	Allen Puskamp	Corp & SS
Major storms YTD July (primarily January MW ice storms and March SE snow storms)	\$ (1.6)		\$ -	\$ -	\$ -	\$ -	\$ (1.6)			\$ -
IT reductions due to project slowdowns	0.2		-	-	-	-	-			0.2
Generation outage work	(4.0)		(4.0)	-	-	-	-			-
Save-a-watt reductions due to delay in regulatory approval	1.8		-	-	-	-	-			1.8
\$50M O&M reduction challenge issued 7/30/09	0.1		-	(0.1)	0.2	-	-			-
Reagent costs - nonrecoverable	1.0		1.0	-	-	-	-			-
Fees for sale of accounts receivable	0.7		-	-	-	0.7	-			-
Reduced generation equating to less equipment breakages, less on-line base work / required overtime and holding vacancies / open positions	0.4		0.4	-	-	-	-			-
Retail Customer Services (RCS) costs in RCS Function offset in Remaining Corporate & Shared Service Function for RCS non save-a-watt costs	-		-	-	-	(1.0)	-			1.0
Other non-recoverable variances	2.1		3.6	-	-	-	-			(1.5)
<b>Year-end Total</b>	<b>\$ 0.7</b>		<b>\$ 1.0</b>	<b>\$ (0.1)</b>	<b>\$ 0.2</b>	<b>\$ (0.3)</b>	<b>\$ (1.6)</b>			<b>\$ 1.5</b>

**US Franchised Electric & Gas (FE&G)  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 8 & 4 2009**

Function	Year To Date - August			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Fossil-Hydro ( <i>Pulskamp</i> )	\$ 29.9	\$ 34.2	\$ 4.3	\$ (3.3)	\$ 48.0	\$ 49.0	\$ 1.0
Power Delivery ( <i>Meyer</i> )	86.2	87.3	1.1	(1.4)	131.5	131.2	(0.3)
Gas Operations ( <i>Walker</i> )	32.1	36.7	4.6	(3.9)	54.0	54.7	0.7
Retail Customer Services ( <i>Manes</i> )	54.6	63.1	8.5	(0.4)	86.5	94.6	8.1
Storm Contingency ( <i>Turner</i> )	11.1	-	(11.1)	-	11.1	-	(11.1)
Remaining Corporate & FE&G Shared Services ( <i>Note 1</i> )	73.3	75.1	1.8	(5.9)	116.9	112.8	(4.1)
<b>Functions Total</b>	<b>\$ 287.2</b>	<b>\$ 296.4</b>	<b>\$ 9.2</b>	<b>\$ (14.9)</b>	<b>\$ 448.0</b>	<b>\$ 442.3</b>	<b>\$ (5.7)</b>
<b>Less: OH / KY Elimination Entries</b>	<b>\$ (10.8)</b>	<b>\$ (12.6)</b>	<b>\$ (1.8)</b>	<b>\$ (0.2)</b>	<b>\$ (17.1)</b>	<b>\$ (19.1)</b>	<b>\$ (2.0)</b>
<b>FE&amp;G with Eliminations Total</b>	<b>\$ 276.4</b>	<b>\$ 283.8</b>	<b>\$ 7.5</b>	<b>\$ (15.2)</b>	<b>\$ 430.9</b>	<b>\$ 423.2</b>	<b>\$ (7.7)</b>

**Notes:**

1. Remaining Corporate and FE&G Shared Services lines represent costs not directed to above line functions.
2. Ohio and Kentucky variance explanations are provided on pages 10 and 12 respectively.

**US Franchised Electric & Gas (FE&G)  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 8 & 4 2009**

Function	Year To Date - August			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Fossil-Hydro ( <i>Priskamp</i> )	\$ 29.9	\$ 34.2	\$ 4.3	\$ (3.3)	\$ 48.0	\$ 49.0	\$ 1.0
Power Delivery ( <i>Meyer</i> )	21.6	21.4	(0.2)	0.1	32.4	32.3	(0.1)
Gas Operations ( <i>Walker</i> )	6.5	7.9	1.4	(1.2)	11.6	11.8	0.2
Retail Customer Services ( <i>Manes</i> )	7.6	8.3	0.7	0.8	11.1	12.6	1.5
Storm Contingency ( <i>Turner</i> )	1.7	-	(1.7)	-	1.7	-	(1.7)
Remaining Corporate & FE&G Shared Services ( <i>Note 1</i> )	10.8	11.9	1.1	(0.6)	18.2	18.7	0.5
<b>Functions Total</b>	<b>\$ 78.1</b>	<b>\$ 83.7</b>	<b>\$ 5.6</b>	<b>\$ (4.2)</b>	<b>\$ 123.0</b>	<b>\$ 124.4</b>	<b>\$ 1.4</b>

Note 1: Remaining Corporate and FE&G Shared Services lines represent costs not directed to above line functions.

**US Franchised Electric & Gas (FE&G)  
O&M Turn / Year-end Projected Variance Status**  
\$ Millions

**Duke Energy Kentucky (ULH&P) - 8 & 4 2009**

Year-end Key Variance Drivers	Total	Nuclear Jamil	F/H Pulsikamp	PD Meper	GO Walker	RCS Manns	Stm Cont Turner	Satuda Jamil	Allen Pulsikamp	Corp & SS
Major storms YTD August (primarily January MW ice storms and March SE snow storms)	\$ (1.7)		\$ -	\$ -	\$ -	\$ -	\$ (1.7)			\$ -
Generation outage work	(4.0)		(4.0)							
Save-a-watt reductions due to delay in regulatory approval	1.8									1.8
\$50M O&M reduction challenge issued 7/30/09 (remaining unidentified component)	0.1			(0.1)	0.2					
Reduced generation equating to less equipment breakages, less on-line base work / required overtime and holding vacancies / open positions	0.4		0.4							
Reagent costs - nonrecoverable	1.0		1.0							
Fees for sale of accounts receivable	1.5					1.5				
IT reductions (primarily project slowdowns, contractor labor reductions)	0.2									0.2
Other non-recoverable variances	2.1		3.6							(1.5)
<b>Year-end Total</b>	<b>\$ 1.4</b>		<b>\$ 1.0</b>	<b>\$ (0.1)</b>	<b>\$ 0.2</b>	<b>\$ 1.5</b>	<b>\$ (1.7)</b>			<b>\$ 0.5</b>

**U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky**  
**May 2009**  
*(Dollars in millions)*

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	\$ 15.1	\$ 5.6	\$ 106.8	\$ 15.2
EBITDA, from continuing operations	\$ 31.8	\$ 5.3	\$ 193.0	\$ 16.4

Key Messages

Current Month - Actual vs Plan

May results were favorable compared to plan primarily due to decreased O&M costs primarily due to timing.

Year to Date - Actual vs. Plan

The YTD EBIT variance was favorable compared to plan primarily due to decreased O&M costs primarily due to timing, favorable pricing and riders, favorable weather and favorable gas storage carrying costs. These drivers were partially offset by lower weather-normal sales volumes.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	\$ 54.8	\$ (0.1)	\$ 288.0	\$ 3.9
Weather		(0.2)		0.7
Volume		(0.6)		(4.8)
Pricing / Riders		0.9		7.6
Other net revenue margin - retail		(0.2)		0.4
Net Gas Revenue Margin - retail	\$ 18.6	\$ 0.1	\$ 131.2	\$ 1.3
Weather		(0.5)		0.4
Volume		(0.3)		0.8
Pricing / Riders		0.7		(2.5)
Other net revenue margin - retail		0.2		2.6
Bulk Power Marketing (net of sharing)	(0.1)	(0.1)	-	(0.6)
Operation and Maintenance	(30.4)	5.3	(167.2)	9.4
AFUDC - Equity	(0.2)	(0.5)	(1.7)	(2.5)
Other	(27.6)	0.9	(143.5)	3.7
<b>Total</b>	<b>\$ 15.1</b>	<b>\$ 5.6</b>	<b>\$ 106.8</b>	<b>\$ 15.2</b>

Key Operational Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
<u>DE Midwest:</u>				
Heating Degree Days	12	(22)	2,269	76
Cooling Degree Days	68	(11)	107	5

**U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated**  
**May 2009**  
*(Dollars in millions)*

	<u>CURRENT MONTH</u>		<u>YEAR TO DATE</u>	
	<u>Actual</u>	<u>Plan Variance F(U)</u>	<u>Actual</u>	<u>Plan Variance F(U)</u>
<b>EBIT, from continuing operations</b>	\$ 3.1	\$ 0.8	\$ 30.7	\$ 4.0
<b>EBITDA, from continuing operations</b>	\$ 6.8	\$ 1.1	\$ 48.7	\$ 5.4

**Key Messages**

May results were favorable compared to plan primarily due to timing of operation and maintenance costs.

Year to date results were favorable compared to plan primarily due to favorable results in the fuel adjustment clause, weather and volume and decreased operation and maintenance costs due to timing.

<b>Key EBIT Variance Drivers</b>	<u>CURRENT MONTH</u>		<u>YEAR TO DATE</u>	
	<u>Actual</u>	<u>Plan Variance F(U)</u>	<u>Actual</u>	<u>Plan Variance F(U)</u>
<b>Net Electric Revenue Margin - retail</b>	\$ 15.5	\$ 0.2	\$ 79.6	\$ 3.0
Weather		(0.1)		0.2
Volume		-		0.3
Pricing / Riders		0.1		0.7
Other net revenue margin - retail		0.2		1.8
<b>Net Gas Revenue Margin - retail</b>	\$ 2.6	\$ -	\$ 23.4	\$ 0.5
Weather		(0.2)		0.1
Volume		(0.2)		0.1
Pricing / Riders		0.5		(0.1)
Other net revenue margin - retail		(0.1)		0.4
Bulk power marketing (net of sharing)	(0.1)	(0.1)	-	(0.6)
Operation and maintenance	(10.2)	0.8	(48.8)	2.4
Other	(4.7)	(0.1)	(23.5)	(1.3)
<b>Total</b>	\$ 3.1	\$ 0.8	\$ 30.7	\$ 4.0

**U.S. Franchised Electric & Gas  
Components of "Other"  
May CM EBIT - AvB**

	<b>AvB</b>
	<b><u>Consolidated</u></b>
	<b><u>Ohio &amp; Kentucky</u></b>
<b>Other Net Revenue Margin - Retail</b>	
Other Electric Margins	(0.7)
Other Gas Margins	0.3
Fuel	0.5
Miscellaneous other	(0.1)
Total Other Net Revenue Margin - Retail	<u>-</u>
<b>Other - Non Retail</b>	
General taxes - net of riders	(0.6)
Depreciation and amortization	0.3
Budget Conservatism	1.3
Total Other - Non Retail	<u>\$ 1.0</u>

**May YTD EBIT - AvB**

	<b>AvB</b>
	<b><u>Consolidated</u></b>
	<b><u>Ohio &amp; Kentucky</u></b>
<b>Other Net Revenue Margin - Retail</b>	
Other electric margins	(1.6)
Other gas margins	2.6
Fuel	2.3
Miscellaneous other	(0.3)
Total Other Net Revenue Margin - Retail	<u>3.0</u>
<b>Other - Non Retail</b>	
General taxes - net of riders	(1.2)
Depreciation	(1.2)
Budget Conservatism	6.3
Miscellaneous other	(0.2)
Total Other - Non Retail	<u>\$ 3.7</u>

**U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky**  
June 2009  
(Dollars in millions)

	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
EBIT, from continuing operations	\$ 10.7	\$ (6.0)	\$ 37.0	\$ (4.2)	\$ 117.4	\$ 9.3	\$ (20.3)
EBITDA, from continuing operations	\$ 27.7	\$ (6.6)	\$ 87.8	\$ (12.1)	\$ 220.7	\$ 9.9	\$ (33.5)

**Key Messages**

**Current Month - Actual vs Plan**

June results were unfavorable compared to plan primarily due to increased O&M costs primarily due to an environmental reserve adjustment for the East End Manufacturing Gas Plant site, lower weather-normal electric sales volumes, and decreased riders resulting from a save-a-watt revenue deferral.

**Quarter to Date - Actual vs. Prior Year**

EBIT for the second quarter of 2009 was unfavorable compared to the same period in 2008 primarily due to increased O&M costs primarily due to an environmental reserve adjustment mentioned above, lower weather-normal sales volumes, and decreased rate riders resulting from the save-a-watt revenue deferral. These results were partially offset by favorable pricing related to the Ohio gas rates that went into effect June 2008.

**Year to Date - Actual vs. Plan**

The YTD EBIT variance was favorable compared to plan primarily due to decreased O&M costs, favorable weather and favorable gas storage carrying costs. The lower O&M costs within various functional areas offset increased storm costs and the environmental reserve adjustment referenced above. These drivers were partially offset by lower weather-normal electric sales volumes.

**Year to Date - Actual vs. Prior Year**

The YTD EBIT variance was unfavorable compared to the same period in 2008 primarily due to increased O&M costs primarily due to the environmental reserve adjustment referenced above, unfavorable lower weather-normal sales volumes, unfavorable weather and decreased AFUDC. These results were partially offset by favorable gas storage carrying costs, decreased derates and congestion & losses, and favorable pricing related to the Ohio gas rates that went into effect June 2008.

Key EBIT Variance Drivers	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
Net Electric Revenue Margin - retail	\$ 58.8	\$ (4.3)	\$ 162.1	\$ (13.2)	\$ 346.7	\$ (0.4)	\$ (18.3)
Weather		1.7		1.2		2.6	(2.4)
Volume		(1.7)		(3.5)		(6.7)	(8.3)
Pricing / Riders		(6.1)		(12.8)		2.5	(13.4)
Revenue give-backs		(0.0)		0.0		(0.0)	0.0
Other net revenue margin - retail		0.8		1.9		1.3	5.8
Net Gas Revenue Margin - retail	\$ 19.2	\$ 0.9	\$ 58.6	\$ 11.1	\$ 150.5	\$ 2.3	\$ 12.1
Weather		0.0		0.6		0.5	(2.6)
Volume		(0.2)		(1.2)		0.6	(2.3)
Pricing / Riders		0.9		10.0		(1.8)	13.3
Revenue give-backs		0.0		0.0		(0.0)	0.0
Other net revenue margin - retail		0.2		1.7		3.0	3.7
Bulk Power Marketing (net of sharing)	0.3	0.3	0.3	(0.6)	0.3	(0.3)	(1.5)
Operation and Maintenance	(41.3)	(5.0)	(100.9)	(7.4)	(208.5)	4.4	(16.8)
AFUDC - Equity	-	(0.3)	(0.4)	(2.5)	(1.7)	(2.8)	(5.2)
Other	(26.3)	2.4	(82.7)	8.4	(169.9)	6.2	9.4
<b>Total</b>	<b>\$ 10.7</b>	<b>\$ (6.0)</b>	<b>\$ 37.0</b>	<b>\$ (4.2)</b>	<b>\$ 117.4</b>	<b>\$ 9.3</b>	<b>\$ (20.3)</b>

Key Operational Drivers	CURRENT MONTH		QUARTER TO DATE (b)		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
DE Midwest	-	(2)	211	(6)	2,269	74	(149)
Heating Degree Days	244	28	351	55	351	33	55



**U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated**  
**June 2009**  
*(Dollars in millions)*

	<u>CURRENT MONTH</u>		<u>YEAR TO DATE</u>	
	<u>Actual</u>	<u>Plan Variance F(U)</u>	<u>Actual</u>	<u>Plan Variance F(U)</u>
<b>EBIT, from continuing operations</b>	\$ 7.9	\$ 4.4	\$ 38.6	\$ 8.4
<b>EBITDA, from continuing operations</b>	\$ 11.5	\$ 4.7	\$ 60.2	\$ 10.1

**Key Messages**

June results were favorable compared to plan primarily due to timing of operation and maintenance costs and an environmental reserve adjustment.

Year to date results were favorable compared to plan primarily due to favorable results in the fuel adjustment clause, favorable weather offset by lower weather-normal electric sales volumes and decreased operation and maintenance costs primarily due to timing.

<b>Key EBIT Variance Drivers</b>	<u>CURRENT MONTH</u>		<u>YEAR TO DATE</u>	
	<u>Actual</u>	<u>Plan Variance F(U)</u>	<u>Actual</u>	<u>Plan Variance F(U)</u>
<b>Net Electric Revenue Margin - retail</b>	\$ 18.6	\$ 1.5	\$ 98.2	\$ 4.6
Weather		0.5		0.6
Volume		0.3		(0.9)
Pricing / Riders		0.2		1.2
Other net revenue margin - retail		0.5		3.7
<b>Net Gas Revenue Margin - retail</b>	\$ 2.3	\$ 0.3	\$ 25.7	\$ 0.8
Weather		-		0.2
Volume		(0.1)		-
Pricing / Riders		0.3		0.2
Other net revenue margin - retail		0.1		0.4
Bulk power marketing (net of sharing)	0.3	0.3	0.3	(0.3)
Operation and maintenance	(8.7)	2.5	(57.6)	4.9
Other	(4.6)	(0.2)	(28.0)	(1.6)
<b>Total</b>	\$ 7.9	\$ 4.4	\$ 38.6	\$ 8.4

**U.S. Franchised Electric & Gas  
Components of "Other"  
June CM EBIT - AvB**

	<b>AvB</b>
	<b><u>Consolidated Ohio &amp; Kentucky</u></b>
<b>Other Net Revenue Margin - Retail</b>	
Other Electric Margins	0.3
Other Gas Margins	0.4
Fuel	0.4
Miscellaneous other	(0.1)
Total Other Net Revenue Margin - Retail	<u>1.0</u>
<b>Other - Non Retail</b>	
Budget Conservatism	1.3
Depreciation and amortization	0.5
Miscellaneous other	0.6
Total Other - Non Retail	<u>\$ 2.4</u>

**June YTD EBIT - AvB**

	<b>AvB</b>
	<b><u>Consolidated Ohio &amp; Kentucky</u></b>
<b>Other Net Revenue Margin - Retail</b>	
Other electric margins	(1.3)
Other gas margins	3.0
Fuel	2.8
Miscellaneous other	(0.3)
Total Other Net Revenue Margin - Retail	<u>4.2</u>
<b>Other - Non Retail</b>	
General taxes - net of riders	(1.3)
Depreciation	(0.7)
Budget Conservatism	7.5
Miscellaneous other	0.7
Total Other - Non Retail	<u>\$ 6.2</u>

**U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky**  
**July 2009**  
*(Dollars in millions)*

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	\$ 15.1	\$ (13.6)	\$ 132.5	\$ (4.3)
EBITDA, from continuing operations	\$ 32.8	\$ (13.7)	\$ 253.5	\$ (3.8)

**Key Messages**

**Current Month - Actual vs Plan**

July results were unfavorable compared to plan primarily due to unfavorable weather, decreased Ohio electric rate riders resulting primarily from the save-a-watt revenue deferral and unfavorable Ohio electric pricing due to the new distribution rates going into effect later in July than was budgeted.

**Year to Date - Actual vs. Plan**

The YTD EBIT variance was unfavorable compared to plan primarily due to lower weather-normal sales volumes, unfavorable weather and decreased Ohio electric rate riders resulting primarily from the save-a-watt revenue deferral. These results were partially offset by decreased O&M costs and favorable gas storage carrying costs. The lower O&M costs within various functional areas offset increased storm costs and an environmental reserve adjustment.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	\$ 57.4	\$ (15.7)	\$ 404.1	\$ (16.2)
Weather		(8.6)		(6.2)
Volume		(1.4)		(7.9)
Pricing / Riders		(5.7)		(3.2)
Other net revenue margin - retail		(0.0)		1.1
Net Gas Revenue Margin - retail	\$ 19.5	\$ 0.3	\$ 170.0	\$ 2.6
Weather		-		0.6
Volume		(0.1)		0.4
Pricing / Riders		-		(1.7)
Other net revenue margin - retail		0.4		3.4
Bulk Power Marketing (net of sharing)	-	-	0.3	(0.4)
Operation and Maintenance	(33.2)	1.7	(241.7)	6.1
AFUDC - Equity	-	(0.3)	(1.7)	(3.1)
Other	(28.6)	0.4	(198.5)	6.7
<b>Total</b>	<b>\$ 15.1</b>	<b>\$ (13.6)</b>	<b>\$ 132.5</b>	<b>\$ (4.3)</b>

Key Operational Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
<u>DE Midwest:</u>				
Heating Degree Days	-	-	2,269	74
Cooling Degree Days	165	(156)	516	(123)

**U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated**  
**July 2009**  
*(Dollars in millions)*

	<u>CURRENT MONTH</u>		<u>YEAR TO DATE</u>	
	<u>Actual</u>	<u>Plan Variance F(U)</u>	<u>Actual</u>	<u>Plan Variance F(U)</u>
EBIT, from continuing operations	\$ 4.1	\$ (2.1)	\$ 42.7	\$ 6.3
EBITDA, from continuing operations	\$ 7.7	\$ (1.8)	\$ 67.9	\$ 8.3

**Key Messages**

July results were favorable compared to plan primarily due to timing of operation and maintenance costs.

Year to date results were favorable compared to plan primarily due to decreased operation and maintenance costs due to timing.

<b>Key EBIT Variance Drivers</b>	<u>CURRENT MONTH</u>		<u>YEAR TO DATE</u>	
	<u>Actual</u>	<u>Plan Variance F(U)</u>	<u>Actual</u>	<u>Plan Variance F(U)</u>
Net Electric Revenue Margin - retail	\$ 16.0	\$ (2.9)	\$ 114.2	\$ 1.7
Weather		(2.4)		(1.7)
Volume		(0.3)		0.3
Pricing / Riders		-		0.9
Other net revenue margin - retail		(0.2)		2.2
Net Gas Revenue Margin - retail	\$ 2.4	\$ 0.2	\$ 28.2	\$ 1.1
Weather		-		0.2
Volume		(0.1)		(0.2)
Pricing / Riders		0.2		0.4
Other net revenue margin - retail		0.1		0.7
Bulk power marketing (net of sharing)	-	-	0.3	(0.4)
Operation and maintenance	(9.7)	0.9	(67.2)	5.8
Other	(4.6)	(0.3)	(32.8)	(1.9)
<b>Total</b>	<b>\$ 4.1</b>	<b>(2.1)</b>	<b>\$ 42.7</b>	<b>6.3</b>

**U.S. Franchised Electric & Gas  
Components of "Other"  
July CM EBIT - AvB**

	<b>AvB</b>
	<b>Consolidated <u>Ohio &amp; Kentucky</u></b>
<b>Other Net Revenue Margin - Retail</b>	
Other Electric Margins	0.1
Other Gas Margins	0.4
Fuel	(0.1)
Miscellaneous other	-
Total Other Net Revenue Margin - Retail	<u>0.4</u>
<b>Other - Non Retail</b>	
General taxes - net of riders	(0.9)
Depreciation and amortization	0.2
Budget Conservatism	1.3
Miscellaneous other	(0.2)
Total Other - Non Retail	<u>\$ 0.4</u>

**July YTD EBIT - AvB**

	<b>AvB</b>
	<b>Consolidated <u>Ohio &amp; Kentucky</u></b>
<b>Other Net Revenue Margin - Retail</b>	
Other electric margins	(1.2)
Other gas margins	3.4
Fuel	2.7
Miscellaneous other	(0.4)
Total Other Net Revenue Margin - Retail	<u>4.5</u>
<b>Other - Non Retail</b>	
General taxes - net of riders	(2.1)
Depreciation	(0.5)
Budget Conservatism	8.8
Gain on disposal of property	0.3
Miscellaneous other	0.1
Total Other - Non Retail	<u>\$ 6.6</u>

**U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky**  
**August 2009**  
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	\$ 35.9	\$ 8.8	\$ 168.4	\$ 4.5
EBITDA, from continuing operations	\$ 53.6	\$ 8.4	\$ 307.1	\$ 4.6

**Key Messages**

**Current Month - Actual vs Plan**

August results were favorable compared to plan primarily due to favorable O&M costs; a favorable joint transmission agreement (JTA) annual adjustment with DE Indiana (revenues \$5M) (which is eliminated in the total Duke Energy FE&G segment results); favorable Ohio electric pricing; and higher weather-normal sales volumes. These results were partially offset by unfavorable weather and decreased Ohio electric rate riders resulting primarily from the save-a-watt (SAW) revenue deferral.

**Year to Date - Actual vs. Plan**

The YTD EBIT variance was favorable compared to plan primarily due to decreased O&M costs and favorable gas storage carrying costs. The lower O&M costs within various functional areas offset increased storm costs and an environmental reserve adjustment. These results were partially offset by unfavorable weather; lower weather-normal sales volumes; decreased Ohio electric rate riders resulting primarily from the SAW revenue deferral; and an unfavorable equity AFUDC variance due primarily to clean-up of in-service dates for certain projects.

The budget YTD for OH/KY also includes \$10M of conservatism which largely represents the favorable variance for the "Other" line.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	\$ 78.2	\$ 5.2	\$ 482.4	\$ (11.0)
Weather		(5.0)		(11.2)
Volume		1.5		(6.4)
Pricing / Riders		2.3		(0.9)
Other net revenue margin - retail		6.4		7.5
Net Gas Revenue Margin - retail	\$ 19.5	\$ 0.4	\$ 189.4	\$ 3.0
Weather		-		0.5
Volume		(0.1)		0.3
Pricing / Riders		0.1		(1.7)
Other net revenue margin - retail		0.4		3.9
Bulk Power Marketing (net of sharing)	-	-	0.3	(0.4)
Operation and Maintenance	(34.6)	1.4	(276.4)	7.5
AFUDC - Equity	-	(0.4)	(1.6)	(3.5)
Other	(27.2)	2.2	(225.7)	8.9
<b>Total</b>	<b>\$ 35.9</b>	<b>\$ 8.8</b>	<b>\$ 168.4</b>	<b>\$ 4.5</b>

Key Operational Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
<u>DE Midwest:</u>				
Heating Degree Days	-	-	2,269	74
Cooling Degree Days	230	(87)	746	(210)

**U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated**  
**August 2009**  
*(Dollars in millions)*

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	\$ 6.2	\$ (0.1)	\$ 48.9	\$ 6.2
EBITDA, from continuing operations	\$ 9.8	\$ 0.2	\$ 77.7	\$ 8.5

**Key Messages**

August results were unfavorable compared to plan primarily due to unfavorable weather partially offset by higher weather normal sales volumes.

Year to date results were favorable compared to plan primarily due to favorable results in the fuel adjustment clause and decreased operations and maintenance costs due to timing. These results were partially offset by unfavorable weather.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	\$ 19.3	\$ 0.1	\$ 133.5	\$ 1.8
Weather		(1.4)		(3.1)
Volume		1.0		1.3
Pricing / Riders		0.3		1.2
Other net revenue margin - retail		0.2		2.4
Net Gas Revenue Margin - retail	\$ 2.4	\$ 0.2	\$ 30.5	1.1
Weather		-		0.2
Volume		(0.1)		(0.3)
Pricing / Riders		0.2		0.5
Other net revenue margin - retail		0.1		0.7
Bulk power marketing (net of sharing)	-	-	0.3	(0.4)
Operation and maintenance	(10.9)	0.1	(78.1)	5.6
Other	(4.6)	(0.5)	(37.3)	(1.9)
<b>Total</b>	<b>\$ 6.2</b>	<b>(0.1)</b>	<b>\$ 48.9</b>	<b>6.2</b>

**U.S. Franchised Electric & Gas  
Components of "Other"  
August CM EBIT - AvB**

	<b>AvB</b>
	<b>Consolidated Ohio &amp; Kentucky</b>
<b>Other Net Revenue Margin - Retail</b>	
Other Electric Margins	5.8
Other Gas Margins	0.5
Fuel	0.6
Miscellaneous other	(0.1)
Total Other Net Revenue Margin - Retail	<u>6.8</u>
<b>Other - Non Retail</b>	
General taxes - net of riders	0.5
Depreciation and amortization	0.4
Budget Conservatism	1.3
Miscellaneous other	-
Total Other - Non Retail	<u>\$ 2.2</u>

**August YTD EBIT - AvB**

	<b>AvB</b>
	<b>Consolidated Ohio &amp; Kentucky</b>
<b>Other Net Revenue Margin - Retail</b>	
Other electric margins	4.6
Other gas margins	3.9
Fuel	3.3
Miscellaneous other	(0.4)
Total Other Net Revenue Margin - Retail	<u>11.4</u>
<b>Other - Non Retail</b>	
General taxes - net of riders	(1.6)
Depreciation	(0.1)
Budget Conservatism	10.0
Gain on disposal of property	0.3
Miscellaneous other	0.3
Total Other - Non Retail	<u>\$ 8.9</u>