

139 East Fourth Street, R. 25 At II P.O. Box 960 Cincinnati, Ohio 45201-0960 Tel: 513-419-1837 Fax: 513-419-1846 dianne.kuhnell@duke-energy.com

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, Oland Kuknell

Dianne B. Kuhnell Senior Paralegal

cc: Dennis Howard II

289437 www.duke-energy.com

#### **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 inquire.

Brenda R. Melerdo Brenda R. Melendez, Affiant

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

My Commission Expires:

Crista M. Schafer NOTARY PUBLIC

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

269137 v.9

#### **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 **AND** day of October, 2009.

My Commission Expires:

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

#### TABLE OF CONTENTS

DATA REQUEST	WITNESS	TAB NO.
STAFF-DR-01-045 2 <sup>nd</sup> SUPP	Robert M. Parsons	1
STAFF-DR-01-054 SUPP	Robert M. Parsons	2
FR IU (9) (0) SUPP	Brenda R. Melendez	3

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

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

		<u></u>						ACTUAL					———Т	BUDGET
		Total	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Account	<u>Description</u>	<u>Total</u> 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
403000	Depreciation Expense	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
404201	Amort Exp - Limited Term	(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
407907	DSM Amortization	(141,710)	(1,657)	(20,502)	(22,000)	(02, 100)	(0.,1.0.1)	0	` o	0	0	0	0	0
408000	General Taxes	0	0	0	o o	ō	Õ	0	0	0	0	0	0	0
408015	Ohio Property Taxes - General	0	0	0	ō	Ō	Ó	0	0	0	0	0	0	0
408050	Kentucky Property Tax - Gas West Virgina Property Tax-Gas	0	0	n	ō	0	0	0	0	0	0	0	0	0
408090	Misc States Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
408095	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
408121	State Unemployment Tax	6,243	200,513	18	11	2,998	206	2,953	8	0	14	28	0	0
408150	Federal Unemployment Tax	4,514	11	26	9	4.264	174	12	0	0	10	8	0	0
408151	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
408152	Social Security Taxes	454,564	0,040	20,001	0	0	0	0	0	0	0	0	0	0
408410	Indiana Highway Use Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
408490	Federal Highway Use Tax - Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
408500	Ohio Highway Use	0	o o	o o	0	0	0	0	0	0	0	0	0	0
408530	Kentucky Highway Use	163	o o	0	ō	0	0	0	0	0	0	0	0	163
408550	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
408700	Sales and Use Expense	20,255	0,570	(0, 100)	0	0	. 0	0	0	0	0	0	0	0
408740	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
408960	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
409060	State/Local Inc Tx Exp Utility Op Inc PY	64,915	164,144	0	0	0	Ò	0	0	0	0	0	(99,229)	0
409104 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
409190	Fed Inc Tax - Utility Operating Inc - PY	(636,607)	(57,450)	0	0	0	0	0	0	0	0	0	(579,157)	0
409193	State/Local Inc Tax - Oth Inc & Ded - PY	(000,001)	(01,100)	Ö	0	0	0	0	0	0	0	0	0	0
409233	Taxes Alloc From Serv Co - Gas Federal	0	ō	0	0	0	0	0	0	0	0	0	0	0
409985	Taxes Alloc From Serv Co - Gas State	0	ō	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
410103	Defer SIT Utility Operating Inc - PY	366,149	0	0	(238)	0	0	0	0	0	0	0	366,387	0
410112	UTP Tax Expense State Utility Prior Year	0	ō	0	0	0	0	0	0	0	0	0	0	0
410113	UTP DFIT Utility Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
410131	UTP DSIT Utility Prior Year	ō	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	` ` o	0	0	0	0	0	0	0	0	0	0
411060	Deferred FIT Credit - Utility Op Inc	ō	Ō	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	O O	(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	(200,0. 1)	,,	0	0	0	0	0	0	0	0	0	0	0
411130		Ō	0	0	0	0	0	0	0	0	0	0	0	0
411131	UTP DSIT Utility Prior Year	Ö	0	0	0	0	0	0	0	0	0	0	0	0
411160	Deferred SIT Credit - Utility Op Inc	ō	0	0	0	0	0	0	0	0	0	0	0	0
411195		ō	ō	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
480400	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	1 000 061
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 68,000	381,071 167.990
481410		345,990	511,000	824,000	986,000	312,000	(1,214,000)	(1,007,000)	(48,000)	(161,000)	(149,000)	56,000	00,000	101,390
	-													

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

								ACTUAL						BUDGET
			0-100	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Account	Description	Total	Oct-08		122,248	145,274	147.110	95,844	61,357	39,021	25,673	27,847	28,779	47,383
481450	Industrial Sales Gas	833,176	37,218	55,422 50,000	132,000	44,000	(127,000)	(120,000)	(45,000)	(20,000)	(20,000)	9,000	4,000	38,692
481460	Industrial Unbilled Gas	(308)	54,000 (645)	(1,897)	(4,206)	(4,729)	(4,355)	(3,031)	(2,212)	3,724	4,147	3,539	3,219	0
481603	Com DSM	(6,446)	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
481620	Com Gas Cost Recovery	24,516,679	(731)	(1,829)	(4,590)	(5,737)	(5,323)	(3,576)	(2,109)	(1,053)	(795)	(539)	(613)	(631)
481625	Com Merger Savings Credit Rider	(27,526)	110,161	178,679	473,588	529,505	520,684	304,675	142,970	67,940	45,219	46,828	50,092	153,401
481660	Ind Gas Cost Recovery	2,623,742 (2,674)	(92)	(159)	(431)	(518)	(504)	(330)	(199)	(93)	(58)	(66)	(69)	(155)
481665	Ind Merger Savings Credit Rider	(2,674) 485	40	40	42	41	40	40	41	40	40	41	40	40
482400	Public Str/Hgwy Lighting 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
482450	Other Sales To Pub Authority Gas	(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 40
482460	Other Sales To Pub Auth Unbill	451	46	45	51	44	40	35	31	29	31	31	28	0
482620	SL Gas Cost Recovery	(25)	0	(1)	(6)	(9)	(9)	0	0	0	0	0	0	154,350
482653	OPA DSM	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	(156)
482660	OPA Gas Cost Recovery	(3,559)	(92)	(233)	(571)	(659)	(778)	(469)	(271)	(137)	(70)	(72)	(51) 63	720
482665	OPA Merger Savings Credit Rider	46,712	710	4,045	10,330	11,721	10,640	5,102	2,485	2,537	(1,704)	63	0	0
484400	Inter Departmental Sales Gas	0,712	0	0	0	0	0	0	0	0	0	0 15	15	15
487001	Discounts Earned / Lost	180	15	15	15	15	15	15	15	15	15		2,875	1,823
488010	Misc Service Revenue - Gas Misc Rev Reconn Charges Gas	36,117	5.042	4,230	2,307	1,040	1,897	1,948	3,000	3,967	4,676	3,312 42,841	42,841	42,841
488020	Misc Gas Rev Erlanger Gas Plt	514,092	42,841	42,841	42,841	42,841	42,841	42,841	42,841	42,841 0	42,841 0	42,041	0	0
488100 488040	Misc Rev Cust Diversn Exp Gas	23	23	0	0	0	0	0	0	•	1,348	1,045	902	843
488060	Misc Rev Bad Check Charge Gas	11,377	665	935	765	1,177	610	853	963	1,271 180	251	270	270	320
488070	Misc Rev - Field Coll Charge	4,107	285	180	315	315	645	596	480	95,994	96,929	91,691	95,301	70,489
489000	Rev Transp Gas of Others	1,192,552	112,395	107,700	109,343	114,606	98,141	108,078	91,885 50,058	50,058	50,058	50,058	50,058	50,058
489010	Rev Transp of Gas - I/C	601,738	49,590	49,590	52,036	50,058	50,058	50,058	(371)	(310)	(295)	(325)	(308)	(237)
489025	Trans Merger Savings Cr Rider	(4,067)	(338)	(393)	(371)	(376)	(394)	(349) 36,999	31,291	27,752	21,851	21,811	27,689	15,717
489110	Rev Firm Transp Agm-Commer Bld	425,757	29,134	44,050	56,258	64,260	48,945		(7,000)	4,000	(2,000)	(2,000)	7,000	384
489115	Comm Rev Transp-Unbilled	2,384	11,000	17,000	(10,000)	2,000	(000,6)	(12,000) 183,323	146,166	177,033	120,617	130,752	143,118	100,593
489120	Rev Firm Transp Agreements - I	2,094,245	182,883	193,294	242,200	259,709	214,557	(34,000)	(20,000)	5,000	(14,000)	8,000	15,000	1,723
489125	Indust Rev Transp-Unbilled	(15,277)	63,000	49,000	(78,000)	14,000	(25,000)	52,483	39,200	55,112	16,606	17,948	16,994	25,304
489130	Rev Firm Transp Agree - Other	554,929	31,798	58,273	80,308	90,951	69,952 (11,000)	(18,000)	(8,000)	1,000	(6,000)	(2,000)	4,000	6,331
489135	Other Rev Transp-Unbilled	14,331	12,000	43,000	(23,000)	16,000	(69)	(46)	(49)	(76)	(114)	(829)	(1,203)	0
489160	Com Transp Gas Cost Recovery	(1,683)	183	241	332	(53)	(227)	(166)	(119)	(91)	(71)	(51)	(71)	(26)
489165	Com Transp Merger Savings Cr Rider	(1,308)	(56)	(88)	(147)	(195)	(227)	(100,	0	0	0	0	0	0
489170	Ind Transp Gas Cost Recovery	205	0	32	250	(77) (896)	(973)	(787)	(665)	(521)	(398)	(421)	(461)	(330)
489175	Ind Transp Merger Savings Cr Rider	(7,387)	(546)	(670)	(719)	(224)	(256)	(203)	(216)	(142)	(105)	(1,034)	(1,030)	0
489180	Oth Transp Gas Cost Recovery	(1,305)	168	610	1,127	(280)	(322)	(237)	(168)	(116)	(49)	(31)	(30)	(61)
489185	OPA Transp Merger Savings Cr Rider	(1,601)	(19)	(95)	(193) 2,848	2,848	2,848	2.848	2,848	2,848	2,848	2,848	2,848	2,848
493040	Rent Land And Buildings-Affil	34,176	2,848	2,848	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
495020	Sales Use Tax Collect Fee	18,000	1,500	1,500 0	1,500	1,550	0.000	0	0	0	0	0	0	972
495030	Gas Losses Damaged Lines	972	0	0	(7,517,628)	0	ő	ō	0	0	0	0	0	0
496017	Provision for Rate Refunds	(7,517,628)	0	0	2.504	0	4.045	ō	0	0	3,486	0	0	1,521
711000		11,618	62	450	1,058	2,458	820	511	218	215	(4)	123	612	1,086
712000		7,662	115 634	70	71	418	292	238	906	2,744	2,876	3,867	6,055	430
717000		18,601	0	0	14,353	86,442	7,777	7,852	0	1,513	624	2,447	147	(2,723)
728000		118,432	1,347	794	1,959	7,152	5,286	1,276	282	89	127	340	4,638	1,261
735000		24,551	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	5,583	4,467
736000		65,880 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
742000		68,052 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 0
801000		(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) 154,276	473,322
805000		(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	134,276	413,322
805200	Purchase Gas Cost Unbilled Rev	(01,014)	.,5.5,5,6											

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

		_					MP	ACTUAL						BUDGET
	Description	Total	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Account	Gas Purchased Expenses	505,246	37,845	26,779	59,171	42,239	46,099	42,855	39,712	38,949	43,316	60,071	38,814	29,396
807000 813000	Other Gas Supply Expenses	(61)	(93)	67	(83)	(23)	116	0	(23)	47	(23)	(93)	47	0
856000	Mains Expense	(31,	0	a	` <u>a</u>	o o	0	0	0	0	0	0	0	0
859000	Other Expenses	o	ō	Ō	0	0	0	0	0	0	0	0	0	0
870000	Dist Supervision & Engineering	80,098	10.220	5.551	10,525	10,953	7,942	11,254	11,549	1,751	(367)	3,027	891	6,802
871000	Distribution Load Dispatching	141.647	13,444	11.197	12,786	12,979	12,773	12,826	10,526	13,333	12,675	11,779	10,714	6,615
874000	Mains And Services	1,939,994	194,101	150.694	174,745	150,026	63,172	95,530	154,584	172,404	369,674	152,705	114,967	147,392
875000	Measuring & Reg Stations - Gen	22,319	7,588	3,279	1,634	156	674	3,359	108	67	186	396	2,143	2,729
876000	Measuring & Reg Stations - Ind	49.705	1.082	4,197	2,231	1,666	674	5,039	3,527	868	3,940	2,302	2,735	21,444
878000	Meter And House Regulators	495,920	127,554	243,574	(333,645)	47,711	27,207	75,175	15,312	9,279	(41,734)	29,757	290,624	5,106
879000	Customer Installations	826,634	87,099	69,043	93,248	81,901	64,192	67,907	54,846	47,134	73,125	48,654	66,695	72,790
880000	Gas Distribution Other Expense	418,819	39.160	45,672	31,652	43,053	21,900	35,351	29,492	32,937	36,682	33,287	38,116	31,517
881000	Rents Interco	387.624	32,302	32,302	32,302	32,302	32,302	32,302	32,302	32,302	32,302	32,302	32,302	32,302
885000	Maint- Supervision & Engineeri	12,030	913	1,049	(120)	910	1,024	1,070	1,080	963	669	842	1,044	2,586
887000	Mainte Gaper Vision & Engineeri	641,395	112,579	61,371	41,558	44,377	42,081	(12,241)	39,376	39,800	76,156	66,397	55,039	74,902
889000	Maint- Measuring & Reg Stat -	40,436	5.786	1,035	3,293	1,835	4,319	4,283	4,586	3,686	1,912	3,075	1,746	4,880
890000	Maint- Measuring & Reg Stat -	3,597	0	9	373	325	0	1,330	701	1	522	0	369	(33)
892000	Maintenance Of Services	576,948	39,733	44,904	19,314	16,108	26,957	69,296	41,062	38,826	75,911	93,257	47,298	64,282
893000	Maintenance Of Meters & House	317,022	53,064	46,671	14,842	49,160	28,315	18,419	21,207	25,405	20,304	31,136	15,393	(6,894)
894000	Maint - Other Distribution Equipment	50,286	7,436	9,785	(12,521)	4,399	1,335	3,139	4,136	(12,382)	8,035	6,996	28,301	1,627
901000	Supervision	3,972	501	223	(362)	494	219	804	505	286	394	512	467	(71)
902000	Meter Reading Expenses	742,162	61,908	47,307	55,755	74,963	75,509	59,924	58,378	54,924	56,015	72,503	59,317	65,659
903000	Customer Record and Collection Expenses	1,792,873	162,224	166,607	164,374	154,074	145,918	168,096	162,018	155,824	151,118	185,949	162,393	14,278 103,232
904000	Uncollectible Accounts	1,068,544	99,231	92,211	159,471	107,703	96,127	81,037	66,502	60,683	29,605	82,933	89,809	103,232
905000	Miscellaneous Customer Accounts Expens	0	0	0	0	0	0	0	0	0	0	0	0	13,576
908000	Customer Assistance Expense	134,594	9,911	10,249	16,298	6,556	11,399	11,883	10,231	11,519	9,680	13,469	9,823	13,576
909000	Informational and Instructional Expenses	3,574	0	0	0	0	0	0	0	3,574	0	0	30.743	30,329
910000	Misc. Customer Service and Information Ex	449,180	56,557	5,975	51,664	35,396	26,012	42,889	35,702	45,910	26,216	61,787	30,743	30,329
911000	Supervision	0	0	0	0	0	0	0	0	0	0	0	0	0
916000	Miscellaneous Sales Expenses	0	0	0	0	0	0	0	0	0	0		209,745	199,021
920000	Administrative and General Salaries	2,889,435	223,573	173,903	523,648	321,324	137,137	205,098	212,247	238,865	212,738	232,136	95.556	106,788
921000	Office Supplies and Expenses	1,586,203	179,279	145,950	198,104	174,428	69,162	115,762	143,773	101,636	131,677	124,088 0	93,330	(2)
922000	Administrative Expenses Transferred - Cred	122,700	9	13	122,639	36	(19)	(5)	0	1	28	146,751	108,623	176,372
923000	Outside Services Employed	1,707,243	126,318	126,180	238,317	148,261	89,418	148,643	181,443	67,040	149,877	23,585	22,900	8,119
924000	Property Insurance	224,675	9,006	11,548	10,190	13,785	32,299	23,088	23,614	23,099	23,442	11,000	11,004	7,828
925000	Injuries and Damages	100,982	2,120	1,890	2,074	4,942	17,169	9,734	11,080	11,065	11,076	126,404	193,144	91,639
926000	Employee Pension and Benefits	2,705,185	397,500	291,484	480,650	231,403	89,570	219,887	199,483	161,281 16	222,740 6	(66)	195,144	0
927000	General & Administration	58	37	20	1	2	19	13	10	45,733	45,044	45,303	45,318	48,053
928000	Regulatory Commission Expenses	552,236	48,327	45,609	45,615	45,615	45,615	45,969	46,035			(16,096)	(21,672)	5,450
929000	Duplicate Charges - Credit	(486,757)	(37,940)	(38,023)	(233,362)	(40,897)	(19,094)	(16,584)	(19,596)	(26,735)	(22,208)	7,358	9,241	2,828
930000	Miscellaneous General Expenses	128,304	9,026	7,821	15,330	40,462	3,691	13,363	10,225	5,826 75,145	3,133 75,746	77,495	77,377	101,101
931000	Rents	902,542	53,352	52,919	81,255	98,702	56,958	77,267	75,225	34,823	34,254	38,237	35,832	52,599
935000	Maintenance of General Plant	344,181	8,397	7,127	11,837	19,945	34,965	32,713	33,452 13,160,953	8,864,892	7,682,266	7,581,094	7,857,488	10,346,287
		235,320,884	14,975,556	23,389,836	35,026,351	49,182,049	35,452,009	21,802,103	13,100,933	0,004,032	7,002,200	7,507,004	7,007,100	10,010,00
	BASE PERIOD					00 000 000	40 225 526	11,523,963	7,066,424	4,440,968	3,622,118	3,603,343	3,734,075	5,109,308
	Revenues	121,288,649	7,663,968	11,965,430	16,397,520	26,825,996	19,335,536		7,066,424	4,440,968	3,622,118	3,603,343	3,734,075	5,109,308
		121,288,649	7,663,968	11,965,430	16,397,520	26,825,996	19,335,536	11,523,963	7,000,424	4,440,300	3,022,110	5,000,540	2,. 2 .,010	
	OperatingExpenses			0.400.000	47 700 004	19.206.713	13,750,927	7,274,397	3,544,741	1,799,592	1,311,107	1,231,440	1,329,594	2,539,677
	Fuel Expense	81,887,023	3,769,936	8,406,668	17,722,231	19,206,713	13,750,927	7,214,337	0,544,741	0	0	0	0	0
	Purchased Power	0	0	0	0	U	U	U	Ü	Ü	ū	-		
	Operation													

STAFF FIRST SET DATA REQUESTS 2ND SUPPLEMENTAL ATTACHMENT STAFF-DR-01-045 PAGE 4 OF 4

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

		Γ						ACTUAL						BUDGET
Account	Description	Total	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
	Maintenance	•												
	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

Account 0186357, BU 75086, OU GI Rate Case Expenses	D70						Description	Consult	ants	Other	Publish	Transport/	Transcript		
Document/ Journal Entry No.	Invoice Date	Payment <u>Date</u>	Description	Hours Worked	Rate Per Hour	Legal	Depreciation Study	Rate of Return	Taxes	Consultants		Lodging/Meals	Expenses	Misc.	Total
May 2009 APACR69340 APACR69340 APACR69598 APACR69698 APACR69698 APACR69698 APACR69690 AP80A49620 Total May 2009 Total Actual Costs to Date	17-Apr-09 17-Apr-09 17-Apr-09 6-May-09 6-May-09 6-May-09 6-May-09 21-Apr-09	15-May-09 15-May-09 15-May-09 25-Jun-09 25-Jun-09 25-Jun-09 25-Jun-09 27-Apr-09	Gannett Fleming Valuation & Rate Cnsits Dr. Roger A. Monn	48.50 20.00 6.00 38.50 19.00 10.00 0.50 N/A	\$110.00 \$90.00 \$195.00 \$110.00 \$90.00 \$195.00 \$80.00	0.00	5,335.00 1,800.00 1,170.00 4,235.00 1,710.00 40.00 1,950.00 40.00	31,000.00 31,000.00 31,000.00	0.00	0.00	0.00	0.00	0.00	0.00	5,335.00 1,800.00 1,170.00 4,235.00 1,710.00 1,950.00 40.00 31,000.00 47,240.00
June 2009  AP80A53097  APACR70372  APACR70948  APACR71261  APACR71261  APACR74733  APACR74903  APACR74903  APACR74023  APACR74023  APACR74023	10-Jun-09 3-May-09 10-May-09 17-May-09 24-May-09 31-May-09 14-Jun-09 21-Jun-09 11-Jun-09	10-Jul-09 21-May-09 28-May-09 28-May-09 3-Jun-09 16-Jun-09 26-Jun-09 2-Jul-09 19-Jun-09 19-Jun-09	Ikon Office Solutions, Inc. Guidant Group Gunant Fleming Valuation & Rate Chsits Gannett Fleming Valuation & Rate Chsits	33.00 35.00	\$110.00 \$195.00 \$80,00		3,630.00 6,825.00 640.00			2,492.53 2,492.53 2,492.53 2,492.53 1,994.02 2,492.53 2,492.53				952.40	952.40 2,492.53 2,492.53 2,492.53 1,994.02 2,492.53 2,492.53 2,492.53 3,630.00 6,825.00 640.00
APACR74023  Total June 2009 Total Actual Costs to Date	11-Jun-09	19-Jun-09	Gannett Fleming Valuation & Rate Cnslts	8.00	\$60.00	0.00	11,095.00	0.00	0.00			0.00	0.00	952.40 952.40	31,489.13 78,729.13
July 2009 AP80A54622 AP80A54696 AP80A54853	30-Jun-09 2-Jul-09 22-Jul-09	27-Jul-09 28-Jul-09 30-Jul-09	Ikon Office Solutions, Inc. Ikon Office Solutions, Inc. Ikon Office Solutions, Inc.											5,440.00 991.52 3,323.08	5,440.00 991.52 3,323.08 9,754.60
Total July 2009 Total Actual Costs to Date						0.0			0.0					10,707.00	88,483.73
August 2009 AP80A55218 AP80A55903 AP80A55903 AP80A55903 AP80A56400 AP80A56460 APACR81185 APACR81185	24-Jul-09 31-Jul-09 31-Jul-09 31-Jul-09 2-Aug-09 20-Aug-09 24-Jul-09 24-Jul-09	5-Aug-09 18-Aug-09 18-Aug-09 18-Aug-09 24-Aug-09 10-Aug-09 10-Aug-09	Ikon Office Solutions, Inc. Gallatin County News The Falmouth Outlook Grant County News Gannett Satellite Information Ikon Office Solutions, Inc. Gannett Fleming Valuation & Rate Cnsits Gannett Fleming Valuation & Rate Cnsits Gannett Fleming Valuation & Rate Cnsits	5,00 5,00 4,50	\$110.00 \$195.00 \$80.00	)	550.00 975.00 360.00	0			1,870.65 4,276.35 2,932.50 13,235.40			117.15 159.75	117.15 1,870.65 4,276.35 2,932.50 13,235.40 159.75 550.00 975.00 360.00 249.25
APACR81185 APACR81185	24-Jul-09	10-Aug-09	Gannett Fleming Valuation & Rate Cnslts			0.0		5 0.00						276.90 10.983.90	24,726.05 113,209.78
Total August 2009 Total Actual Costs to Date						15,000.0			- Company					10,000.00	260,000.00
Rate Case Projected Costs															

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

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

1

Duke Energy Ohi	gy Ohio (CG&E) / Kentucky (ULH&P) 5 &	ntucky (ULH	ep 5 & 7.	7 2009	**************************************	200 Park		72.5374.8394.84		10 10 10 10 10 10 10 10 10 10 10 10 10 1	(2)
Function	Actual	Year 10 Date May Budget	15 NR./465	Var. F(U)	Turnaround F(I)		Projection	rear - Endset		Proposed Var. F(U)	1 23005.00
Nuclear Operations	s	\$	S	•	S	cs.	\$	s	s -	1	
Nuclear Fuel	-		1	,	,		•		-	1	_
Nuclear Expansion	•			,	1		*			1	
Nuclear (Jamil) Total	· ·	S	s -	•	<b>6</b> 9	9	1	S	- 8	•	$\neg$
Fossil-Hydro Operations	\$ 5.9	s	6.3 8	0.4	(13.1)	3	19.0	59	6.3 \$	(12.7)	
Fossil-Hydro NCCap	•		-		•				1	1	
Fossil-Hydro Env Additions Midwest (Reg Treatment)	1		_	1	•		*		,	1	
Fossil-Hydro Expansion	•		-		•		•		•	١	Т
Fossil-Hydro (Pulskamp) Total	\$ 5.9	S	6.3 \$	0.4	\$ (13.1)	(1) (S)	19.0	S	6.3 \$	(12.7)	ন
Power Delivery	\$ 26.3	s	34.2 \$	7.9	\$ (13.2)	[2] \$	87.9	s	82.6 \$	(5.3)	
Power Delivery - Expansion	6.6		17.5	2.6	(3.	(3.8)	38.4		42.2	3.8	
Power Delivery (Meyer) Total	\$ 36.2	s	51.7 S	15.5	\$ (17.0)	(O)	126.3	S	124.8 \$	(1.5)	ত্ৰ
Gas Operations	\$ 34.0	8	38.6 \$	4.6	S (7.	(7.8)	115.0	s	111.8 \$	(3.2)	िक
Gas Operations - Expansion	5.9		9.3	3.4	(0)	(0.0)	24.0		26.8	2.8	~
Gas Operations (Walker) Total	\$ 39.9	S	47.9 \$	8.0	8) 8	(8.4)	139.0	\$	138.6 \$	(0.4)	<b>G</b>
Customer Service (Manes) Total	S	\$	2.0 \$	2.0	\$ (2	(2.0)	4.9	S	4.9 \$	1	
Remaining FE&G (Note 1)	\$ 2.	2.3 \$	8.8	6.5	3 (7	(7.5)	\$ 17.9	693	17.0 \$	(6.0)	ক্র
Unidentified Mitigation Efforts Total		S	55	·	8	\$	Ţ	s	- 8		
PE&C Function Total	\$ 84.3	s	116.7 \$	32.4	\$ (48	(48.0)	\$ 307.1	sa.	291.6	(15.5)	പ്ര
Plus: AFDC - Debt Component	8	(0.7) \$	0.6	1.3	\$ (1	(E.1)	\$ 3.2	s <sub>2</sub>	3.2   \$		
PE&GCop ExsTotal (Accural Basis)		જ	117.3 \$	33.7	\$ (49	(49.3)	\$ 310.3	S	294.8	(15.5)	ि
Plue: Timing of Cash Payments	8	4.7 \$	8	(4.7)	\$	4.7	ا وی	s			
TE&G Cap. Ex Total (Cash Basis), Tie Point	8	s	117.4 \$	29.1	\$ (44	(44.6)	\$ 310.3	89	294.8 \$	(15.5)	ন্ত্র
											]

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

Du. Function	buke Energy Kentucky (U.H&P) 5 &  Yeur To Date: May  Actual Budget V	Kentucky Year To Ba	ntucky (ULH&P) S Year To Date - May Budget	& / 2009 Var.F(U)	Turnaround F(U)	round (j)	Projection	Year - End Statu Budget	Status	Proposed Var. F(U)
	٥	J			<u>پ</u>	\ \[ \]	s	\$	2	1
Nuclear Operations	9	9	+		,	Ţ.	'	╁	-	
Nuclear Fuel		+	+						,	
Nuclear Expansion	6		'		6		9	69		
INUCLEAR (Jamil) LOCAL	0	6	1		9		,		4 H	
Fossil-Hydro Operations	s	5.9 S	6.3	\$ 0.4	જ	(13.1)	\$ 19.0	s o	6.3	(12.7)
Fossil-Hydro NCGap			•			1	1		+	
Fossil-Hydro Env Additions Midwest (Reg Treatment)			•			,	'		1	•
Foscil Hudro Expansion		-	•	1		•			-+	
Fossil-Hydro (Pulskamp) Total	s	5.9 \$	6.3	\$ 0.4	s	(13.1)	\$ 19.0	\$ 0	6.3 \$	(12.7)
11 14 14 14	6	3 4 8	8.5	2.4	s	(3.2)	\$ 13.9	8 6	13.1 \$	(0.8)
Power Delivery	,	-	+-			(1.3)	9	0.9	5.5	(0.5)
Fower Deuvery - Expursion   Power Delivery (Meyer) Total	s	4.9 \$	┥	\$ 3.2	sş.	(4.5)	\$ 19.9	\$ 6	18.6 \$	(1.3)
		I	701	(0.0)	٥	8.0	28.0	5	28.0   \$	
Gas Operations	9	41.4	-			9		+-	╄	0.7
Gas Operations - Expansion  Cas Operations (Walker) Total	v	12.3 \$		\$ 0.3	S	0.4	\$ 33	33.0 \$	33.7 \$	0.7
das Operations (Tanas) Actua	9	-1	-1		ונ ור			1 1	<b> </b> -	
Customer Service (Manes) Total	\$	s ·	0.2	\$ 0.2	S	(0.2)	8	0.5 \$	0.5   \$	
Remaining FE&G (Note 1)	S	0.4 \$	1.2	\$ 0.8	S	(0.8)	8	3.9 \$	3.9 \$	
Unidentified Mitigation Efforts Total	89	-	-	S	s	,	s	- S	s -	
	s	23.5 \$	28.4	\$ 4.9	S	(18.2)	\$ 76	76.3 \$	63.0	(13.3)
			7.0		٥	(0.5)	3	3 00	0.9	S
Plus: AFDC - Debt Component   FE&G Cap Ex Total (Accrual Basis)	so so	(0.1) \$	28.8	\$ 5.4		(18.7)	-			\$ (13.3)
		I ⊦			L	,	6	٥		0
Plus: Timing of Cash Payments	S	_	. 000			1.0	9 6	3 677	63.9	(13.3)
FE&G Cap Ex Total (Cash Basis) Tie Point	69	24.4 S	28.8	8.4	2	(1,1,1)		-	-	

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)	5 & 7 2009									
Year-end Key Variance Drivers (Accrual Basis - Function Total)		Total	Nuclear Jamil	Total Nuclear F/H PD GO CS Corp.& Un-DD Total Jamil Fulskamp Meyer Walker Manes SS Mittig	PD Meyer	GO Walker	CS	S	30 C	Ju-ID
Fossil-Hydro Operations: Woodsdale CT - \$(8.2) - Overhaul of U5 originally planned in 2010; Misc - \$(2.8)	; Misc - \$(2.8)	(12.7)	1	(12.7)	1	1	•		,	1
Power Delivery Operations: Re-deployment of expansion funds to maintenance capex		(0.8)	•	•	(0.8)	•	-		,	
Power Delivery Expansion: Less customer addition volume than expected		(0.5)	1	1	(0.5)		1		,	
Gas Operations Expansion: Less customer addition volume than expected		0.7	•		-	0.7	•		1	,
	Year-end Total	\$ (13.3) \$	\$	\$ (12.7)	\$ (12.7) \$ (1.3) \$ 0.7 \$	8 0.7	- 59	€9	,	64
]										

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

Duke Energy Oh	0 (CG&E) / K	kentucky (I	Ohio (CG&E) / Kentucky (ULH&P) 6 & 6 2009	6 2009				Vear - End Status	Status	
Function	Aemal	Buc		Var. F(U)	Turaaround F (U)		Projection	Budget		Proposed Var. K(U)
Fossil-Hydro Operations	sa	7.4 \$	6.4   \$	(1.1)	\$ (10.2)	2)	17.6	s	6.3 \$	(11.3)
Fossil-Hydro NCCap			1	•			•		,	3
Fossil-Hydro Env Additions Midwest (Reg Treatment)			•	,	•		,		-	1
Fossil-Hydro Expansion		1	•	,	•		•		,	,
Fossil-Hydro (Pulskamp) Total	ક્લ	7.4 \$	6.4 \$	(1.1)	\$ (10.2)	<u>8</u>	17.6	649	6.3 \$	(11.3)
Power Delivery	89	32.0 \$	40.5 \$	8.5	\$ (15.6)	9	89.7	s	82.6 \$	(7.1)
Power Delivery - Expansion	1	13.8	21.0	7.2		Ш Г.	35.0		42.2	7.2
Power Delivery (Meyer) Total	\$ 4	45.8 \$	61.5 \$	15.7	\$ (15.6)	\$ (9:	124.7	S	124.8 \$	0.1
Gas Operations	\$	45.7 \$	50.8	5.1	\$ (10.0)	8 (0:	116.7	s	111.8	(4.9)
Gas Operations - Expansion		8.1	11.9	3.8	1	1.6	21.4		26.8	5.4
Gas Operations (Walker) Total	\$ 5	53.8 \$	62.7   \$	8.9	8)	(8.4)	138.1	S	138.6 \$	0.5
Customer Service (Manes) Total	\$	8 0.0	2.5   \$	2.5	\$ (2	(2.5)	4.9	s	4.9 \$	1
Remaining:FE&G (Note 1)	S	4.8 \$	10.1	5.3	\$ (5	(5.3)	17.0	S	17.0 \$	1
Unidentified Mitigation Efforts Total	<del>69</del>	s -	· s	•	8	-		s	- 8	1
FE&G Function Total	\$ 11	8 6.111	143.1 S	31.3	\$ (42	(42.0)	302.3	s	291.6	(10.7)
						Ľ			H	
Less: Removal & Salvage / Prelim Survey & Invest Total		- S	. 8	- 14	S	- S	3.2	Se 54	3.2.8	
FIRS: AFDC - Debt Component FE&G Cap DX Total (Accrual Basis)	8 8		-	32.7			30	-		(10.7)
						L			-	
Plus: Timing of Cash Payments	<b>6</b> 9	8.8	·	(8.8)	es es	8.8		_		-
PE&G Cap Ex Total (Cash Basis) Tie Poince	\$ 11	119.8	144.7 \$	24.9	\$ (34	(34.6)	305.5	s	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.

### Capital Turn / Year-end Projected Variance Status 8 Millions US Franchised Electric & Gas

Budget Var. KO Projection		
	Actual	Kuittuu
S .	8	Nuclear Operations
3	,	Nuclear Fuel
	ŧ	Nuclear Expansion
. 8 .	\$ -	Nuclear (Jamil) Total
6.4 \$ (1.1)   \$ (10.2)   \$	\$ 7.4 \$	Fossil-Hydro Operations
1	1	Fossil-Hydro NCCap
3	*	Fossil-Hydro Env Additions Midwest (Reg Treatment)
	•	Fossil-Hydro Expansion
6.4 \$ (1.1) \$ (10.2) \$	\$ 7.4 \$	Rossil-Hydro (Ruskamp), Total
6.8 \$ 2.6 \$ (3.1) \$	\$ 4.2 \$	Power Delivery
9.0	2.1	Power Delivery - Expansion
9.5 \$ 3.2 \$ (3.1) \$	\$ 6.3 \$	Power Delivery (Meyer) Total
14.0 \$ (0.7) \$ 1.9 \$	\$ 14.7 \$	Gas Operations
1.4 (0.1)	1.3	Gas Operations - Expansion
s	\$ 16.0 \$	Gas Operations (Walker) Total
0.3   \$ 0.2   \$ (0.2)   \$	\$ 0.0 \$	Customer Service (Manes) Total
1.4   \$ 0.7   \$ (0.7)   \$	\$ 0.7 \$	Remaining FE&G (Note 1)
S - S -	ss .	Unidentified Mitigation Efforts Total
34.3 \$ 3.8 \$ (12.5) \$	\$ 30.4 \$	FE&G Function Total
0.4 \$ 0.5 \$ (0.5) \$	\$ (0.1) \$	Plus: AFDC - Debt Component
4.3 \$ (13.0)	§ 30.3 \$	FE&GCap BX-Total (Accrual Basis)
. 8 (0.5) \$ 0.5 8	\$ 0.5 \$	Plus: Timing of Cash Payments
3.8 \$ (12.5)	\$ 30.8	FE&G Cap ErTotal (Cash Basis) Tie Point
jects.	l Real Estate facility proje	Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

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 Nenucky (Ulhær) Væv 2 2007. Year-end Key Variance Drivers (Accival Basis - Function Total)	Total	Nuclear Jamil	F/H Puiskamp	PD Meyer	GO Walker	CS	Corp &		Un-ID Mitig
Nuclear Operations:	- 9	- \$	- 9	- \$	- S	· S	SA.	1	· 693
Nuclear Fuel:			1	1	¥	•		-	٠
Nuclear Expansion:		f	ı	-	1			-	1
Fossil-Hydro Operations: Woodsdale CT - Overhaul of U5 originally planned in 2010 - \$(8.2); Misc - \$(3.1)	(11.3)	1	(11.3)	-	1			-	,
Fossil-Hydro NCCap:	<u> </u>	*	1	1	ŀ	'		,	•
Fossil-Hydro Env Additions Midwest:	1	'	1	1	1		_	-	•
Fossil-Hydro Expansion:	•	,	1	,	'		_	•	•
Power Delivery Operations: Re-deployment of expansion funds to maintenance capex	(0.5)	-	1	(0.5)	'			-	,
Power Delivery Expansion: Less customer addition volume than expected	9.0	'	•	9.0	'		_	-	,
Gas Operations: Re-deployment of expansion funds to maintenance capex	1.2	1	,	t.	1.2		_	-	1
Gas Operations Expansion: Less customer addition volume than expected	1.3	1		1		1.3		•	
Customer Service:	'	-	1	ı	•			•	,
Remaining FE.&G:		•		,			•	•	
Tridautified mitiration efforts:		<u>'</u>		3	•		-	1	1
Vear-end Total	\$ (8.7)	- s (	\$ (11.3)	\$ 0.1	s	2.5 \$	<del>69</del>	-	ь 6 <del>9</del>

### US Franchised Electric & Gas Capital Turn / Year-end Projected Variance Status S Willians

Function	Actua		Year 10 Date July Budget	y Var. F(U)	6	Turnaround R(U)	pu	Projection		Year - End Status Budget	Status	Proposed Var. F(U)	
Fossil-Hydro Operations	ક	8.8	6.4	S	(2.4)	S	(7.6)	S	16.3	S	6.3	\$ (16	(10.0)
Fossil-Hydro NCCap		ı	,				-		1		<u>'</u>		-
Fossil-Hydro Env Additions Midwest (Reg Treatment)		,	1		<u> </u>		7		1		1		
Fossil-Hydro Expansion		-	1	:	<u> </u>		1		•				
Fossil-Hydro (Pulskamp) Total	s	8.8	6.4	S	(2.4)	<b>S</b>	(J.6)	s	16.3	so.	6.3	\$ (16	99
Power Delivery	s	36.6 \$	49.1	6/3	12.5	8	(17.8)	s	87.9	S	82.6	8	(5.3)
Power Delivery - Expansion		18.4	24.7		6.3		(5.4)		41.3		42.2		6.0
Power Delivery (Meyer) Total	s	55.0 \$	73.8	s	18.8	3	(23.2)	s	129.2	s/s	124.8	·)	(4.4)
Gas Onerations	S	59.8	629	S	6.1	\$	(13.8)	S	119.5	S	111.8	s)	(7.7)
Gas Operations - Expansion		10.2	14.2		4.0		8.9		16.0		26.8	1	10.8
Gas Operations (Walker) Total	89	70.0	80.1	69)	10.1	ક્ક	0.7	ss.	135.5	s	138.6	89	3.1
Customer Service (Manes) Total	89	0.0	2.9	S	2.8	ક્ક	(2.3)	s.	4.4	6-9	4.9	SS	0.5
Remaining FE&G (Note 1)	SS	6.5 \$	12.1	S	5.6	s	(3.3)	s	14.7	S	17.0	69	2.3
Unidentified Mitigation Efforts Total	s	S	•	S		s/s	$\overline{\Box}$	S		S		69	$\Box$
FE&G Function Total	s	140.3 \$	175.2	so	34.9	8	(43.4)	s	300.1	S	291.6	) \$	(8.5)
Plus: AFDC - Debt Component	s	(0.0)	0.5	s	1.1	89	(1.1)	s	3.2	S	3.2	S	
FE&G Cap Lx Total (Accrual Basis)	8	139.7 \$	175.7	ક્ક	36.0	8	(44.5)	65	303.3	S	294.8	8	(8.5)
Plus: Timing of Cash Payments	s	9.0	1	s	(0.6)	so	9.0	so	1	S	,	8	-
FEEC Cap Ex Total (Cash Basis) Tie Point	s	148.4 \$	175.7	-	27.3	9	(35.5)	643	303.3	69	294.8	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

Duk	Duke Energy Kentucky (ULH&P)	ntucky (ULH&P) 7 Year To Date - July	2 ×	5 2009			Year	Year - End Status		35% 18.1
<u> Tunction</u>	Actual	Budget	1966	Var. F(U)	F (C)	Projection		Budget	Proposed Var. E(U)	TORENERS DESMAN
Nuclear Operations	S	S	\$	•	69	s	8	•	S	Γ.
Nuclear Fuel			,		•			•	•	
Nuclear Expansion	•		ŧ		ŧ		•		•	1
Nuclear (Jamil) Total	S.	s	s 1	1	- \$	s	55	-		
Fossil-Hydro Operations	8	8 8	6.4 \$	(2.4)	(9.7)	S	16.3 \$	6.3	\$ (10.0)	<u></u>
Fossil-Hydro NCCap			,	ı	·		•	•		
Fossil-Hydro Env Additions Midwest (Reg Treatment)	3			•	,		1	•	-	ı
Fossil-Hydro Expansion			ı	t	-		-	,		
Fossil-Hydro (Pulskamp) Total	\$ 8.8	8	6.4 \$	(2.4)	(9.7)	SP	16.3 \$	6.3	\$ (10	(10.0)
Power Delivery	\$ 5.1	1 8	8.3 \$	3.2	\$ (4.0)	8	13.9 \$	13.1	9	(0.8)
Power Delivery - Expansion			┿	8.0			5.3	5.5	0	0.2
Power Delivery (Meyer) Total	\$ 7.5	5 8	11.5 \$	4.0	\$ (4.6)	နှာ	19.2 \$	18.6	0) 8	(0.0)
Gas Operations	17.1	1 8	17.9 8	0.8	\$ 0.2	8	27.0   \$	28.0	S	1.0
Gas Operations - Expansion			┼	1.3			3.0	5.7	2	2.7
Gas Operations (Walker) Total	\$ 19.0	8 0	21.1	2.1	\$ 1.6	s	30.0	33.7	S 3	3.7
Customer Service (Maires) Total	8 0.	0.0	0.3 \$	0.2	\$ 0.3	S	s ·	0.5	s o	0.5
Remaining FE&G (Note 1)	8 0.	0.7 S	2.3 \$	1.6	\$ (0.7)	8	3.0 \$	3.9	S	6:0
Unidentified Mitigation Efforts Total	89	S	- 8	1	· 89	8	s S	E	ક	П
BE&G Function Total	\$ 36.0	8 0	41.5 \$	5.5	\$ (11.0)	8	68.5 \$	63.0	\$ (5	(5.5)
Plus: AFDC - Debt Component	s	8	0.1 8	0.1	\$ (0.1)	\$	8 6.0	6.0	<b>69</b>	
FE&G Cap Dx Total (Accrual Basis)	\$ 36.0	s 0.	41.6 \$	5.6	\$ (11.1)	\$	69.4 \$	63.9	\$)	(5.5)
Plus: Timing of Cash Payments	\$	8 6.0	5	(6.9)	8 0.9	s	59	•	S	
FE&G.Cap.Ex Total (Can Basis) Tie Point	\$ 36.9	+	41.6 \$	4.7	\$ (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									
Function Total)	Total	Nuclear Jamil	F/H Pulskamp	PD Meyer	GO Walker	CS Manes	Corp &	Un.D	
Nuclear Operations:	· ·	8	69	· 69	٠ ح	1 69	- &	- &	П
Nuclear Fuel:	,	•	1	•	•		1	'	
Nuclear Expansion:	'	1	,	•	,	ı	,	,	
Fossil-Hydro Operations: Woodsdale CT - Overhaul of U5 originally planned in 2010 - \$(7.1); Misc - \$(2.9)	(10.0)	'	(10.0)	•	•	E	1	1	
Fossil-Hydro NCCap:	1	'	1	ı		*	1	'	
Fossil-Hydro Env Additions Midwest:	ı	1	t	,	-	ı	t	-	$\Box$
Fossil-Hydro Expansion:	'	-	•	ı	ı	•	'		$\Box$
Power Delivery Operations: Re-deployment of expansion funds to maintenance capex	(0.8)	- (	1	(0.8)		1	1	•	. [
Power Delivery Expansion: Less eustomer addition volume than expected	0.2	I	1	0.2	•	•	•	•	
Gas Operations: Re-deployment of expansion funds to maintenance capex	1.0	•	•	t	1.0	•			,
Gas Operations Expansion: Less customer addition volume than expected	2.7	•		1	2.7	•	'		
Customer Service: Miscellaneous equipment	0.5	,	1	1	1	0.5	'		
Remaining FE&G:	6.0	-	i.	1	-	•	0.0		, [
Unidentified mitigation efforts:	•	'	1	1	•	ı			
Year-end Total	\$ (5.5)	8 (6	\$ (10.0)	(0.0)	\$ 3.7	\$ 0.5	8 8	<b>6</b> 9	

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

		Year To Date - August	August	. (1) (2) (3) (4) (4) (4) (4)	Turnaround			Year - End Status	Status	
, tunction	Actual	Budget		Var. F(0)	(n) a	e L	Projection	Budget		Proposed Var. E(U)
Fossil-Hydro Operations	\$ 10.9	\$ 0	6.5 \$	(4.4)	(2.9)	S	13.6	s	6.3 8	(7.3)
Fossil-Hydro NCCap							•		-	'
Fossil-Hydro Env Additions Midwest (Reg Treatment)	1		<u> </u>	,			-			•
Fossil-Hydro Expansion	1		-		1		ľ		-	1
Fossil-Hydro (Puskamp) Total	\$ 10.9	s	6.5 \$	(4.4)	(2.9)	8	13.6	S	6.3 \$	(7.3)
Power Delivery	\$ 45.3	S	56.6 \$	11.3	\$ (16.6)	<u>\$</u>	87.9	s	82.6 S	(5.3)
Power Delivery - Expansion	22.8	8	27.4	4.6		15	41.3		42.2	6.0
Power Delivery (Meyer) Total	\$ 68.1	89	84.0 \$	15.9	\$ (20.3)	s)	129.2	ક્લ	124.8 S	(4.4)
Gas Operations	6.69	8 6	79.7   \$	9.8	\$ (16.7)	S	118.7	s	111.8   \$	(6.9)
Gas Operations - Expansion	10.8	8	16.6	5.8			16.1		26.8	10.7
Gas Operations (Walker) Total	\$ 80.7	2 8	96.3 \$	15.6	\$ (11.6)	<b>s</b>	134.8	မာ	138.6 \$	3.8
Customer Service (Manes) Total	\$ 0.0	8 0	3.3 \$	3.3	\$ (2.3)	8	3.9	S	4.9 \$	1.0
Remaining FE&G (Note 1)	\$ 0.8	8 8	12.2 \$	11.4	\$ 2.2	s	10.2	s	17.0 \$	6.8
Unidentified Mitigation Efforts Total	\$	s	s -	ŧ	\$	S		s	1	
FE&G Function Total	\$ 160.5	69	202.2 S	41.8	\$ (34.9)	\$ (6	291.7	S	291.6	(0.1)
Plus: AFDC - Debt Component	\$ 5.9	\$ 6	2.0 \$	(3.9)	\$ 5.9	s	3.2	s	3.2   \$	
FE&G Cap Ex Total (Accrual Basis)	\$ 166.4	649	204.2 \$	37.9	\$ (29.0)	s G	294.9	6-9	294.8 \$	(0.1)
Plus: Timing of Cash Payments	\$ 12.0	8 0	-	(12.0)	<i>⊗</i> 3	s	•	\$	-	-
The Roint	\$ 178.4	64	204.2 8	25.0	(0 6 <i>C)</i>	8	294.9	بن	3 8 706	(I W)

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

Duk Function	e Energy Actual	Kentuc Year	Duke Energy Kentucky (U.H&P) & of the August Actual Budget	A last	x 4 2009 Var. F(U)	Turnaround F(U)		Projection	Year - End Status Budget	Status	Proposed Var. F(U)	
Nuclear Operations	s	- 8	\$	83	-	s		S	s.		S	
Nuclear Firel		,	ı				•	1		<del> </del>		•
Nuclear Expansion	6	•	•	6	-	e e	ij		J			, ,
Nuclear (Jamu) Total	2	-	*	9		9	֧֟֟֟֟֝֟֟֝֟֝֟֟֝֟֝֟֟֝֟֝֟֝֟֝֟֟֝֟֝֟֟֝֟֝֟֝֟֝		┩╟	-I F		
Fossil-Hydro Operations	ક્લ	10.9	6.5	ક	(4.4)	S	6.5	\$ 13.6	2	6.3	3	(7.3)
Fossil-Hydro NCCap		1	1		-		-	-		•		
Fossil-Hydro Env Additions Midwest (Reg Treatment)		1	•		•		-	1		-		
Fossil-Hydro Expansion		1	3		•					,		
Fossil-Hydro (Pulskamp) Total	S	10.9 \$	6.5	S S	(4.4)	S	(2.9)	\$ 13.6	8 9	6.3	3	ମ
Power Delivery	ક	5.8	9.4	8	3.6	\$	(4.4)	\$ 13.9	\$ 6	13.1	S .	(0.8)
Power Delivery - Expansion		2.7	3.5	3	8.0		(0.0)	5.3	3	5.5		2
Power Delivery (Meyer) Total	S	8.5	12.9	s 6	4.4	\$	(2.0)	\$ 19.2	2 \$	18.6	8	(0.0)
Gas Onerations	89	19.5	21.6	\$ 9	2.1	s	(0.1)	\$ 26.0	s 0	28.0	S	2.0
Gas Onerations - Expansion		1.8	3.7	7	1.9		1.0	3.0	0	5.7		7:7
Gas Operations (Walker) Total	s	21.3 \$	25.3	3 \$	4.0	S	6.0	\$ 29.0	8 0	33.7	69	4.7
Customer Service (Manes) Total	649	0.0	0.3	3 8	0.3	S	0.2		s	0.5	69	0.5
Remaining FE&G. (A.	s	8 8.0		1.8   \$	1.1	S	(0.2)	\$ 3.	3.0 8	3.9	69	6.0
Unidentified Mitigation Efforts Total	s			S		s		\$	59		S	$ \cdot $
FE&GFunction Total	s	41.5 \$	46.9	8 6	5.4	S	(7.0)	\$ 64.8	\$	63.0	8	(1.8)
Plue: AFDC - Debt Component	s	-		\$9	•	S	<u> </u>	8	8 6.0	0.0	S	
FE&G Cap Ex Total (Accrual Basis)	S	41.5 \$	46.9	┈	5.4	S	(7.0)	2.59	\$ 2.	63.9	8	(1.8
Plus: Timing of Cash Payments	ક્ક	-		s	t	s			- 8	•	ss.	
HE&G Cap Ex Total (Cash Batis) Tie Point	<b>6</b> 9	41.5 8	46.9	8 6	5.4	s	(7.0)	\$ 65.7	.7 \$	63.9	S	(1.8)
												P

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							l		
	Total	Nuclear Jamil	F/H Pulskamp	DD Meyer	GO Walker	CS		Corp &	Un-D Mitig.
Nuclear Operations:									
Nuclear Fuel:									
Nuclear Expansion:							_		
Fossil-Hydro Operations: Woodsdate CT - Overhaul of U5 originally planned in 2010 - \$(6.7); Misc - \$(3.2);			(7.3)				-		
partially of set by refundamental resulting to inventory and Rossil-Hydro NCCap:							$\dashv$	1	
Fossil-Hydro Env Additions Midwest:							+		
Fossil-Hydro Expansion:							+		
Power Delivery Operations: Re-deployment of expansion funds to maintenance capex				(0.8)			-		
Power Delivery Expansion: Less customer addition volume than expected				0.2					
Gas Operations: Re-deployment of expansion funds to maintenance capex					2.0	0			
Gas Operations Expansion: Less customer addition volume than expected					2.7	7			
Customer Service: Miscellaneous equipment							0.5		
Remaining FE&G:								6.0	
Unidentified mitigation efforts:		į							
Year-end Total	,	- - -	\$ (7.3)	(0.0)	5 4.7	69	0.5 \$	0.9	ر دی
	,								

### US Franchised Electric & Gas O&M Turn / Year-end Projected Variance Status S Millions

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

Function		Y. Actual	B. B.	Year To Date - May Budget	9y Var. F(U)	(O)	Turns	Turnaround F(C)	P76	Projection	ear - Bu	Year - End Status Budget		Proposed Var-F(U)
Fossil-Hydro (Pulskamp)	မာ	17.6	69	21.9	છ	4.3	s	(6.0)	ક્ક	50.7	89	49.0	\$	(1.7)
Power Delivery (Meyer)		50.3		51.1		8.0		(0.8)		131.2		131.2		1
Gas Operations (Walker)		19.4		22.4		3.0		(3.0)		54.7		54.7		ı
Retail Customer Services (Manes)		36.3		40.7		4.4		2.1		88.1		94.6		6.5
Storm Contingency (Turner)		10.1		,		(10.1)		9.0		9.5		1		(9.5)
Remaining Corporate & Shared Services (Note 1)		39.9		47.3		7.4		(5.6)		111.0		112.8		1.8
Functions Lotal	ક્ક	173.6	69	183.4	8	8.6	69	(12.7)	€9	445.2	69	442.3	69	(2.9)
Less: Elimination Entries	ક્ક	(6.4)	€9	(6.8)	s	(0.4)	89	0.4	<del>69</del>	(19.1)	69	(19.1)	<del>69</del>	1
RE&G with Eliminations Total	જ	167.2	s	176.6	se es	9.4	89	(12.3)	89	426.1	89	423.2	65	(2.9)

#### 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	V. V.	Actual	Bu For	Year To Date May Budget	v Var. H(U)	ε	Turns F(	Turnaround E(U)	Pro	Projection	ear - E Bu	Year - End Status Budget	Proposed Var.F(U)	9.6
Fossil-Hydro (Pulskamp)	69	17.6	69	21.9	S	4.3	s	(0.9)	s	50.7	s	49.0	) S	(1.7)
Power Delivery (Meyer)		12.7		12.1		(9.0)		9.0		32.3		32.3		,
Gas Operations (Walker)		3.6		4.8		1.2		(1.2)		11.8		11.8		1
Retail Customer Services (Manes)		4.9		5.2		0.3		(0.0)		12.9		12.6	9)	(0.3)
Storm Contingency (Turner)		2.2		,		(2.2)		0.2		2.0		,	2	(2.0)
Remaining Corporate & Shared Services (Note 1)		7.8		7.2		(0.0)		3.6		15.7		18.7	1	3.0
Runctions Total	69	48.8	643	51.2	<del>99</del>	2.4	\$	(3.4)	છ	125.4	649	124.4	() S	(1.0)

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 S Millions

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

Generation outage work       (4.0)       (4.0)       -       <	Year-end Key Variance Drivers (Excluding Duke Energy One / Elimination Entries)  Major storms YTD May (primarily January MW ice storms and March SE snow storms)	Fotal		Nuclear	S Puls	9	PD	GO Walke S -	16.1 r 14th	RCS Manes	RCS Sim Cont	Saluda	Allen	SS S	
ning	Generation outage work		(4.0)		3	6:0	•	'	_	•	,				
ning	Save-a-watt reductions due to delay in regulatory approval		1.8			,	•	1		'					∞;
ning	Fees for sale of accounts receivable		0.7			,	٠	1		0.7	•				,
2.5 2.3 Invend Total S (1.0) S (1.7) S - S - S	Retail Customer Services (RCS) costs in RCS Function offset in Remaining Corporate & Shared Service Function for RCS non save-a-watt costs		1			•	ŧ	•		(1.0)	•			##   	1.0
8 - 8 - 8 (7.1) 8	Other permanent variances (including budget challenge mitigation efforts)		2.5		.,.,.,	2.3		•		,	•				0.2
	Year-end Total		(0.1)		 •	1.7) \$	,	S	S	(0.3)	\$ (2.0	6		8	3.0

### 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		Actual	ar To Br	Xear To Date - June Budget	ne Var. K(U)		u.m.r	Turnaround E(U)	Pro	Projection	ear- B	Year - End Status Budget	272 10 30 00 1 10 M	Proposed Var. F(U)	
Fossil-Hydro (Pulskamp)	<del>69</del>	22.0	89	26.7	s	4.7	ક્ક	(6.4)	69	50.7	69	49.0	69	(1.7)	
Power Delivery (Meyer)		60.8		62.5		1.7		(1.7)		131.2		131.2		1	
Gas Operations (Walker)		23.3		27.4		4.1		(4.1)		54.7		54.7		1	
Retail Customer Services (Manes)		41.8		48.0		6.2		0.3		88.1		94.6		6.5	
Storm Contingency (Turner)		9.6		-		(9.6)		1		9.6		1		(9.6)	
Remaining Corporate & Shared Services (Note 1)		58.9		56.9		(2.0)		(2.9)		117.7		112.8		(4.9)	,
Functions Total	€9	216.4	89	221.5	<del>69</del>	5.1	89	(14.8)	S	452.0	<del>69</del>	442.3	6 <del>/3</del>	(9.7)	
Less: Elimination Entries	8	(7.9)	69	(8.6)	6/9	(0.7)	89	0.7	69	(19.1)	69	(19.1)	S		
RE&G with Eliminations Total	69	208.5	જ	212.9	89	4.4	ક્ક	(14.1)	69	432.9	59	423.2	ક	(7.6)	-

#### 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

Turnaround  R(U)  Projection  Budget  Var. F(U)	\$ (6.4) \$ 50.7 \$ 49.0 \$ (1.7)	0.7 32.3 32.3	(1.3) 11.8 11.8	(0.9) 12.9 12.6 (0.3)	. 1.5 - (1.5)	2.2 16.0 18.7 2.7	\$ (5.7)         \$ 125.2         \$ 124.4         \$ (0.8)
Var. F(U)	\$ 4.7	(0.7)	1.3	9.0	(1.5)	0.5	\$ 4.9
Year-To Date June Budget	\$ 26.7	15.1	5.9	6.2	•	9.8	\$ 62.5
Ye Actual	S 22.0	15.8	4.6	5.6	1.5	8.1	\$ 57.6
Function	Fossil-Hydro (Pulskamp)	Power Delivery (Meyer)	Gas Operations (Walker)	Retail Customer Services (Manes)	Storm Contingency (Turner)	Remaining Corporate & Shared Services (Note 1)	Functions Total

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	F/H Pulskamp	PD	GO Walker	RCS	Stm Cont Tumer	Saluda Janii	Allen Palskamp	Corp &
Major storms YTD June (primarily January MW ice storms and March SE snow storms)	\$ (1.5)		5	69		se	(3.1.5)		S	•
IT reductions due to project slowdowns	0.2				ŀ	'				0.2
Generation outage work	(4.0)		(4.0)	1	'		•			٠
Save-a-watt reductions due to delay in regulatory approval	1.8		١	,	•	•	1			1.8
Reagent costs - nonrecoverable	1.0		1.0	1	-	ľ	*			1
Fees for sale of accounts receivable	0.7		,	1	•	0.7	•			1
Open positions & less than budgeted overtime	1.1		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	,		í	1	•	(0.1)	-			1.0
Other non-recoverable variances	(0.1)		0.2	,	•	1	1			(0.3)
Year-end Total	8 (0.8)		\$ (1.7)	. 8	- 8	8 (0.3)	(1.5)		S	2.7

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

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

Function	¥	Actual	r: To Date Budget	Year To Date July Budget	y Var. K(U)	<b>.</b>	Torus	Furnaround F(U)	Pro	Projection	ear - B	Year End Status Budget		Proposed Xar. I(U)	
T II. J. (B. Johnson)	69	25.1	69	30.5	se	5.4	89	(4.4)	ક્ક	48.0	89	49.0	89	1.0	
Fossil-Ayuro (rusaning)		72.9		74.8		1.9		1.1		128.2		131.2		3.0	
Fower Delivery (meyer)		27.2		32.0		4.8		(4.1)		54.0		54.7	_	0.7	
Gas Operations (manaci)		48.6		55.8		7.2		0.3		87.1		94.6		7.5	
Ketall Customer Services (munes)		11.0		ŧ		(11.0)		1		11.0		•	_	(11.0)	
Storm Contingency (Turner)		66.2		65.3		(0.9)		(4.8)		118.5		112.8		(5.7)	
Kemaining Corporate & Shareu Services (1700 = 17    Eunctions Total	ક્ક	251.0	S	258.4	so.	7.4	89	(11.9)	89	446.8	89	442.3	69	(4.5)	
								,		600		1017	6		1
Less: Elimination Entries	ક્ક	(9.3)	69	(10.6)	89	(1.3)	89	1.3	<del>/</del>	(1.9.1)	n	(13.1)			ı
FE&G with Eliminations Total	89	241.7	€9	247.8	89	6.1	8	(10.6)	S	427.7	69	423.2	89	(4.5)	1 -1

#### Notes:

- I. 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	Ž	Actual	rr To Date Budget	Year To Date July Budget	y Var.E(U)		Turnaround F(U)	Pum	Proje	Projection	Bu Bu	Year - End Status Budget	SHOSE MARKEQUE	Proposed Var. F(U)
Fossil-Hydro (Pulskamp)	ક્ક	25.1	69	30.5	89	5.4	89	(4.4)	s	48.0	s	49.0	65	1.0
Power Delivery (Mever)		18.8		18,1	0)	(0.7)		9.0		32.4		32.3		(0.1)
Gas Onerations (Walker)		5.4		6.9	1	1.5		(1.3)		11.6		11.8		0.7
Retail Customer Services (Manes)	<u> </u>	6.7		7.3	0	9.0		(6.0)		12.9		12.6		(0.3)
Storm Contingency (Turner)		1.6		·	ר) ב	(1.6)		•		1.6		,		(1.6)
Remaining Cornorate & Shared Services (Note 1)		9.6		10.2	0	9.0		6.0		17.2		18.7		1.5
Find tons Total	649	67.2	69	73.0	8	5.8	s	(5.1)	89	123.7	69	124.4	ક્ક	0.7
EXALS SEE IN VALUE OF THE CONTROL OF						]								

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 S Millions

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

Year-end-Key Variance Drivers (Excluding Duke Energy One / Elimination Entries)	Total	Nuclear	F/H Pulskamp	PD	GO Walker		RCS S	Stin Cont Turner	Saluda Jamil	Ailen Pulskamp	Соп & SS	ringati M
(amount of the control of the contro	917		3	ς. ,	S	69		(1.6)			\$	
(VIB) OF STOTMS Y I U JULY (primary) January M W ree storms and marcu at show around)			,		+		'	,			0.2	
וו רפמטכנוסוו מעיפינט לויטיפיני אט אייני	(4.9)		(4.0)	,		<u> </u>	,				ŧ	
Centration outage work	1.8			•							1.8	
Save-a-watt reductions due to detay in regulatory approved			•	(0.1)		0.2		'			1	1
SOUN ORAN TENDENCIAL TRANSPORT (100) CO.	100		1.0			,	1	1				
Keagent Costs - from ecoverance	0.7		ı			-	0.7				· · ·	
Reduced generation equating to less equipment breakages, less on-line base	4.0		0.4			ı	ı	,			1	
Work / required overtime and notoing vacancies / open positions Retail Customer Services (RCS) costs in RCS Function offset in Remaining	'						(1.0)	I			1.0	
Corporate & Shared Service Function for KLS not save-a-wait costs Other non-recoverable variances	2.1		3.6				'				(51)	ଜ
Vear-end Total	\$ 0.7		\$ 1.0	\$ (0.1)	69	0.2 \$	(0.3)	(1.6)			\$ 1.5	

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

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

Function		Year Actual	To Date Budget	Xear To Date - August Budget	St. Var R(U)		Turnaround F(U)	pun	Proje	Ye Projection	ar - End S Budget	Year - End Status Budget	supply party harry	Proposed Var. K(U)
T I T. Ju. (D. thrum)	64	29.9	69	34.2	8	4.3	59	(3.3)	89	48.0	<b>69</b>	49.0	69	1.0
F0SSIt-Hydro (Fuskamp)  Downer Delivere (Mener)	-	86.2		87.3		1:1		(1.4)		131.5		131.2		(0.3)
Co. Ourantine (Weller)		32.1		36.7	4	4.6		(3.9)		54.0		54.7		0.7
Gas Opel ations ("anne)		54.6		63.1	, x	8.5		(0.4)		86.5		94.6		8.1
Ketall Customer Services (manes)	<u> </u>	11.1		ļ -	(11)	(1.11)		•		11.1		•		(11.1)
Storin Contingency (* Marce)  The storing (Nate 1)		73.3		75.1		1.8		(5.9)		116.9		112.8		(4.1)
Remaining Con put are or raced principles of the Functions Hotal	છ	287.2	89	296.4	S	9.2	S	(14.9)	69	448.0	ક્ક	442.3	69	(5.7)
						Ī			١	1	6	30 50	6	8
Less: OH / KY Elimination Entries	S	(10.8)	89	(12.6)	C)	(1.8)	<b>₩</b>	(0.2)	9	(17.1)	æ	(13.1)	a	(0.2)
FE&G with Eliminations Total	ક્ક	276.4	8	283.8	69	7.5		(15.2)	နှ	430.9	8	423.2	S	(7.7)

#### Notes:

- I. 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 s Millions

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

Fossil-Hydro (Pulskamp)         \$ 29.9         \$ 34.2         \$ 4.3         \$ 4.3         \$ 4.8         \$ 4.9         \$ 49.0         \$ 1.0           Power Delivery (Meyer)         21.6         21.6         21.4         (0.2)         1.4         (1.2)         11.6         11.6         11.8         0.2           Gas Operations (Malker)         Retail Customer Services (Manes)         7.6         8.3         0.7         0.8         11.1         12.6         1.5           Storm Contingency (Turner)         1.7         -         (1.7)         -         1.7         -         (1.7)           Remaining Corporate & FE&G Shared Services (Note 1)         Remaining Corporate & FE&G Shared Services (Note 1)         8         7.8         8.3.7         8         5.6         8         123.0         8         124.4         8         1.4	Function	Ye	Actual	r To Date-/ Budget		gust Var. E(U)		Turnaround F(O)	ă	Projection	Kear - I	Year - End Status Budget	S Proposed Var. K(U)	ged (D)
(Adames)         (Adames)	11. 1. W. 1	€F.	_	69	34.2		3	(3.3)	69	48.0		49.0	69	1.0
(Manes)         (1.2)         (1.2)         (1.2)         (1.2)         (1.2)         (1.1)         <	Kossil-Hydro ( <i>kuskanip</i> )	,	_		21.4	9	  a	0.1		32.4		32.3		(0.1)
(Manes)         7.6         8.3         0.7         0.8         11.1         12.6	Power Delivery (Meyer)		49		7.9		4	(1.2)	L	11.6		11.8		0.2
&G Shared Services (Note 1)         1.7         -         (1.7)         -         1.7         -         1.7         -         (0.6)         18.2         18.7         -         (0.6)         18.2         18.7         -         (0.6)         18.7         -         (0.6)         18.7         -         (0.6)         18.7         -         (0.6)         18.7         -         (0.6)         -         <	Sas Operations (Walker)		7.6		8.3	0	  -	0.8		11.1		12.6		1.5
& GS Shared Services (Note 1)         10.8         11.9         1.1         (0.6)         18.2         18.7         18.7           Functions Total         \$ 78.1         \$ 83.7         \$ 5.6         \$ (4.2)         \$ 123.0         \$ 124.4         \$	Retail Customer Services (names)		1.7		'	(1)	<u>ا</u>	1		1.7		'		(1.7)
S 78.1 \$ 83.7 \$ 5.6 \$ (4.2) \$ 123.0 \$ 124.4 \$	Storm Contingency (Aurier)		10.8		11.9	1	<u>  -</u>	(0.0)		18.2		18.7		0.5
	Functions	es.	78.1	89	83.7				ᆜ	123.0		124.4	89	1.4

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 S Millions

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

## U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky May 2009

(Dollars in millions)

	CURRENT MONTH			YEAR TO DATE				
	Ac	tual	Plan Variance F(U)		Actual		Va	Plan riance 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		CURREN	T MONTH	1	YEAR TO DATE			
	Α	ctual	Var	Plan riance F(U)		Actual	Va	Plan riance F(U)
			***************************************	10/		TOLLIGA		10)
Net Electric Revenue Margin - retail	\$	54.8	\$	(0.1)	\$	288.0	\$	3.9
Weather	****			(0.2)				0.7
Volume				(0.6)			1	(4.8)
Pricing / Riders				0.9				7.6
Other net revenue margin - retail			l	(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			1	(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
Total	\$	15.1	\$	5.6	\$	106.8	\$	15.2

	CURRENT	CURRENT MONTH		
		Plan Variance		Plan Variance
Key Operational Drivers	Actual	F(U)	Actual	F(U)
DE Midwest:				
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)

	CURRENT MONTH				YEAR TO DATE			
	Ac	ctual	Plan Varlance F(U)		Actual		Plan Variance F(U)	
EBIT, from continuing operations	\$	3.1	\$	0.8	\$	30.7	\$	4.0
EBITDA, from continuing operations	\$	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.

Key EBIT Variance Drivers	CURRE	NT MONTH	YEAR 1	O DATE
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail Weather Volume Pricing / Riders Other net revenue margin - retail	\$ 15.5	\$ 0.2 (0.1) 0.1 0.2	\$ 79.6	3.0 0.2 0.3 0.7 1.8
Net Gas Revenue Margin - retail Weather Volume Pricing / Riders Other net revenue margin - retail	\$ 2.6	\$ - (0.2) (0.2) 0.5 (0.1)	\$ 23.4	\$ 0.5 0.1 0.1 (0.1) 0.4
Bulk power marketing (net of sharing) Operation and maintenance Other Total	(0.1) (10.2) (4.7) \$ 3.1	(0.1) 0.8 (0.1) 0.8	(48.8) (23.5) \$ 30.7	(0.6) 2.4 (1.3) 4.0

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

### AvB

	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins Other Gas Margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail	(0.7) 0.3 0.5 (0.1)
Other - Non Retail	
General taxes - net of riders Depreciation and amortization Budget Conservatism Total Other - Non Retail	(0.6) 0.3 1.3 \$ 1.0
May YTD EBIT - AvB	AvB
	Consolidated Ohlo & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins Other gas margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail	(1.6) 2.6 2.3 (0.3) 3.0
Other - Non Retail	
General taxes - net of riders Depreciation Budget Conservatism Miscellaneous other Total Other - Non Retail	(1.2) (1.2) 6.3 (0.2) \$ 3.7

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

	CURRENT	MONTH	QUARTER TO DATE	YEAR TO DATE			
		Plan Variance	Prior Year Variance		Plan Variance	Prior Year Variance	
	Actual	F(U)	Actual F(U)	Actual	F(U)	F(U)	
EBIT, from continuing operations	\$ 10.7	\$ (6.0)	\$ 37.0 \$ (4.2)	\$ 117.4	\$ 9.3	\$ (20.3)	
FBITDA, from continuing operations	\$ 27.7	\$ (6.5)	\$ 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 ys. 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.

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				QUARTE	R TO DATE	 YEAR TO DATE			
,				lan riance			Prior Year Variance		Pla: Varia:		Prior Year Variance
	A	tual		(U)	A	ctual	F(U)	 Actual	F(U	}	F(U)
Net Electric Revenue Margin - retail	\$	58.8	\$	(4.3)	\$	162.1	\$ (13.2)	\$ 346.7	S	(0.4) 5	(18,3)
Weather			T	1.7			1.2			2.5	(2.4)
Volume				(1.7)			(3.5)			(6.7)	(8.3)
Pricing / Riders			1	(5.1)			(12.8)		1	2.5	(13.4)
Revenue give-backs				(0.0)			0.0		1	(0.0)	0.0
Other net revenue margin - retail				0.8			1.9		L	1.3	5.8
Net Gas Revenue Margin - retail	\$	19,2	\$	0.9	\$	58.6	\$ 11.1	\$ 150.5	\$	2.3 \$	
Weather				0.0			0,6			0.5	(2.6)
Volume			]	(0.2)			(1.2)			0.6	(2.3)
Pricing / Riders				0.9			10,0		ĺ	(1.8)	13.3
Revenue give-backs			1	0.0			0.0		ļ	(0,0)	0.0
Other net revenue margin - retail			L	0.2			1.7		L	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
Total	\$	10.7	\$	(6.0)	\$	37.0	\$ (4.2)	\$ 117.4	\$	9.3 \$	(20.3)

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

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

	CURRENT MONTH			YEAR TO DATE				
	Plan				F	Plan		
	Ac	ctual		iance (U)	Actual		Variance F(U)	
EBIT, from continuing operations	\$	7.9	\$	4.4	\$	38.6	\$	8.4
EBITDA, from continuing operations	\$	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.

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

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

### AvB

	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins Other Gas Margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail  Other - Non Retail	0.3 0.4 0.4 (0.1)
Other - Non-Netan	
Budget Conservatism Depreciation and amortization Miscellaneous other Total Other - Non Retail	1.3 0.5 0.6 \$ 2.4
June YTD EBIT - AvB	AvB
	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins Other gas margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail	(1.3) 3.0 2.8 (0.3) 4.2
Other - Non Retail	
General taxes - net of riders Depreciation Budget Conservatism Miscellaneous other Total Other - Non Retail	(1.3) (0.7) 7.5 0.7 \$ 6.2

## U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky July 2009

(Dollars in millions)

	CURREN	YEAR TO DATE			
	Plan Variance Actual 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				
				Plan				Plan
			Va	riance			Va	riance
	A	ctual		F(U)		Actual		F(U)
Net Electric Revenue Margin - retail	\$	57.4	\$	(15.7)	\$	404.1	\$	(16.2)
Weather				(8.6)				(6.2)
Volume			ĺ	(1.4)				(7.9)
Pricing / Riders			-	(5.7)			1	(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				-				0.5
Volume			1	(0.1)				0.4
Pricing / Riders			1	-				(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
Total	\$	15.1	\$	(13.6)	\$	132.5	\$	(4.3)

		CURRENT MONTH		
	Autori	Plan Variance	A-41	Plan Variance
Key Operational Drivers	Actual	F(U)	Actual	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)

		CURRENT MONTH			YEAR TO DA			<u> </u>
		Plan				Plai	n	
	Ac	Variance F(U)		Actual	-	Variance F(U)		
EBIT, from continuing operations	\$	4.1	\$	(2.1)	\$ 42.7		<u> </u>	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.

Key EBIT Variance Drivers C			T MONTH	YEAR TO DATE			
			Plan		Plan		
			Variance		Variance		
	A	ctual	F(U)	Actual	F(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)		
Total	\$	4.1	(2.1)	\$ 42.7	6.3		

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

### ΑvΒ

	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins Other Gas Margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail	0.1 0.4 (0.1) - 0.4
Other - Non Retail	
General taxes - net of riders Depreciation and amortization Budget Conservatism Miscellaneous other Total Other - Non Retail	(0.9) 0.2 1.3 (0.2) \$ 0.4
July YTD EBIT - AvB	AvB
	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins Other gas margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail	(1.2) 3.4 2.7 (0.4) 4.5
Other - Non Retail	
General taxes - net of riders Depreciation Budget Conservatism Gain on disposal of property Miscellaneous other Total Other - Non Retail	(2.1) (0.5) 8.8 0.3 0.1 \$ 6.6

### U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky August 2009

(Dollars in millions)

	CURREN	YEAR TO DATE			
	Plan Variance Actual F(U)		Variance		
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			
	A	ctual	Var	lan iance (U)		\ctual	Va	Plan riance F(U)	
Net Electric Revenue Margin - retail	\$	78.2	\$	5.2	\$	482.4	\$	(11.0)	
Weather				(5.0)				(11.2)	
Volume				1.5			1	(6.4)	
Pricing / Riders				2.3			1	(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	(1.7)	
Other net revenue margin - retail			<u> </u>	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	
Total	\$	35.9	\$	8.8	\$	168.4	\$	4.5	

	CURRENT MONTH		YEAR TO DATE		
		Plan		Plan	
		Variance		Variance	
ey Operational Drivers	Actual	F(U)	Actual	F(U)	
DE Midwest:	•	***************************************			
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)

	CURREN	YEAR	TO DATE	
		Plan		Plan
	Actual	Variance F(U)	Actual	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	YEAR TO DATE		
		Plan				P	lan	
				iance			iance	
	A	ctual	F	(U)	Actual	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			L	0.2		L	2.4	
Net Gas Revenue Margin - retail	\$	2.4	\$	0.2	\$ 30.5		1.1	
Weather	<u> </u>			-			0.2	
Volume			ļ	(0.1)			(0.3)	
Pricing / Riders				0.2			0.5	
Other net revenue margin - retail			Ĺ	0.1		L	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)	
Total	\$	6.2		(0.1)	\$ 48.9		6.2	

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

### AvB

	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins Other Gas Margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail	5.8 0.5 0.6 (0.1) 6.8
Other - Non Retail	
General taxes - net of riders Depreciation and amortization Budget Conservatism Miscellaneous other	0.5 0.4 1.3 -
Total Other - Non Retail	\$ 2.2
August YTD EBIT - AvB	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins Other gas margins Fuel Miscellaneous other Total Other Net Revenue Margin - Retail	4.6 3.9 3.3 (0.4)
Other - Non Retail	
General taxes - net of riders Depreciation Budget Conservatism Gain on disposal of property Miscellaneous other	(1.6) (0.1) 10.0 0.3 0.3
Total Other - Non Retail	\$ 8.9