



550 South Tryon Street
Charlotte, NC 28202

April 27, 2012

Mr. Jeff D. Cline
Annual Report Branch Manager
Commonwealth of Kentucky
Public Services Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

RECEIVED

APR 30 2012

PUBLIC SERVICE
COMMISSION

Dear Mr. Cline:

Enclosed is a copy, duly verified, of Duke Energy Kentucky, Inc.'s
***FERC Form No. 1: Annual Report of Major Electric Utilities, Licensees and Others and
FERC Form No. 2: Annual Report of Major Natural Gas Companies***
for the year ended December 31, 2011 along with all supplemental pages.

Please note that the notarized copies of the "Report of Gross Operating Revenues from Intra-Kentucky Business" and "Report of Gross Operating Revenues and Wholesale Power Costs" were sent via UPS to you on March 7, 2012.

Additionally, all reports were submitted electronically via the submission software on the Kentucky Public Service Commission website on April 27, 2012. As required, hard copies of those pages are also enclosed, along with duly notarized Oaths.

Sincerely,

Sharon L. Hood
Lead Accounting Analyst

Confirmation Receipt

Investor-Owned Electric Utilities	1001200 Duke Energy Kentucky, Inc.	FROM 01/01/2011 TO 12/31/2011
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Utility has marked all schedules as complete.

4/27/2012 9:32:14 AM

- Print and attach this receipt. [Print Receipt](#)
- Print all schedules.
- Attach the oath page and any additional required pages.
- Send one copy to the Public Service Commission.

Thank you.

A copy of this confirmation can be sent to email address:

Sharon.Hood@duke-enc

PUBLIC SERVICE COMMISSION
 ANNUAL REPORT BRANCH
 APR 30 2012
 RECEIVED
 EXAMINED BY _____

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year	\$0.00	
Is Principal Current?	Y	
Is Interest Current?	Y	

PUBLIC SERVICE COMMISSION
ANNUAL REPORT BRANCH
APR 30 2012
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EXAMINED BY _____

Services Performed by Independent CPA

	Yes/No	A/C/R
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Are your financial statements examined by a Certified Public Accountant?

Enter Y for Yes or N for No

Y

If yes, which service is performed?

Enter an X on each appropriate line

Audit

X

Compilation

Review

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Additional Information - Part 1

	Total	Amount
Please furnish the following information, for Kentucky Operations only		
Number of Rural Customers (other than farms)	28,905	
Number of Farms Served (A farm is any agricultural operating unit consisting of 3 acres or more)	754	
Number of KWH sold to all Rural Customers	1,418,542,317	
Total Revenue from all Rural Customers		\$104,481,396.00
LINE DATA		
Total Number of Miles of Wire Energized (located in Kentucky)	0	
Total number of Miles of Pole Line (Located in Kentucky)	0	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Additional Information - Counties

Boone, Campbell, Grant, Kenton, Pendleton

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Supplemental Electric Information

	Revenues	KWHs Sold	Customers
Residential (440)	\$125,417,440.00	1,494,370,524	120,423
Commercial and Industrial Sales			
Small (or Comercial)	\$110,313,927.00	1,427,247,888	13,396
Large (or Industrial)	\$52,612,717.00	785,033,393	379
Public St and Hwy Lighting (444)	\$1,458,272.00	15,225,721	408
Other Sales to Public Authorities (445)	\$22,607,569.00	300,085,325	968
Sales to Railroads and Railways (446)	\$0.00	0	0
Interdepartmental Sales (448)	\$52,567.00	714,466	0
Total Sales to Ultimate Customers	\$312,462,492.00	4,022,677,317	135,574
Sales For Resale (447)	\$23,334,960.00	662,841,000	1
Total Sales of Electricity	\$335,797,452.00	4,685,518,317	135,575

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Identification (Ref Page: 1)

Name	Address1	Address2	City	State	Zip	Phone
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Exact Legal Name of Respondent

Duke Energy Kentucky, Inc.						
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Previous Name and Date of change (if name changed during the year)

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Name Address and Phone number of the contact person

Sharon Hood	550 South Tryon Street		Charlotte	NC	28202	7043823451
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Note File: Attestation and signature via Electronic Filing

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

General Information - (1) (Ref Page: 101)

	Name	Address	City	State	Zip
Provide name and title of the Officer having custody of the general corporate books of account	Steven K. Young, SVP & Controller	550 South Tryon Street	Charlotte	NC	28202
Provide Address of Office where the general Corporate books are kept		550 South Tryon Street	Charlotte	NC	28202
Provide the Address of any other offices where other coporate books are kept if different from where the general corporate books are kept		139 East Fourth Street	Cincinnati	OH	45202

General Information (2,3,4) (Ref Page: 101)

Explain

Provide the name of the State under the laws which respondent is incorporated and date

If incorporated under a special law give reference to such law

If not incorporated state that fact and give the type of organization and the date organized

Commonwealth of Kentucky. Date of Incorporation: March 20, 1901

If at any time during the year the property of respondent was held by a receiver or trustee

give (a) the name of receiver or trustee

(b) date such receiver or trustee took possession

(c) the authority by which the receivership or trusteeship was created and

(d) date when possession by receiver or trustee ceased.

Not applicable

State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Kentucky - Gas and Electric

Control Over Respondent (Ref Page: 102)

Explain

If any corporation, business trust or similar organization or combination of such organizations jointly held control over respondent at end of year

state name of controlling corporation or organization

manner in which control was held and extent of control.

If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization.

If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained and purpose of the trust.

Duke Energy Kentucky, Inc. is a wholly-owned subsidiary of Duke Energy Ohio, Inc. Duke Energy Ohio, Inc. is a wholly-owned subsidiary of Cinergy Corp., which is a wholly-owned subsidiary of Duke Energy Corporation.

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Corporations Controlled by Respondent (Ref Page: 103)

Name of Company	Business	Percent Voting Stock
N/A		0.00000000

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Officers (Ref Page: 104)

Title	Name	First	Salary
Chief Executive Officer	Rogers	James E.	\$0.00
Chief Financial Officer	Good	Lynn J.	\$600,000.00
GE/Chief Generation Offic	Jamil	Dhiala M.	\$525,000.00
President	Janson	Julia S.	\$322,520.00
GE/Chief Legal Officer	Manly	Marc E.	\$600,000.00
SVP, Tax	Butler	Keith G.	\$311,422.00
SVP, Fin Plann & Analysis	Caldwell	Myron L.	\$285,427.00
Chief Risk Officer	Daji	Swati V.	\$224,952.00
SVP/Treasurer	De May	Stephen G.	\$292,818.00
SVP, Construction & Proj	Haviland	Richard W.	\$440,000.00
SVP/Chief Customer Offic	Manes	Gianna M.	\$310,361.00
SVP/Chief Info Officer	Mullinax	A.R.	\$387,653.00
SVP, Strategy, Wholesale	Newton	Paul R.	\$315,810.00
SVP/Chief Procure Officer	Reising	Ronald R.	\$302,544.00
SVP, Generation Support	Roebel	John J.	\$283,512.00
SVP, Power Delivery	Stanley	Jim L.	\$321,300.00
SVP, Fed Govt & Regulatory	Tyndall	William F.	\$364,140.00
SVP/Chief HR Officer	Weber	Jennifer L.	\$460,000.00
SVP/Controller	Young	Steven K.	\$308,786.00
VP/Corporate Secretary	Maltz	David S.	\$258,019.00
VP, Accounting	Wiles	James D.	\$242,159.00
SVP/Chief Tech Officer	Mohler	David W.	\$234,881.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Directors (Ref Page: 105)

Name (and Title)	Principal Bus. Addr.	City	State	Zip
Lynn J. Good (Chief Financial Officer)	550 South Tryon Street	Charlotte	NC	28202
Marc E. Manly (Group Executive/Chief Legal Officer)	550 South Tryon Street	Charlotte	NC	28202
James E. Rogers (Chief Executive Officer)	550 South Tryon Street	Charlotte	NC	28202

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Important Changes During the Year (Ref Page: 108)

Explain

Give particulars concerning the matters indicated below.

1. Changes in and important additions to franchise rights:	None
2. Acquisition of ownership in other companies by reorganization, merger or consolidation with other companies:	See Notes to Financial Statements, Note 2, "Acquisitions"
3. Purchase or sale of an operating unit or system:	See Notes to Financial Statements, Note 2, "Acquisitions" and Note 3, "Regulatory Matters"
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given assigned or surrendered:	None
5. Important extension or reduction of transmission or distribution system:	None
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees.	See Notes to Financial Statements, Note 5, "Debt and Credit Facilities"
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.	None
8. State the estimated annual effect and nature of any important wage scale changes during the year.	During the fourth quarter 2011, employees bargained for by IBEW Local 1347 received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled \$4,306 in annualized costs or a monthly amount of approximately \$359.
9. State briefly the status of any materially important legal proceedings pending at the end of the year and the results.	See Notes to Financial Statements, Note 3, "Regulatory Matters" and Note 4, "Commitments and Contingencies"
10. Describe briefly any materially important transactions not disclosed elsewhere in this report in which an officer, director, or associated company was a party or had a material interest.	None
(Reserved)	(Reserved)
12. If the important changes appear in the annual report to stockholders are applicable and furnish data required by instructions 1 - 11 such notes may be included.	None

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
1. UTILITY PLANT		
2. Utility Plant (101-106,114)	\$1,593,477,412.00	\$1,629,663,486.00
3. Construction Work in Progress (107)	\$14,510,244.00	\$27,611,713.00
4. TOTAL UTILITY PLANT	\$1,607,987,656.00	\$1,657,275,199.00
5. (Less) Accum. Prov. for Depr. Amort. Depl. (108,111,115)	\$708,752,314.00	\$744,281,884.00
6. Net Utility Plant	\$899,235,342.00	\$912,993,315.00
7. Nuclear Fuel (120.1-120.4,120.6)	\$0.00	\$0.00
8. (Less) Accum. Prov. for Amort. of Nucl. Assemblies (120.5)	\$0.00	\$0.00
9. Net Nuclear Fuel	\$0.00	\$0.00
10. Net Utility Plant (Enter Total of Line 6 and Line 9)	\$899,235,342.00	\$912,993,315.00
11. Utility Plant Adjustments (116)	\$0.00	\$0.00
12. Gas Stored Underground - Non Current (117)	\$0.00	\$0.00
13. OTHER PROPERTY AND INVESTMENTS		
14. Nonutility Property (121)	\$24,088,348.00	\$24,088,348.00
15. (Less) Accum. Prov. for Depr and Amort. (122)	\$16,435,934.00	\$17,723,306.00
16. Investment in Associated Companies (123)	\$0.00	\$0.00
17. Investments in Subsidiary Companies (123.1)	\$0.00	\$0.00
18.		
19. Noncurrent Portion of Allowances	\$0.00	\$0.00
20. Other Investments (124)	\$1,500.00	\$1,500.00
21. Special Funds (125-128)	\$0.00	\$0.00
22. TOTAL Other Property and Investments	\$7,653,914.00	\$6,366,542.00
23. CURRENT AND ACCRUED ASSETS		
24. Cash (131)	\$7,315,421.00	\$9,873,513.00
25. Special Deposits (132-134)	\$0.00	\$0.00
26. Working Fund (135)	\$2,500.00	\$0.00
27. Temporary Cash Investments (136)	\$25,480,000.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
28. Notes Receivable (141)	\$0.00	\$0.00
29. Customer Accounts Receivable (142)	\$1,354,042.00	\$2,711,715.00
30. Other Accounts Receivable (143)	\$5,108,551.00	\$4,009,492.00
31. (Less) Accum. Prov. for Uncollectible Acct. Credit (144)	\$339,747.00	\$243,221.00
32. Notes Receivable from Associated Companies (145)	\$101,860,360.00	\$31,908,184.00
33. Accounts Receivable from Assoc. Companies (146)	\$4,443,258.00	\$70,462.00
34. Fuel Stock (151)	\$20,129,313.00	\$17,624,306.00
35. Fuel Stock Expenses Undistributed (152)	\$0.00	\$0.00
36. Residuals (Elec) and Extracted Products (153)	\$0.00	\$0.00
37. Plant Materials and Operating Supplies (154)	\$15,920,942.00	\$18,379,080.00
38. Merchandise (155)	\$0.00	\$0.00
39. Other Materials and Supplies (156)	\$0.00	\$0.00
40. Nuclear Materials Held for Sale (157)	\$0.00	\$0.00
41. Allowances (158.1 and 158.2)	\$1,580,008.00	\$553,203.00
42. (Less) Noncurrent Portion of Allowances	\$0.00	\$0.00
43. Stores Expense Undistributed (163)	\$1,266,445.00	\$814,113.00
44. Gas Stored Underground - Current (164.1)	\$6,101,308.00	\$0.00
45. Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	\$0.00	\$0.00
46. Prepayments (165)	\$1,483,709.00	\$2,950,497.00
47. Advances for Gas (166-167)	\$0.00	\$0.00
48. Interest and Dividends Receivable (171)	\$49,929.00	\$0.00
49. Rents Receivable (172)	\$0.00	\$78,000.00
50. Accrued Utility Revenues (173)	\$0.00	\$0.00
51. Miscellaneous Current and Accrued Assets (174)	\$561,502.00	\$8,509,140.00
52. Derivative Instrument Assets (175)	\$0.00	\$221,976.00
53. Derivative Instrument Assets - Hedges (176)	\$0.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
54. TOTAL Current and Accrued Assets	\$192,317,541.00	\$97,460,460.00
55. DEFERRED DEBITS		
56. Unamortized Debt Expenses (181)	\$2,452,656.00	\$2,793,101.00
57. Extraordinary Property Losses (181.1)	\$0.00	\$0.00
58. Unrecovered Plant and Regulatory Study Costs (182.2)	\$0.00	\$0.00
59. Other Regulatory Assets (182.3)	\$12,541,331.00	\$16,684,902.00
60. Prelim. Survey and Investigation Charges (Electric) (183)	\$1,761,706.00	\$2,301,918.00
61. Prelim. Sur. and Invest. Charges (Gas) (183.1,183.2)	\$0.00	\$0.00
62. Clearing Accounts (184)	\$21,652.00	\$35,376.00
63. Temporary Facilities (185)	(\$1,525.00)	(\$21,595.00)
64. Miscellaneous Deferred Debits (186)	\$35,279,166.00	\$37,376,859.00
65. Def. Losses from Disposition of Utility Plt. (187)	\$0.00	\$0.00
66. Research, Devel. and Demonstration Expend. (188)	\$0.00	\$0.00
67. Unamortized Loss on Reaquired Debt (189)	\$3,096,800.00	\$2,813,656.00
68. Accumulated Deferred Income Taxes (190)	\$1,377,750.00	\$6,735,833.00
69. Unrecovered Purchased Gas Costs (191)	(\$416,895.00)	(\$2,306,548.00)
70. TOTAL Deferred Debits	\$56,112,641.00	\$66,413,502.00
71. Total Assets and other Debits (Total Lines 10,11,12,22,54,70)	\$1,155,319,438.00	\$1,083,233,819.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
1. PROPRIETARY CAPITAL		
2. Common Stock Issued (201)	\$8,779,995.00	\$8,779,995.00
3. Preferred Stock Issued (204)	\$0.00	\$0.00
4. Capital Stock Subscribed (202,205)	\$0.00	\$0.00
5. Stock Liability for Conversion (203,206)	\$0.00	\$0.00
6. Premium on Capital Stock (207)	\$18,838,946.00	\$18,838,946.00
7. Other Paid-in Capital Stock (208-211)	\$148,655,189.00	\$148,655,189.00
8. Installments Received on Capital stock (212)	\$0.00	\$0.00
9. (Less) Discount on Capital Stock (213)	\$0.00	\$0.00
10. (Less) Capital Stock Expense (214)	\$0.00	\$0.00
11. Retained Earnings (215,215.1,216)	\$289,079,935.00	\$178,389,553.00
12. Unappropriated Undistributed Subsidiary Earnings (216.1)	\$0.00	\$0.00
13. (Less) Reacquired Capital Stock (217)	\$0.00	\$0.00
14. Accumulated Other Comprehensive Income (219)	\$0.00	\$0.00
15. TOTAL Proprietary Capital	\$465,354,065.00	\$354,663,683.00
16. LONG TERM DEBT		
17. Bonds (221)	\$0.00	\$0.00
18. (Less) Reacquired Bonds (222)	\$0.00	\$0.00
19. Advances from Associated Companies (223)	\$0.00	\$0.00
20. Other Long-Term Debt (224)	\$332,571,494.00	\$332,571,494.00
21. Unamortized Premium on Long-Term Debt (225)	\$0.00	\$0.00
22. (Less) Unamortized Discount on LongTerm Debt (226)	\$800,689.00	\$710,262.00
23. TOTAL Long Term Debt	\$331,770,805.00	\$331,861,232.00
24. OTHER NONCURRENT LIABILITIES		
25. Obligations Under Capital Leases-NonCurrent (227)	\$10,914,651.00	\$8,878,042.00
26. Accumulated Provision for Property Insurance (228.1)	\$0.00	\$0.00
27. Accumulated Provision for Injuries and Damages (228.2)	\$0.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011
Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
28. Accumulated Provision for Pensions and Benefits (228.3)	\$16,864,581.00	\$13,754,004.00
29. Accumulated Miscellaneous Operating Provisions (228.4)	\$520,000.00	\$520,000.00
30. Accumulated Provision for Rate Refunds (229)	\$0.00	\$0.00
31. Asset Retirement Obligations (230)	\$5,512,010.00	\$5,859,011.00
32. TOTAL OTHER Noncurrent Liabilities	\$33,811,242.00	\$29,011,057.00
33. CURRENT AND ACCRUED LIABILITIES		
34. Notes Payable (231)	\$0.00	\$0.00
35. Accounts Payable (232)	\$30,381,577.00	\$27,166,108.00
36. Notes Payable to Associated Companies (233)	\$0.00	\$0.00
37. Account Payable to Associated Companies (234)	\$17,304,664.00	\$25,977,263.00
38. Customer Deposits (235)	\$8,127,400.00	\$8,367,445.00
39. Taxes Accrued (236)	\$8,273,137.00	\$7,389,694.00
40. Interest Accrued (237)	\$3,985,331.00	\$4,133,070.00
41. Dividends Declared (238)	\$0.00	\$0.00
42. Matured Long-Term Debt (239)	\$0.00	\$0.00
43. Matured Interests (240)	\$0.00	\$0.00
44. Tax Collections Payable (241)	\$1,883,035.00	\$1,625,734.00
45. Miscellaneous current and Accrued Liabilities (242)	\$9,719,380.00	\$7,733,476.00
46. Obligations Under Capital Leases - Current (243)	\$1,903,733.00	\$2,046,316.00
47. Derivative Instrument Liabilities (244)	\$42,847.00	\$8,472,629.00
48. Derivative Instrument Liabilities - Hedges (245)	\$4,628,100.00	\$0.00
49. TOTAL Current and Accrued Liabilities	\$86,249,204.00	\$92,911,735.00
50. DEFERRED CREDITS		
51. Customer Advances for Construction (252)	\$1,323,510.00	\$1,030,284.00
52. Accumulated Deferred Investment Tax Credits (255)	\$2,554,791.00	\$1,776,454.00
53. Deferred Gains from Disposition of Utility Plant (256)	\$0.00	\$0.00
54. Other Deferred Credits (253)	\$8,308,119.00	\$22,449,809.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
55. Other Regulatory Liabilities (254)	\$3,596,892.00	\$6,823,376.00
56. Unamortized gain on Reacquired Debt (257)	\$0.00	\$0.00
57. Accumulated Deferred Income Taxes (281-283)	\$222,350,810.00	\$242,706,189.00
58. TOTAL Deferred Credits	\$238,134,122.00	\$274,786,112.00
59. TOTAL Liabilities and Other Credits (Total Lines 14,22,30,48 and 57)	\$1,155,319,438.00	\$1,083,233,819.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement of Income for the Year (Ref Page: 114)

	Total (c)	Total - Prev Yr (d)	Electric (e)	Gas (g)	Other (f)
1..UTILITY OPERATING INCOME					
2. Operating Revenues (400)	\$458,674,872.00	\$486,740,594.00	\$343,471,128.00	\$115,203,744.00	\$0.00
3. Operating Expenses					
4. Operation Expenses (401)	\$306,812,697.00	\$311,682,848.00	\$232,174,175.00	\$74,638,522.00	\$0.00
5. Maintenance Expenses (402)	\$27,533,307.00	\$32,051,992.00	\$25,749,932.00	\$1,783,375.00	\$0.00
6. Depreciation Expense (403)	\$38,438,584.00	\$37,481,857.00	\$28,841,028.00	\$9,597,556.00	\$0.00
7. Depreciation Expense for Asset Retirement Costs (403.1)					
8. Amort and Depl of Utility Plant (404-405)	\$4,595,742.00	\$6,181,917.00	\$2,978,707.00	\$1,617,035.00	\$0.00
9. Amort of Utility Plant Acq. Adj (406)					
10. Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)					
11. Amort. of Conversion Expenses (407)					
12. Regulatory Debits (407.3)	\$7,052,265.00	\$8,751,639.00	\$5,197,697.00	\$1,854,568.00	\$0.00
13. (Less) Regulatory Credits (407.4)					
14. Taxes Other than Income Taxes (408.1)	\$11,869,635.00	\$10,545,022.00	\$7,946,803.00	\$3,922,832.00	\$0.00
15. Income Taxes - Federal (409.1)	\$3,733,788.00	\$1,218,643.00	\$3,625,970.00	\$107,818.00	\$0.00
16. Income Taxes - Other (409.1)	\$1,415,793.00	\$1,495,631.00	\$998,335.00	\$417,458.00	\$0.00
17. Provision for Deferred Income Taxes (410.1)	\$54,160,006.00	\$53,187,046.00	\$31,760,811.00	\$22,399,195.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement of Income for the Year (Ref Page: 114)

	Total (c)	Total - Prev Yr (d)	Electric (e)	Gas (g)	Other (f)
18. (Less) Provision for Deferred Income Taxes (411.1)	\$33,606,494.00	\$33,962,981.00	\$26,344,659.00	\$7,261,835.00	\$0.00
19. Investment Tax Credit Adj. - Net (411.4)	(\$142,557.00)	(\$160,714.00)	(\$70,561.00)	(\$71,996.00)	\$0.00
20. (Less) Gains from Disp. of Utility Plant (411.6)					
21. Losses from Disp. of Utility Plant (411.7)					
22. (Less) Gains from Disposition of Allowances (411.8)	\$6,841.00	\$11,239.00	\$6,841.00	\$0.00	\$0.00
23. Losses from Disposition of Allowances (411.9)					
24. Accretion Expense (411.10)					
25. Total Utility Operating Expenses (Enter Total of Lines 4 - 24)	\$421,855,925.00	\$428,461,661.00	\$312,851,397.00	\$109,004,528.00	\$0.00
26. Net Utility Operating Income (Line 2 less line 25 - Carry forward to pg 117 line 25)	\$36,818,947.00	\$58,278,933.00	\$30,619,731.00	\$6,199,216.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement of Income (continued) (Ref Page: 117)

	Current Year	Previous Year
27. Net Utility Operating Income (Carried from pg 114)	\$36,818,947.00	\$58,278,933.00
28. Other Income and Deductions		
29. Other Income		
30. Nonutility Operating Income		
31. Revenues From Merchandising, Jobbing and Contract Work (415)	\$220,100.00	\$327,566.00
32. (Less) Costs and Exp. of Merchandising, Job. and Contract Work (416)	\$78,550.00	\$114,631.00
33. Revenues From Nonutility Operations (417)	\$8,289.00	\$1,094.00
34. (Less) Expenses of Nonutility Operations (417.1)	(\$181,222.00)	\$1,153.00
35. Nonoperating Rental Income (418)	(\$239,695.00)	(\$636,132.00)
36. Equity in Earnings of Subsidiary Companies (418.1)		
37. Interest and Dividend Income (419)	\$2,815,133.00	\$2,917,823.00
38. Allowance for Other Funds Used During Construction (419.1)	\$595,773.00	\$353,341.00
39. Miscellaneous Nonoperating Income (421)	\$1,484.00	\$54,628.00
40. Gain on Disposition of Property (421.1)		
41. TOTAL Other Income	\$3,503,756.00	\$2,902,536.00
42. Other Income Deductions		
43. Loss on Disposition of Property (421.2)	\$0.00	\$0.00
44. Miscellaneous Amortization (425)		
45. Miscellaneous Income Deductions (426.1 - 426.5)	\$1,752,435.00	\$805,171.00
46. TOTAL Other Income Deductions	\$1,752,435.00	\$805,171.00
47. Taxes Applic. to Other Income and Deductions		
48. Taxes Other Than Income Taxes (408.2)	\$294,580.00	\$304,148.00
49. Income Taxes - Federal (409.2)	\$2,312,927.00	\$4,061,919.00
50. Income Taxes - Other (409.2)	\$367,360.00	\$706,305.00
51. Provision for Deferred Inc. Taxes (410.2)	\$1,819,917.00	\$292,056.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement of Income (continued) (Ref Page: 117)

	Current Year	Previous Year
52. (Less) Provision for Deferred Income Taxes CR (411.2)	\$7,593,444.00	\$3,890,203.00
53. Investment Tax Credit Adj. Net (411.5)	(\$433,041.00)	(\$541,655.00)
54. (Less) Investment Tax Credits (420)		
55. TOTAL Taxes on Other Income and Deduct.	(\$3,231,701.00)	\$932,570.00
56. Net Other Income and Deductions (Lines 41,46,55)	\$4,983,022.00	\$1,164,795.00
57. Interest Charges		
58. Interest on Long Term Debt (427)	\$13,821,653.00	\$13,839,721.00
59. Amort of Debt Disc. and Expense (428)	\$294,680.00	\$450,571.00
60. Amortization of Loss on Reacquired Debt (428.1)	\$283,143.00	\$283,143.00
61. (Less) Amort. of Premium on Debt - CR (429)		
62. (Less) Amortization of Gain on Reacquired Debt - CR (429.1)		
63. Interest on Debt to Assoc. Companies (430)		\$0.00
64. Other Interest Expense (431)	\$3,306,183.00	\$1,764,048.00
65. (Less) Allowance for Borrowed Funds Used During Construction CR (432)	\$213,308.00	\$155,043.00
66. Net Interest Charges	\$17,492,351.00	\$16,182,440.00
67. Income Before Extraordinary Items (Lines 25,54 and 64)	\$24,309,618.00	\$43,261,288.00
68. Extraordinary Items		
69. Extraordinary Income (434)		
70. (Less) Extraordinary Deductions (435)		
71. Net Extraordinary Items (Lines 67 less 68)	\$0.00	
72. Income Taxes - Federal and Other (409.3)		
73. Extraordinary Items After Taxes (Lines 69 less 70)		
74. Net Income (Lines 67 and 73)	\$24,309,618.00	\$43,261,288.00

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Statement of Retained Earnings for the Year (Ref Page: 118)

Item (a)	Acct (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS		
(216)		
State balance and purpose of each appropriated retained earnings amount at end of year		
Balance - Beginning of the Year		\$289,079,935.00
Changes (Identify by prescribed retained earnings accounts)		
give accounting entries for any applications of appropriated retained earnings during the year.		
Adjustments to Retained Earnings (439)		
Credit:		
TOTAL Credits to Retained Earnings (439)		\$0.00
Debit:		
TOTAL Debits to Retained Earnings (439)		\$0.00
Balance Transferred from Income (433 less 418.1)	0	\$24,309,618.00
Appropriations of Retained Earnings (436)		
TOTAL appropriations of Retained Earnings (436)		
		\$0.00
Dividends Declared - Preferred stock (437)		
TOTAL Dividends Declared - Preferred Stock (437)		
	0 0	\$0.00
Dividends Declared - Common Stock (438)		
	September 2011 Common Stock Dividends 131 Declared	(\$135,000,000.00)
TOTAL Dividends Declared - Common Stock (438)		(\$135,000,000.00)

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Statement of Retained Earnings for the Year (Ref Page: 118)

Item (a)	Acct (b)	Amount (c)
Transfers from Acct 216.1, Unappropriated Undistributed Subsidiary Earnings		
Balance End of Year (Total Lines 01, 09,15,16,22,29,36,37)		\$178,389,553.00
APPROPRIATED RETAINED EARNINGS (215)		
(215)		
TOTAL Appropriated Retained Earnings (215)		\$0.00
APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL		
TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (215.1)		
TOTAL Appropriated Retained Earnings (total lines 45 and 46) (214,215.1)		\$0.00
TOTAL Retained Earnings (215, 215.1, 216)		\$178,389,553.00
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (216.1)		
Balance - Beginning of Year (Debit or Credit)		
Equity in Earnings for Year (Credit) (418.1)		
(Less) Dividends Received (Debit)		
Other Charges (explain)		
Balance - End of Year		

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement of Cash Flows (Ref Page: 120)

Description		Amounts
Net Cash Flow From Operating Activities:		
Net Income (Line 72 c on page 117)		\$24,309,618.00
Noncash Charges (Credits) to Income:		
Depreciation and Depletion		\$38,438,584.00
Amortization of (Specify)		
	Plant items	\$4,595,742.00
	Debt,Discount,Premium,Exp & Loss on Reacq Debt	\$577,823.00
Deferred Income Taxes (Net)		\$14,779,985.00
Investment Tax Credit Adjustment (Net)		(\$575,598.00)
Net (Increase) Decrease in Receivables		\$17,531,761.00
Net (Increase) Decrease in Inventory		(\$624,587.00)
Net (Increase) Decrease in Allowances Inventory		\$1,026,805.00
Net Increase (Decrease) in Payables and Accrued Expenses		(\$1,880,075.00)
Net (Increase) Decrease in Other Regulatory Assets		\$179,321.00
Net Increase (Decrease) in Other Regulatory Liabilities		\$3,226,484.00
(Less) Allowance for Other Funds Used During Construction		\$595,773.00
(Less) Undistributed Earnings from Subsidiary Companies		
Other:		
	Unrecovered purchased gas costs	\$1,889,653.00
	Prepayments	(\$1,466,788.00)
	Clearing accounts	(\$13,724.00)
	Misc current & accrued assets	(\$722,542.00)
	Derivative instrument assets	(\$221,976.00)
	Misc deferred debits	(\$2,097,693.00)
	Obligations under capital lease-non current	(\$2,036,609.00)
	Accumulated provisions	\$3,228,505.00
	Customer advances for construction	(\$293,226.00)

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Statement of Cash Flows (Ref Page: 120)

	Description	Amounts
	Other deferred credits	\$13,794,688.00
	Contributions to company sponsored pension plan	(\$6,339,082.00)
	Temporary facilities	\$20,070.00
	Net utility plant and nonutility property	\$1,364,923.00
	Cost of removal	\$3,075,458.00
	Deferred income taxes	\$14,572.00
	Derivative instruments	(\$42,847.00)
	Prelim survey & investigation charges	(\$540,212.00)
	Debt expenses	\$288,901.00
	Derivative instrument liabilities	(\$12,037.00)
	Net Cash Provided by (Used in) Operating Activities (Total lines 2 thru 21)	\$110,880,124.00
	Cash Flows from Investment Activities:	
	Construction and Acquisition of Plant (Including Land):	
	Gross Additions to Utility Plant (Less nuclear fuel)	(\$54,253,866.00)
	Gross Additions to Nuclear Fuel	
	Gross Additions to Common Utility Plant	(\$722,841.00)
	Gross Additions to Nonutility Plant	
	(Less) Allowance for Other Funds Used During Construction	(\$595,773.00)
	Other	
	Cash Outflows for Plant (Total lines 26-33)	(\$54,380,934.00)
	Acquisition of Other Noncurrent Assets (d)	
	Proceeds from Disposal of Noncurrent Assets (d)	
	Investments in and Advances to Assoc. and Subsidiary Companies	\$56,410,000.00
	Contributions and Advances from Assoc. and Subsidiary Companies	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement of Cash Flows (Ref Page: 120)

Description	Amounts
Disposition of Investments in (and Advances to) Associated and Subsidiary Companies	
Associated and Subsidiary Companies	
Purchase of Investment Securities (a)	
Proceeds from Sales of Investment Securities (a)	
Loans Made or Purchased	
Collections on Loans	
Net (Increase) Decrease in Receivables	
Net (Increase) Decrease in Inventory	
Net (Increase) Decrease in Allowances Held for Speculation	
Net Increase (Decrease) in Payables and Accrued Expenses	
Other:	
Net Cash Provided by (used in) investing Activities (Lines 34-55)	\$2,029,066.00
Cash Flows from Financing Activities:	
Proceeds from Issuance of:	
Long - Term Debt (b)	
Preferred Stock	
Common Stock	
Other	
Net Increase in Short-Term Debt (c)	
Other	
Cash Provided by Outside Sources (Total lines 61 thru 69)	\$0.00
Payments for Retirement of	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement of Cash Flows (Ref Page: 120)

Description	Amounts
Long-Term Debt (b)	
Preferred Stock	
Common Stock	
Other	
Premium payments & fees on deferred debt	(\$833,598.00)
Net Decrease in Short-Term Debt (c)	
Dividends on Preferred Stock	
Dividends on Common Stock	(\$135,000,000.00)
Net Cash Provided by (used in) Financing Activities (Lines 70 - 81)	(\$135,833,598.00)
Net Increase (Decrease) in Cash and Cash Equivalents (Total Lines 22, 57, 83)	(\$22,924,408.00)
Cash and Cash Equivalents at Beginning of Year	\$32,797,921.00
Cash and Cash Equivalents at End of Year	\$9,873,513.00

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Statement Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Ref Page: 122)

Item (a)	Unrealized Gain + Loss	Min Pension Liability adj	Foreign Currency Hedges (d)	Other Adjustments (e)
(1) Preceding Qtr/Yr to date reclassification from acct 219 to net income	\$0.00	\$0.00	\$0.00	\$0.00
(2) Preceding Qtr/Yr to date changes in fair value	\$0.00	\$0.00	\$0.00	\$0.00
Total of (1) and (2)	\$0.00	\$0.00	\$0.00	\$0.00
(3) Current Qtr/Yr to date reclassification from acct 219 to net income	\$0.00	\$0.00	\$0.00	\$0.00
(4) Current Qtr/Yr to date changes in fair value	\$0.00	\$0.00	\$0.00	\$0.00
Total of (3) and (4)	\$0.00	\$0.00	\$0.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Statement Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Ref Page: 122) (Part Two)

Item (a)	Other Cash Flow Hedges (f)	Other Cash Flow Hedges (g)	Totals for Each Category Acct 219 (h)	Net Income (i)	Total Comprehensive Income (j)
(1) Preceding Qtr/Yr to date reclassification from acct 219 to net income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(2) Preceding Qtr/Yr to date changes in fair value	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total of (1) and (2)	\$0.00	\$0.00	\$0.00	\$43,261,288.00	\$43,261,288.00
(3) Current Qtr/Yr to date reclassification from acct 219 to net income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(4) Current Qtr/Yr to date changes in fair value	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total of (3) and (4)	\$0.00	\$0.00	\$0.00	\$24,309,618.00	\$24,309,618.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	Total (b)	Electric (c)	Gas (d)	Other (Total)	Common (h)
Utility Plant					
In Service					
3. Plant in Service (Classified)	\$1,437,786,159.00	\$1,100,817,043.00	\$298,860,888.00	\$0.00	\$38,108,228.00
4. Property under Capital Leases	\$19,413,392.00	\$5,841,431.00	\$12,970,448.00	\$0.00	\$601,513.00
5. Plant Purchased or Sold					
6. Completed Construction not Classified	\$172,463,935.00	\$75,869,222.00	\$94,160,857.00	\$0.00	\$2,433,856.00
7. Experimental Plant Unclassified					
8. Total - In Service	\$1,629,663,486.00	\$1,182,527,696.00	\$405,992,193.00	\$0.00	\$41,143,597.00
9. Leased to Others					
10. Held for Future Use					
11. Construction Work in Progress	\$27,611,713.00	\$22,347,049.00	\$3,837,880.00	\$0.00	\$1,426,784.00
12. Acquisition Adjustments					
13. Total Utility Plant (Lines 8 - 12)	\$1,657,275,199.00	\$1,204,874,745.00	\$409,830,073.00	\$0.00	\$42,570,381.00
14. Accum. Prov. for Depr, Amort, And Depl.	\$744,281,884.00	\$597,583,327.00	\$118,161,278.00	\$0.00	\$28,537,279.00
15. Net Utility Plant (Line 13 less 14)	\$912,993,315.00	\$607,291,418.00	\$291,668,795.00	\$0.00	\$14,033,102.00
16. Detail of Accumulated Provisions for Depreciation Amortization and Depletion					
17. In Service					
18. Depreciation	\$713,765,532.00	\$593,370,496.00	\$115,524,405.00	\$0.00	\$4,870,631.00
19. Amort. and Depl. of Production Natural Gas Land and Land Rights					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	Total (b)	Electric (c)	Gas (d)	Other (Total)	Common (h)
20. Amort of Underground Storage Land and Land Rights					
21. Amort of Other Utility Plant	\$30,516,352.00	\$4,212,830.00	\$2,638,874.00	\$0.00	\$23,666,648.00
22. Total In Service (Lines 18-21)	\$744,281,884.00	\$597,583,326.00	\$118,161,279.00	\$0.00	\$28,537,279.00
23. Leased to Others					
24. Depreciation					
25. Amortization and Depletion					
26. Total Leased to Others (Lines 24 and 25)					
27. Held for Future Use					
28. Depreciation					
29. Amortization					
30. Total Held for Future Use (Lines 28 and 29)					
31. Abandonment of Leases (Natural Gas)					
32. Amort. Of Plant Aquisition Adj.					
33. Total Accumulated Provisions (Should agree with Line 14, Total 22,26,30,31 and 32)	\$744,281,884.00	\$597,583,326.00	\$118,161,279.00	\$0.00	\$28,537,279.00

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Nuclear Fuel Materials (Ref Page: 202)

	Balance Beg of Yr (b)	Additions (c)	Amortization (d)	Other Reductions (note)	Other Reductions (e)	Balance End of Yr (f)
1. Nuclear Fuel in process of Refinement, Conv, Enrichment + Fab (120.1)	\$0.00	\$0.00	0		\$0.00	\$0.00
2. Fabrication						
3. Nuclear Materials						
4. Allowance for Funds Used during Construction						
5. (Other Overhead Construction Cost, details in notes)						
6. Subtotal (Lines 2-5)						
7. Nuclear Fuel Materials and Assemblies						
8. In Stock (120.2)						
9. In Reactor (120.3)						
10. Subtotal (lines 8 and 9)						
11. Spent Nuclear Fuel (120.4)						
12. Nuclear Fuel Under Capital Leases (120.6)						
13. (Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)						
Total Nuclear Fuel Stock (Lines 6,10,11,12 less 13)						
15. Estimated net Salvage Value of Nuclear Materials in line 9						

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Nuclear Fuel Materials (Ref Page: 202)

	Balance Beg of Yr (b)	Additions (c)	Amortization (d)	Other Reductions (note)	Other Reductions (e)	Balance End of Yr (f)
16. Estimated net Salvage Value of Nuclear Materials in Line 11						
17. Est Net Salvage Value of Nuclear Materials in Chemical Processing						
18. Nuclear Materials held for Sale (157)						
19. Uranium						
20. Plutonium						
21. Other (provide details in note)						
22 Total Nuclear Materials held for Sale (Total 19, 20, 21)						

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Electric Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
1. Intangible Plant						
Organization (301)						
Franchises and Consents (302)						
Miscellaneous Intangible Plant (303)	\$3,222,674.00	\$2,562,517.00	\$0.00	\$0.00	\$0.00	\$5,785,191.00
5. Total Intangible Plant	\$3,222,674.00	\$2,562,517.00	\$0.00	\$0.00	\$0.00	\$5,785,191.00
2. Production Plant						
A. Steam Production Plant						
Land and Land Rights (310)	\$1,686,548.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,686,548.00
Structures and Improvements (311)	\$42,258,087.00	\$448,797.00	\$133,143.00	\$0.00	\$0.00	\$42,573,741.00
Boiler Plant Equipment (312)	\$343,041,163.00	\$917,061.00	\$1,109,358.00	(\$8.00)	\$0.00	\$342,848,858.00
Engines and Engine Driven Generators (313)						
Turbogenerator Units (314)	\$79,823,104.00	\$19,052.00	(\$16,313.00)	\$0.00	\$0.00	\$79,858,469.00
Accessory Electric Equipment (315)	\$30,518,330.00	\$274,753.00	\$142,864.00	\$0.00	\$0.00	\$30,650,219.00
Misc. Power Plant Equipment (316)	\$10,684,551.00	\$1,165,207.00	\$62,794.00	\$0.00	\$0.00	\$11,786,964.00
Asset Retirement Costs for Steam Production (317)	\$484,619.00	\$0.00	\$0.00	\$0.00	\$0.00	\$484,619.00
16. Total Steam Production Plant	\$508,496,402.00	\$2,824,870.00	\$1,431,846.00	(\$8.00)	\$0.00	\$509,889,418.00
B. Nuclear Production Plant						
Land and Land Rights (320)						

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
Structures and Improvements (321)						
Reactor Plant Equipment (322)						
Turbo generator Units (323)						
Accessory Electric Equipment (324)						
Misc. Power Plant Equipment (325)						
Asset Retirement Costs for Nuclear Production (326)						
25. Total Nuclear Production Plant						
C. Hydraulic Production Plant						
Land and Land Rights (330)						
Structures and Improvements (331)						
Reservoirs, Dams and Waterways (332)						
Water Wheels, Turbines, and Generators (333)						
Accessory Electric Equipment (334)						
Misc. Power Plant equipments (335)						
Roads, Railroads and Bridges (336)						
Asset Retirement Costs for Hydraulic Production (337)						

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
35. Total Hydraulic Production Plant						
D. Other Production Plant						
Land and Land Rights (340)	\$2,910,272.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,910,272.00
Structures and Improvements (341)	\$33,797,471.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,797,471.00
Fuel Holders, Products and Accessories (342)	\$15,507,516.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,507,516.00
Prime Movers (343)						
Generators (344)	\$195,744,715.00	\$9,778,484.00	\$3,261,267.00	\$0.00	\$0.00	\$202,261,932.00
Accessory Electric Equipment (345)	\$16,883,945.00	\$2,936,558.00	\$1,567,423.00	\$0.00	\$0.00	\$18,253,080.00
Misc. Power Plant Equipment (346)	\$3,859,861.00	\$1,346,076.00	\$165,915.00	\$0.00	\$0.00	\$5,040,022.00
Asset Retirement Costs for Other Production (347)						
45. Total Other Production Plant	\$268,703,780.00	\$14,061,118.00	\$4,994,605.00	\$0.00	\$0.00	\$277,770,293.00
46. Total Production Plant (Lines 16,25,35 and 45)	\$777,200,182.00	\$16,885,988.00	\$6,426,451.00	(\$8.00)	\$0.00	\$787,659,711.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Plant in Service - Transmission, Distribution and General Plant (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
3. Transmission Plant						
Land and Land Rights (350)	\$1,283,173.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,283,173.00
Structures and Improvements (352)	\$918,576.00	\$6,032.00	\$0.00	\$0.00	\$0.00	\$924,608.00
Station Equipments (353)	\$16,035,695.00	\$47,181.00	\$0.00	\$0.00	\$0.00	\$16,082,876.00
Towers and Fixtures (354)						
Poles and Fixtures (355)	\$6,008,013.00	\$254,014.00	\$69,526.00	\$0.00	\$0.00	\$6,192,501.00
Overhead Conductors and Devices (356)	\$5,012,287.00	\$198,402.00	\$0.00	\$0.00	\$0.00	\$5,210,689.00
Underground Conduit (357)						
Underground Conductors and Devices (358)						
Roads and Trails (359)						
Asset Retirement Costs for Transmission Plant (359.1)						
58. Total Transmission Plant	\$29,257,744.00	\$505,629.00	\$69,526.00	\$0.00	\$0.00	\$29,693,847.00
4. Distribution Plant						
Land and Land Rights (360)	\$11,140,455.00	\$709.00	\$122.00	\$0.00	\$0.00	\$11,141,042.00
Structures and Improvements (361)	\$482,575.00	(\$2,665.00)	\$56,262.00	\$0.00	\$0.00	\$423,648.00
Station equipments (362)	\$48,780,125.00	\$191,748.00	\$261,879.00	\$0.00	\$0.00	\$48,709,994.00
Storage Battery Equipments (363)						
Poles, Towers and Fixtures (364)	\$42,734,400.00	\$2,137,459.00	\$270,974.00	\$0.00	\$0.00	\$44,600,885.00
Overhead Conductors and Devices (365)	\$81,028,872.00	\$2,940,667.00	\$860,354.00	\$0.00	\$626,103.00	\$83,735,288.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Plant in Service - Transmission, Distribution and General Plant (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
Underground Conduit (366)	\$16,766,509.00	\$1,023,696.00	\$375.00	\$0.00	\$0.00	\$17,789,830.00
Underground Conductors and Devices (367)	\$46,874,503.00	\$1,443,467.00	\$172,050.00	\$0.00	(\$106,362.00)	\$48,039,558.00
Lines Transformers (368)	\$60,666,552.00	\$2,583,755.00	\$134,367.00	\$0.00	\$554,433.00	\$63,670,373.00
Services (369)	\$12,529,986.00	\$1,048,655.00	\$29,666.00	\$0.00	\$0.00	\$13,548,975.00
Meters (370)	\$14,540,475.00	\$232,073.00	\$811,880.00	\$0.00	\$351,375.00	\$14,312,043.00
Installations on Customer Premises (371)	(\$3,571.00)	\$9,493.00	(\$1,579.00)	\$0.00	\$0.00	\$7,501.00
Leased Property on Customer Premises (372)	\$9,647.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,647.00
Street Lighting and Signal Systems (373)	\$7,785,060.00	\$278,120.00	\$77,097.00	\$0.00	\$0.00	\$7,986,083.00
Asset Retirement Costs for Distribution Plant (374)						
75. Total Distribution Plant	\$343,335,588.00	\$11,887,177.00	\$2,673,447.00	\$0.00	\$1,425,549.00	\$353,974,867.00
5. General Plant						
Land and Land Rights (389)						
Structures and Improvements (390)	\$206,484.00	\$0.00	\$0.00	\$0.00	\$0.00	\$206,484.00
Office Furniture and Equipment (391)	\$290,841.00	\$1,090,065.00	\$23,763.00	\$0.00	\$0.00	\$1,357,143.00
Transportation Equipment (392)	\$217,855.00	\$0.00	\$9,374.00	\$0.00	\$0.00	\$208,481.00
Stores Equipment (393)						
Tools, shop and Garage Equipments (394)	\$1,092,963.00	\$211,099.00	\$130,167.00	(\$1,034.00)	\$0.00	\$1,172,861.00
Laboratory Equipment (395)						

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Plant in Service - Transmission, Distribution and General Plant (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
Power Operated Equipment (396)	\$12,045.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,045.00
Communication Equipment (397)	\$2,091,589.00	\$365,477.00	\$0.00	\$0.00	\$0.00	\$2,457,066.00
Miscellaneous Equipment (398)						
Subtotal General Plant (Lines 71 thru 80)	\$3,911,777.00	\$1,666,641.00	\$163,304.00	(\$1,034.00)	\$0.00	\$5,414,080.00
Other Tangible Property (399)						
Asset Retirement Costs for General Plant (399.1)						
90. Total General Plant	\$3,911,777.00	\$1,666,641.00	\$163,304.00	(\$1,034.00)	\$0.00	\$5,414,080.00
Total (Accts 101 and 106) (Lines 5,16,25,35,45,58,75,90)	\$1,156,927,965.00	\$33,507,952.00	\$9,332,728.00	(\$1,042.00)	\$1,425,549.00	\$1,182,527,696.00
Electric Plant Purchased (See Instr. 8) (102)						
(Less Electric Plant Sold (See Instr. 8) (102)						
Experimental Plant Unclassified (103)						
Total Electric Plant in Service	\$1,156,927,965.00	\$33,507,952.00	\$9,332,728.00	(\$1,042.00)	\$1,425,549.00	\$1,182,527,696.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Plant Leased to Others (104) (Ref Page: 213)

Name of Lessee (Indicate	Description of Property (b)	Commission Authorization	Exp Date of Lease (d)	Balance End of Yr (e)
N/A				\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Plant Held for Future Use (Acct 105) (Ref Page: 214)

Description	Date Orig. Included (b)	Date Exp. to Use (c)	Balance (d)
Land and Rights:			
N/A			\$0.00
Other Property			
TOTAL			

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Construction Work in Progress - Electric (107) (Ref Page: 216)

	Description (a)	Acct 107 (b)
	Government mandated distribution improvements	\$1,154,186.00
	Woodsdale CT unit 1 overhaul	\$3,080,325.00
	Woodsdale CT unit 3 overhaul	\$1,052,134.00
	Replace East Bend main power transformer	\$2,665,906.00
	East Bend FGD controls replacement	\$1,499,317.00
	East Bend install stack lining	\$1,342,659.00
	Projects less than \$1,000,000	\$11,552,522.00
Total		\$22,347,049.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Provision for Depreciation of Electric Utility Plant (108) (Ref Page: 219)

Item (a)	Total (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
SECTION A BALANCES AND CHARGES DURING THE YEAR				
Balance Beginning of Year	\$571,481,787.00	\$571,481,787.00	\$0.00	\$0.00
Depreciation Provisions for Year Charged to				
Depreciation Expense (403)	\$28,841,028.00	\$28,841,028.00	\$0.00	
Depreciation Expense for Asset Retirement Costs (403.1)				
Exp of Elec Plant Leased to Others (413)				
Transportation Expenses - Clearing				
Other Clearing Accounts				
Other Accounts (Specify)				
ARO's	\$36,962.00	\$36,962.00	\$0.00	\$0.00
Total Depreciation Prov for Year	\$28,877,990.00	\$28,877,990.00	\$0.00	\$0.00
Net Charges for Plant Retired				
Book Cost of Plant Retired	(\$9,169,423.00)	(\$9,169,423.00)	\$0.00	\$0.00
Cost of Removal	\$3,248,791.00	\$3,248,791.00	\$0.00	\$0.00
Salvage (Credit)	(\$49,835.00)	(\$49,835.00)	\$0.00	\$0.00
Total Net Charges for Plant Retired	(\$5,870,797.00)	(\$5,870,797.00)	\$0.00	\$0.00
Other Debit or Credit Items				
Transfers/adjustments	\$154,537.00	\$154,537.00	\$0.00	\$0.00
Common plant provision	(\$1,273,021.00)	(\$1,273,021.00)	\$0.00	\$0.00
Balance End of Year	\$593,370,496.00	\$593,370,496.00	\$0.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Provision for Depreciation of Electric Utility Plant (108) (Ref Page: 219)

Item (a)	Total (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
SECTION B BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATION				
Steam Production	\$306,766,151.00	\$306,766,151.00	\$0.00	\$0.00
Nuclear Production				
Hydraulic Production - Conventional				
Hydraulic Production - Pumped Storage				
Other Production	\$136,601,396.00	\$136,601,396.00	\$0.00	\$0.00
Transmission	\$12,917,083.00	\$12,917,083.00	\$0.00	\$0.00
Distribution	\$136,570,819.00	\$136,570,819.00	\$0.00	\$0.00
General	\$515,047.00	\$515,047.00	\$0.00	\$0.00
Total	\$593,370,496.00	\$593,370,496.00	\$0.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Investments in Subsidiary Companies (123.1) (Ref Page: 224)

Description	Date Acquired (b)	Date Maturity (c)	Investment Beg of Yr. (d)	Equity in Subsidiary (e)	Revenues (f)	Investment End Yr (g)	Invest Disposed of (h)
N/A			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL							

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Materials and Supplies (Ref Page: 227)

Account (a)	Bal Beg of Year (b)	Bal End of Year (c)	Dept (d)
Fuel Stock (151)	\$20,129,313.00	\$17,624,306.00	Gas and Electric
Fuel stock Expenses Undistributed (152)			
Residuals and Extracted Products (153)			
Plant Materials and Operating Supplies (154)			
Assigned to - Construction (Estimated)			
Assigned to - Operations and Maintenance			
Production Plant (Estimated)	\$15,739,453.00	\$18,156,240.00	Gas and Electric
Transmission Plant (Estimated)	\$8,282.00	\$11,269.00	Electric
Distribution Plant	\$173,207.00	\$211,571.00	Gas and Electric
Assigned to Other			
Total Plant Materials and Operating Supplies (154)	\$15,920,942.00	\$18,379,080.00	
Merchandise (155)			
Other Materials and Supplies (156)			
Nuclear Materials Held for Sale (Not applicable to Gas Utilities) (157)			
Stores Expense Undistributed (163)			
0	\$1,266,445.00	\$814,113.00	Gas and Electric
Total Materials and Supplies	\$37,316,700.00	\$36,817,499.00	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Allowances (158.1 and 158.2) (Ref Page: 228)

Allowances Inventory	Current Year No (b)	Current Year Amt (c)	Year + 1 No (d)	Year + 1 Amt (e)	Year + 2 No (f)	Year + 2 Amt (g)
Balance-Beginning of Year	55,784	\$1,580,008.00	24,552	\$0.00	24,552	\$0.00
Acquired During Year						
Issued (Less Withheld Allow)	38	\$0.00	18,410	\$0.00	14,856	\$0.00
Returned by EPA						
Purchases/Transfers						
Constellation	400	\$58,000.00	0	\$0.00	0	\$0.00
National Grid	300	\$21,000.00	0	\$0.00	0	\$0.00
Total	700	\$79,000.00	0	\$0.00	0	\$0.00
Relinquished During Year						
Charges to Account 509	36,022	\$1,105,805.00	0	\$0.00	0	\$0.00
Other:						
CAIR termination	0	\$0.00	4,549	\$0.00	4,949	\$0.00
Cost of Sales/Transfers						
Transfers						
Adjustments						
Constellation	0	\$0.00	400	\$0.00	0	\$0.00
Total	0	\$0.00	400	\$0.00	0	\$0.00
Balance at End of Year	20,500	\$553,203.00	38,013	\$0.00	34,459	\$0.00
Sales						
Net sales Proceeds (Assoc. Co)						
Net Sales Proceeds (Other)						

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Allowances (158.1 and 158.2) (Ref Page: 228)

Allowances Inventory	Current Year No (b)	Current Year Amt (c)	Year + 1 No (d)	Year + 1 Amt (e)	Year + 2 No (f)	Year + 2 Amt (g)
Gains						
Losses						
Allowances Withheld (158.2)						
Balance Beginning of Year	279	\$0.00	279	\$0.00	279	\$0.00
Add: Withheld by EPA	0	\$0.00	0	\$0.00	0	\$0.00
Deduct: Returned by the EPA						
Cost of Sales	279	\$0.00	0	\$0.00	0	\$0.00
Balance - End of Year	0	\$0.00	279	\$0.00	279	\$0.00
Sales						
Net Sales Proceeds (Assoc. Co.)						
Net Sales Proceeds (Other)	0	\$793.00	0	\$6,000.00	0	\$0.00
Gains	0	\$793.00	0	\$6,000.00	0	\$0.00
Losses						

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Allowances (158.1 and 158.2) (Ref Page: 228) (Part Two)

	Allowances Inventory	Year + 3 No (h)	Year + 3 Amt (i)	Future Years (j)	Future Years Amt (k)	Total No (l)	Total Amt (m)
Balance-Beginning of Year		24,552	\$0.00	509,678	\$0.00	639,118	\$1,580,008.00
Acquired During Year							
Issued (Less Withheld Allow)		0	\$0.00	19,603	\$0.00	52,907	\$0.00
Returned by EPA							
Purchases/Transfers							
Constellation		0	\$0.00	0	\$0.00	400	\$58,000.00
National Grid		0	\$0.00	0	\$0.00	300	\$21,000.00
Total		0	\$0.00	0	\$0.00	700	\$79,000.00
Relinquished During Year							
Charges to Account 509		0	\$0.00	0	\$0.00	36,022	\$1,105,805.00
Other:							
CAIR termination		4,949	\$0.00	0	\$0.00	14,447	\$0.00
Cost of Sales/Transfers							
Transfers							
Adjustments							
Constellation		0	\$0.00	0	\$0.00	400	\$0.00
Total		0	\$0.00	0	\$0.00	400	\$0.00
Balance at End of Year		19,603	\$0.00	529,281	\$0.00	641,856	\$553,203.00
Sales							
Net sales Proceeds (Assoc. Co)							
Net Sales Proceeds (Other)							

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Allowances (158.1 and 158.2) (Ref Page: 228) (Part Two)

Allowances Inventory	Year + 3 No (h)	Year + 3 Amt (i)	Future Years (j)	Future Years Amt (k)	Total No (l)	Total Amt (m)
Gains						
Losses						
Allowances Withheld (158.2)						
Balance Beginning of Year	279	\$0.00	13,671	\$0.00	14,787	\$0.00
Add: Withheld by EPA	0	\$0.00	558	\$0.00	558	\$0.00
Deduct: Returned by the EPA						
Cost of Sales	0	\$0.00	279	\$0.00	558	\$0.00
Balance - End of Year	279	\$0.00	13,950	\$0.00	14,787	\$0.00
Sales						
Net Sales Proceeds (Assoc. Co.)						
Net Sales Proceeds (Other)	0	\$0.00	0	\$48.00	0	\$6,841.00
Gains	0	\$0.00	0	\$48.00	0	\$6,841.00
Losses						

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Extraordinary Property Losses (182.10) (Ref Page: 230)

Description	Total Loss (b)	Losses During Yr	Acct (d)	Written Off (e)	Balance (f)
N/A	\$0.00	\$0.00		\$0.00	\$0.00
TOTAL					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Other Regulatory Assets (182.3) (Ref Page: 232)

Desc and Purpose of Other	Debits (b)	Credit Acct (c)	Credit Amount (d)	Balance (e)
Income taxes	\$3,232,663.00	various	\$3,561,753.00	(\$209,555.00)
Limited early retirement program (amortized 120 months)	\$0.00	930.2	\$18,168.00	\$1,514.00
AMRP study costs (amortized 120 months)	\$0.00	928	\$32,040.00	\$2,670.00
Demand side management costs	\$4,638,637.00	various	\$4,638,638.00	\$0.00
ARO other regulatory asset	\$559,930.00	230	\$274,039.00	\$552,342.00
Gas ARO other regulatory asset	\$233,941.00	108	\$53,507.00	\$3,309,409.00
Interest rate hedges	\$5,935,260.00	245	\$2,078,694.00	\$7,515,838.00
Hurricane Ike regulatory asset	\$0.00		\$0.00	\$4,912,684.00
Carbon mgmt reg asset	\$200,000.00		\$0.00	\$600,000.00
2010 smartgrid other def O&M	\$0.00	186	\$21.00	\$0.00
Total	\$14,800,431.00		\$10,656,860.00	\$16,684,902.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Miscellaneous Deferred Debits (186) (Ref Page: 233)

Description	Bal Beg of Yr (b)	Debits (c)	Acct (d)	Amount (e)	Balance (f)
Items deferred pending investigation	\$293.00	\$0.00	163	\$293.00	\$0.00
Private outdoor lighting	\$60,637.00	\$91,734.00	various	\$68,073.00	\$84,298.00
LT lease receivable	\$995,641.00	\$443.00	418	\$18,537.00	\$977,547.00
Vacation accrual	\$2,063,955.00	\$0.00	242	\$210,854.00	\$1,853,101.00
Accrued pension post retire - FAS158	\$31,614,440.00	\$5,009,782.00	various	\$2,210,632.00	\$34,413,590.00
Indirect overhead allocation pool - undistributed	\$34,575.00	\$3,974,368.00	various	\$4,022,419.00	(\$13,476.00)
Joint owner	\$274,187.00	\$0.00	various	\$274,187.00	\$0.00
Duke Energy Kentucky 2009 gas rate case	\$103,597.00	\$0.00	928	\$51,798.00	\$51,799.00
Other miscellaneous items	\$10,000.00	\$0.00		\$0.00	\$10,000.00
Smart Grid	\$103,375.00	\$135,895.00	various	\$239,270.00	\$0.00
Duke Energy Kentucky 2011 electric rate case	\$18,466.00	\$47,454.00	various	\$65,920.00	\$0.00
Misc Work in Progress					
Deferred Regulatory Commission Expenses					
TOTAL	\$35,279,166.00				\$37,376,859.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Taxes (Ref Page: 234)

	Acct Subdivisions	Bal Beg of Yr	Bal End of Yr (c)
Electric			
	0	(\$9,994,664.00)	\$547,522.00
Other			
Total Electric		(\$9,994,664.00)	\$547,522.00
Gas			
	0	\$10,392,152.00	\$5,946,769.00
Other			
Total Gas		\$10,392,152.00	\$5,946,769.00
Other	MGP-hazardous clean up; tax interest accrual	\$980,262.00	\$241,542.00
Total (Acct 190)		\$1,377,750.00	\$6,735,833.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Capital Stock (Accounts 201 and 204) (Ref Page: 250)

Class, Series and Name of	Num Shares Auth (b)	Par or Stated Val (c)	Call Price (d)	Outstanding Shares (e)
Common Stock				
Account 201	1,000,000	\$15.00	\$0.00	585,333
Total Common Stock	1,000,000			585,333
Preferred Stock				
Total Preferred Stock				
Other				

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Capital Stock (Accounts 201 and 204) (Ref Page: 250) (Part Two)

Class, Series and Name	Outstanding Amt (f)	Num Held Rqd 217 (g)	Cost Held Rqd 217 (h)	Num Held Sinking (i)	Num Held Amount (j)
Common Stock					
Account 201	\$8,779,995.00	0	\$0.00	0	\$0.00
Total Common Stock	\$8,779,995.00	0	\$0.00	0	\$0.00
Preferred Stock					
Total Preferred Stock					
Other					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Other Paid-In Capital (Ref Page: 253)

	Description	Amount
	Account 208 donations received from stockholders	\$148,811,383.00
	Account 211 miscellaneous paid-in capital	(\$156,194.00)
Total		\$148,655,189.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Capital Stock Expense (214) (Ref Page: 254)

	Class and Series of Stock (a)	Balance End of Year
	N/A	\$0.00
Total		

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Long Term Debt (221,222,223,224) (Ref Page: 256)

Class, Series and Coupon	Principle Amt (b)	Expense (c)	Issue Date (d)	Maturity Date (e)
Acct 221				
Total Acct 221				
Acct 222				
Total Acct 222				
Acct 223				
Total Acct 223				
Acct 224				
5% series due in 2014	\$40,000,000.00	\$410,000.00	12/06/2004	12/15/2014
Discount	\$0.00	\$379,200.00		
5.75% series due in 2016	\$50,000,000.00	\$390,200.00	03/07/2006	03/10/2016
Discount	\$0.00	\$30,000.00		
6.2% series due in 2036	\$65,000,000.00	\$653,550.00	03/07/2006	03/10/2036
Discount	\$0.00	\$367,900.00		
2008 series A pollution control refunding bonds	\$50,000,000.00	\$691,754.00	12/11/2008	08/01/2027
2010 series A pollution control refunding bonds	\$26,720,000.00	\$939,966.00	11/24/2010	08/01/2027
TEPPCO - Todhunter Cavern Gas Storage	\$851,494.00	\$0.00	07/31/2007	07/31/2027
4.65% series due in 2019	\$100,000,000.00	\$756,468.00	09/22/2009	10/01/2019
Discount	\$0.00	\$374,000.00		
	\$0.00	\$0.00		
Total Acct 224	\$332,571,494.00	\$4,993,038.00		

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011
 Long Term Debt (221,222,223,224) (Ref Page: 256) (Part Two)

Class, Series and Coupon	Amort. Date From (f)	Amort. Date To (g)	Outstanding (h)	Interest (i)
Acct 221				
Total Acct 221				
Acct 222				
Total Acct 222				
Acct 223				
Total Acct 223				
Acct 224				
5% series due in 2014	12/06/2004	12/15/2014	\$40,000,000.00	\$2,000,000.00
Discount			\$0.00	\$0.00
5.75% series due in 2016	03/10/2006	03/10/2016	\$50,000,000.00	\$2,875,000.00
Discount			\$0.00	\$0.00
6.2% series due in 2036	03/10/2006	03/10/1936	\$65,000,000.00	\$4,030,000.00
Discount			\$0.00	\$0.00
2008 series A pollution control refunding bonds	12/11/2008	08/01/2027	\$50,000,000.00	\$173,149.00
2010 series A pollution control refunding bonds	11/24/2010	08/01/2027	\$26,720,000.00	\$93,504.00
TEPPCO - Todhunter Cavem Gas Storage			\$851,494.00	\$0.00
4.65% series due in 2019	09/22/2009	10/01/2019	\$100,000,000.00	\$4,650,000.00
Discount			\$0.00	\$0.00
			\$0.00	\$0.00
Total Acct 224			\$332,571,494.00	\$13,821,653.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Reconciliation of Reported Net Income with Taxable for Federal Income (Ref Page: 261)

	Particulars (a)	Amount (b)
Net Income for the Year		\$24,309,618.00
Taxable Income Not Reported on Books		
Deductions Recorded on Books not Deducted for Return		
	Federal income tax expense	\$19,305,766.00
	State income tax expense	\$2,135,643.00
	Demand side management costs	\$3,319,197.00
	Loss on disposition of ACRS/MACRS property	\$2,411,049.00
	Joint owner pension receivable	\$2,060,547.00
	Unbilled revenue - fuel	\$1,889,653.00
	Non-cash overhead basis adjustment	\$1,473,992.00
	Emission allowance expense	\$1,026,805.00
	Impairment of plant assets	\$927,732.00
	Reg asset-accrued pension FAS158 & FAS106	\$611,445.00
	Tax interest capitalized	\$551,301.00
	Asset retirement obligation	\$466,325.00
	481(a) fixed asset retirement	\$351,496.00
	Amortization of loss on reacquired debt	\$283,143.00
	Tax interest accrual	\$256,939.00
	Duke merger - timing	\$219,723.00
	Regulatory asset - vacation pay accrual	\$210,833.00
	Offsite gas storage costs	\$119,614.00
	Rate case - deferred costs	\$103,375.00
	Other	\$365,684.00
Income Recorded on Books not Included in Return		
	Allowance for funds used during construction	\$809,081.00
	Amortization of investment tax credits	\$575,598.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Reconciliation of Reported Net Income with Taxable for Federal Income (Ref Page: 261)

	Particulars (a)	Amount (b)
	Contributions in aid of construction	\$293,227.00
Deductions on Return Not Charged Against Book Income		
	Depreciation deducted in excess of amount booked	\$24,071,342.00
	Equipment repairs	\$8,356,020.00
	Regulatory asset/liability - deferred revenue	\$4,965,217.00
	Regulatory asset/liability - cash flow hedge	\$3,856,566.00
	Retirement plan	\$3,483,109.00
	Reg asset - accrued pension - post retire benefits	\$3,110,422.00
	Property tax reserves	\$2,185,450.00
	Leased meters - electric and gas	\$1,914,593.00
	Manufacturing deduction	\$642,091.00
	Regulatory asset - asset retirement obligation	\$466,325.00
	Regulatory asset - carbon management	\$200,000.00
	Self-development software	\$129,152.00
	Other	\$223,179.00
Federal Tax net Income		\$7,118,508.00
Show Computation of Tax		
	Tax at 35% of federal tax net income of \$7,118,508	\$2,491,478.00
	Plus: Prior period adjustments - FIT	\$3,489,547.00
	Plus: Known tax reserve adjustments	\$137,980.00
	Less: Adjust of current year tax credit - FIT	(\$72,290.00)

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262)

Kind of Instruction (a)	Prev Yr. Accr - 236 (b)	Prev Yr. Prepd 165 (c)	Taxes Chrg (d)	Taxes Paid (e)	Adj (f)
Federal - Income	(\$2,967,743.00)	\$0.00	\$6,046,715.00	\$4,755,506.00	\$2,911,104.00
Federal - Fuel taxes	\$0.00	\$0.00	\$4,667.00	\$4,667.00	\$0.00
Federal - Federal insurance	\$1,523.00	\$0.00	\$2,440,762.00	\$2,398,158.00	\$0.00
Federal - Unemployment	\$0.00	\$0.00	\$20,984.00	\$11,646.00	\$0.00
State - Income	\$2,349,809.00	\$0.00	\$1,783,153.00	\$2,942,209.00	\$429,036.00
State - Unemployment	\$0.00	\$0.00	\$23,861.00	\$27,308.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State - Property	\$874,043.00	\$0.00	\$1,729,097.00	\$1,665,391.00	\$0.00
State - Sales & use taxes	\$255,995.00	\$0.00	\$148,354.00	\$31,737.00	\$0.00
State - Public utilities	\$0.00	\$482,915.00	\$0.00	\$0.00	\$99,625.00
State - Franchise	\$0.00	\$0.00	\$11,437.00	\$11,437.00	\$0.00
Other - Property	\$7,759,510.00	\$0.00	\$7,785,053.00	\$7,503,841.00	\$0.00
Total Taxes	\$8,273,137.00	\$482,915.00	\$19,994,083.00	\$19,351,900.00	\$3,439,765.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262) (Part Two)

Kind of Instruction	Bal Accr - 236 (g)	Bal Prepaid - 165 (h)	Elec 408.1 409.1 (i)	Extraordinary 409.3	Adj to Ret. Earn 439	Other (l)
Federal - Income	(\$2,773,124.00)	\$1,814,514.00	\$3,625,970.00	\$0.00	\$0.00	\$2,420,745.00
Federal - Fuel taxes	\$0.00	\$0.00	\$3,472.00	\$0.00	\$0.00	\$1,195.00
Federal - Federal insurance	\$44,127.00	\$0.00	\$1,794,174.00	\$0.00	\$0.00	\$646,588.00
Federal - Unemployment	\$9,338.00	\$0.00	\$15,474.00	\$0.00	\$0.00	\$5,510.00
State - Income	\$761,717.00	\$0.00	\$998,335.00	\$0.00	\$0.00	\$784,818.00
State - Unemployment	(\$3,447.00)	\$0.00	\$17,594.00	\$0.00	\$0.00	\$6,267.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State - Property	\$937,749.00	\$0.00	\$1,123,919.00	\$0.00	\$0.00	\$605,178.00
State - Sales & use taxes	\$372,612.00	\$0.00	\$16,335.00	\$0.00	\$0.00	\$132,019.00
State - Public utilities	\$0.00	\$383,290.00	\$0.00	\$0.00	\$0.00	\$0.00
State - Franchise	\$0.00	\$0.00	\$8,509.00	\$0.00	\$0.00	\$2,928.00
Other - Property	\$8,040,722.00	\$0.00	\$4,967,326.00	\$0.00	\$0.00	\$2,817,727.00
Total Taxes	\$7,389,694.00	\$2,197,804.00	\$12,571,108.00	\$0.00	\$0.00	\$7,422,975.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Deferred Investment Tax Credit (255) (Ref Page: 266)

Acct (a)	Bal Beg Yr (b)	Def. Acct (c)	Def. Amt (d)	Alloc Acct (e)	Alloc Amt (f)	Adj (g)	Bal End Yr (h)	Ave Pd of Alloc
Electric Utility								
3 percent								
4 percent	\$11.00		\$0.00	411.4	\$10.00	\$0.00	\$1.00	30 years
7 percent								
10 percent	\$269,194.00		\$0.00	411.4	\$70,551.00	\$0.00	\$198,643.00	30 years
TOTAL	\$269,205.00		\$0.00		\$70,561.00	\$0.00	\$198,644.00	
Other (List separately and show 3, 4, 7 and 10 Percent and TOTAL)								
Gas - 3%	\$6,911.00		\$0.00	411.4	\$2,866.00	\$0.00	\$4,045.00	43 years
Gas - 4%	\$42,421.00		\$0.00	411.4	\$5,204.00	\$0.00	\$37,217.00	46 years
Gas - 10%	\$1,011,691.00		\$0.00	411.4	\$63,926.00	\$0.00	\$947,765.00	45 years
Other - 4%	\$21.00		\$0.00	411.5	\$21.00	\$0.00	\$0.00	33 years
Other-10%	\$1,224,542.00		\$0.00	411.5	\$433,020.00	(\$202,739.00)	\$588,783.00	33 years
Total Other	\$2,285,586.00		\$0.00		\$505,037.00	(\$202,739.00)	\$1,577,810.00	
Total	\$2,554,791.00		\$0.00		\$575,598.00	(\$202,739.00)	\$1,776,454.00	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Other Deferred Credits (253) (Ref Page: 269)

Description (a)	Balance Beg Yr (b)	Debits Acct (c)	Debit Amt (d)	Credits (e)	Balance End Yr (f)
Gas refunds	\$111,648.00	various	\$230,331.00	\$165,452.00	\$46,769.00
Pension cost adj - DPL share	\$5,280,726.00	143, 186	\$3,774,326.00	\$2,157,013.00	\$3,663,413.00
Post retirement benefits - Health DPL	(\$255,156.00)	143, 186	\$146,549.00	\$174,547.00	(\$227,158.00)
Pension cost adj FAS 106	\$3,194,011.00	various	\$591,771.00	\$909,552.00	\$3,511,792.00
Misc deferred credits and other	(\$23,110.00)	various	\$17,900.00	\$23,110.00	(\$17,900.00)
MISO exit fees	\$0.00	232, 565	\$0.00	\$15,472,893.00	\$15,472,893.00
TOTAL	\$8,308,119.00		\$4,760,877.00	\$18,902,567.00	\$22,449,809.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Deferred Income Taxes - Accelerated Amortization Property (281) (Ref Page: 272)

Acct (a)	Balance Beg Yr (b)	Amt Acct 410.1 (c)	Amt Acct 411.1 (d)	Amt Acct 410.2 (e)	Amt Acct 411.2 (f)
Accelerated Amortization (281)					
Electric					
Defense Facilities					
Pollution Control Facilities	197747.0000	\$197,516.00	\$767.00	\$0.00	\$0.00
Other					
Total Electric	197747.0000	\$197,516.00	\$767.00	\$0.00	\$0.00
Gas					
Defense Facilities					
Pollution Control Facilities					
Other					
TOTAL Gas					
TOTAL (281)	197747.0000	\$197,516.00	\$767.00	\$0.00	\$0.00
Classification of Total					
Federal Income Tax	169576.0000	\$170,113.00	\$0.00	\$0.00	\$0.00
State Income Tax	28171.0000	\$27,403.00	\$767.00	\$0.00	\$0.00
Local Income tax					
Other Specify					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Deferred Income Taxes - Accelerated Amortization Property (281) (Ref Page: 272) (Part Two)

	Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj Acct (i)	Credit Adj Amt (j)	Balance End Yr
Accelerated Amortization (281)						
Electric						
Defense Facilities						
Pollution Control Facilities			\$0.00		\$0.00	\$394,496.00
Other						
Total Electric			\$0.00		\$0.00	\$394,496.00
Gas						
Defense Facilities						
Pollution Control Facilities						
Other						
TOTAL Gas						
TOTAL (281)			\$0.00		\$0.00	\$394,496.00
Classification of Total						
Federal Income Tax			\$0.00		\$0.00	\$339,689.00
State Income Tax			\$0.00		\$0.00	\$54,807.00
Local Income tax						
Other Specify						

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274)

Acct (a)	Balance Beg Yr (b)	Amt Acct 410.1 (c)	Amt Acct 411.1 (d)	Amt Acct 410.2 (e)	Amt Acct 411.2 (f)
Account 282					
Electric	167140589.0000	\$23,316,748.00	\$16,796,885.00	\$242,982.00	\$3,592,125.00
Gas	54833348.0000	\$13,000,080.00	\$4,965,579.00	\$894.00	\$252,778.00
Other (Define)					
Non utility depreciation	-6262687.0000	\$0.00	\$0.00	\$0.00	\$0.00
Total	215711250.0000	\$36,316,828.00	\$21,762,464.00	\$243,876.00	\$3,844,903.00
Other (specify)					
	0.0000	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL Acct 282	215711250.0000	\$36,316,828.00	\$21,762,464.00	\$243,876.00	\$3,844,903.00
Classification of Total					
Federal Income Tax	189610869.0000	\$31,407,050.00	\$18,351,707.00	\$234,881.00	\$3,336,571.00
State Income Tax	26100381.0000	\$4,909,778.00	\$3,410,757.00	\$8,995.00	\$508,332.00
Local Income tax					

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Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274) (Part Two)

	Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj Acct (i)	Credit Adj Amt (j)	Balance End Yr
Account 282						
Electric		182	\$569,527.00	182	\$18,072,723.00	\$187,814,505.00
Gas		182,41,411	\$7,316,322.00		\$0.00	\$55,299,643.00
Other (Define)						
	Non utility depreciation	410, 411	\$4,231,181.00		\$0.00	(\$10,493,868.00)
Total			\$12,117,030.00		\$18,072,723.00	\$232,620,280.00
Other (specify)						
			\$0.00		\$0.00	\$0.00
TOTAL Acct 282			\$12,117,030.00		\$18,072,723.00	\$232,620,280.00
Classification of Total						
Federal Income Tax			\$10,649,204.00		\$15,885,981.00	\$204,801,299.00
State Income Tax			\$1,467,826.00		\$2,186,742.00	\$27,818,981.00
Local Income tax						

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Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276)

Acct (a)	Balance Beg Yr (b)	Amt Acct 410.1 (c)	Amt Acct 411.1 (d)	Amt Acct 410.2 (e)	Amt Acct 411.2 (f)
Account 283					
Electric					
	\$3,755,102.00	\$3,471,145.00	\$285,434.00	\$869.00	\$57,674.00
Other					
Total Electric	\$3,755,102.00	\$3,471,145.00	\$285,434.00	\$869.00	\$57,674.00
Gas					
	\$2,691,377.00	\$328,187.00	\$2,076,886.00	(\$4,589.00)	(\$1,606.00)
Other					
TOTAL Gas	\$2,691,377.00	\$328,187.00	\$2,076,886.00	(\$4,589.00)	(\$1,606.00)
Other (Specify)					
Tax interest accrual	(\$4,666.00)	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL (Acct 283)	\$6,441,813.00	\$3,799,332.00	\$2,362,320.00	(\$3,720.00)	\$56,068.00
Classification of Total					
Federal Income Tax	\$4,868,557.00	\$3,206,768.00	\$1,878,867.00	(\$4,589.00)	\$48,114.00
State Income Tax	\$1,573,256.00	\$592,564.00	\$483,453.00	\$869.00	\$7,954.00
Local Income tax					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276) (Part Two)

Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj. Acct (i)	Credit Adj. Amt (j)	Balance End Yr
Account 283					
Electric					
	190	\$994,670.00		\$0.00	\$5,889,338.00
Other					
Total Electric					
		\$994,670.00		\$0.00	\$5,889,338.00
Gas					
		\$0.00	190	\$2,903,107.00	\$3,842,802.00
Other					
TOTAL Gas					
		\$0.00		\$2,903,107.00	\$3,842,802.00
Other (Specify)					
Tax interest accrual	410, 411	\$36,061.00		\$0.00	(\$40,727.00)
TOTAL (Acct 283)					
		\$1,030,731.00		\$2,903,107.00	\$9,691,413.00
Classification of Total					
Federal Income Tax					
		\$701,866.00		\$2,903,107.00	\$8,344,996.00
State Income Tax					
		\$328,865.00		\$0.00	\$1,346,417.00
Local Income tax					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Other Regulatory Liabilities (254) (Ref Page: 278)

Desc and Purpose (a)	Debit Acct (b)	Debit Amount (c)	Credits (d)	Balance (e)
Income taxes	various	\$5,193,301.00	\$5,100,589.00	\$769,522.00
DSM energy efficiency	various	\$3,517,084.00	\$6,836,280.00	\$6,053,854.00
		\$8,710,385.00	\$11,936,869.00	\$6,823,376.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operating Revenues (Ref Page: 300)

	Other (a)	Op Rev Year (b)	Op Rev Prev Yr (c)	MWH Sold (d)	MWH Sold Prev (e)	Num Cust (f)	Num Cust Prev (g)
Sales of Electricity							
Residential Sales (440)		\$125,417,440.00	\$128,406,617.00	1,494,371	1,555,035	120,423	120,099
Commercial and Industrial Sales (442)							
Small (or comm.) (See Instr. 4)		\$110,313,927.00	\$109,285,720.00	1,427,248	1,451,651	13,396	13,355
Large (or Ind) (See Instr 4)		\$52,612,717.00	\$51,450,946.00	785,033	782,056	379	382
Public Street and Highway Lighting (444)		\$1,458,272.00	\$1,662,477.00	15,226	15,167	408	400
Other Sales to Public Authorities (445)		\$22,607,569.00	\$22,809,140.00	300,085	311,806	968	977
Sales to Railroads and Railways (446)							
Interdepartmental Sales (448)		\$52,567.00	\$60,748.00	714	885	0	0
Total Sales to Ultimate Consumers		\$312,462,492.00	\$313,675,648.00	4,022,677	4,116,600	135,574	135,213
Sales for Resale (447)		\$23,334,960.00	\$19,619,496.00	662,841	571,685	1	1
Total Sales of Electricity		\$335,797,452.00	\$333,295,144.00	4,685,518	4,688,285	135,575	135,214
(Less) Provision for Rate Refunds (449.1)		\$60,678.00	(\$368,485.00)	0	0	0	0
Total Revenues Net of Prov. for Refunds		\$335,736,774.00	\$333,663,629.00	4,685,518	4,688,285	135,575	135,214
Other Operating Revenues							
Forfeited Discounts (450)			\$3,537.00		0		0
Miscellaneous Service Revenues (451)		\$297,431.00	\$386,302.00	0	0	0	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operating Revenues (Ref Page: 300)

	Other (a)	Op Rev Year (b)	Op Rev Prev Yr (c)	MWH Sold (d)	MWH Sold Prev (e)	Num Cust (f)	Num Cust Prev (g)
Sales of Water and Water Power (453)		\$56,250.00	\$50,000.00	0	0	0	0
Rent from Electric Property (454)		\$797,214.00	\$672,339.00	0	0	0	0
Interdepartmental Rents (455)							
Other Electric Revenues (456)							
Other electric revenues		\$5,881,746.00	\$12,078,643.00	0	0	0	0
Rev from transmission of electricity of others		\$701,713.00	\$553,958.00	0	0	0	0
Total Other Operating Revenues		\$7,734,354.00	\$13,744,779.00	0	0	0	0
Total Electric Operating Revenues		\$343,471,128.00	\$347,408,408.00	4,685,518	4,688,285	135,575	135,214
*NOTE Line 12 Column b includes Total of unbilled Revenues		\$15,000.00					
**Note Line 12 Column d includes Total MWH relating to unbilled revenues				-15,612			

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Sales of Electricity by Rate Schedules (Ref Page: 304)

Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Ave Customers (d)	KWh Sales Per Customer	Rev per KWH (f)
Resid&Domestic-Residential Service Sheet 30(1)	1,501,224	\$125,397,554.00	120,423	12,466	0.0835
Resid&Domestic-Outdoor Lighting Serv Sheet 65(5)	809	\$123,243.00	0	0	0.1523
Resid&Domestic-Outdoor Lighting Serv Sheet 67(6)	88	\$17,643.00	0	0	0.2005
Comm&Indust-Residential Service Sheet 30(7)	14,261	\$1,239,803.00	1,891	7,542	0.0869
Comm&Indust-Distribution Service Sheet 40(8)	918,749	\$76,112,549.00	11,290	81,377	0.0828
Comm&Indust-Distribution Service Sheet 42(9)	4,051	\$275,006.00	84	48,226	0.0679
Comm&Indust-Distribution Service Sheet 43(10)	43	\$3,421.00	1	43,000	0.0796
Comm&Indust-Distribution Service Sheet 44(11)	6,043	\$509,235.00	121	49,942	0.0843
Comm&Indust-Primary Service Sheet 45(12)	8,511	\$577,477.00	6	1,418,500	0.0679
Comm&Indust-Time of Day Distrib Sheet 41(13)	1,044,764	\$69,520,476.00	190	5,498,758	0.0665
Comm&Indust-Time of Day Trans Sheet 51(14)	185,765	\$11,191,338.00	4	46,441,250	0.0602
Comm&Indust-Outdoor Lighting Serv Sheet 65(15)	3,353	\$495,421.00	0	0	0.1478
Comm&Indust-Outdoor Lighting Serv Sheet 67(16)	137	\$28,097.00	0	0	0.2051
Comm&Indust-Traffic Lighting Serv Sheet 61(17)	1	\$13.00	2	500	0.0130
Comm&Indust-Street Lighting Serv Sheet 60(18)	114	\$41,425.00	39	2,923	0.3634

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Sales of Electricity by Rate Schedules (Ref Page: 304)

Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Ave Customers (d)	KWh Sales Per Customer	Rev per KWH (f)
Comm&Indust-Street Lighting Serv Sheet 69(19)	210	\$29,780.00	34	6,176	0.1418
Special Contract-Load Mgmt Riders Sheet 73(22)	32,913	\$2,779,603.00	113	291,265	0.0845
Special Contract-Unbilled Revenue	-6,634	\$123,000.00	0	0	0.0185
Resid&Domestic-Unbilled Revenue	-7,750	(\$121,000.00)	0	0	0.0156
Public St-Distribution Service Sheet 40(24)	1,148	\$98,623.00	18	63,778	0.0859
Public St-Street Lighting Service Sheet 60(25)	11,690	\$1,420,556.00	248	47,137	0.1215
Public St-Street Lighting Service Sheet 66(26)	411	\$65,505.00	0	0	0.1594
Public St-Traffic Lighting Service Sheet 61(29)	1,977	(\$126,412.00)	142	13,923	-0.0639
Sales To Other-Residential Service Sheet 30(30)	5	\$481.00	3	1,667	0.0962
Sales To Other-Distribution Service Sheet 40(31)	115,131	\$10,143,407.00	825	139,553	0.0881
Sales To Other-Distribution Service Sheet 42(32)	12,443	\$823,079.00	29	429,069	0.0661
Sales To Other-Distribution Service Sheet 43(33)	291	\$32,112.00	21	13,857	0.1104
Sales To Other-Distribution Service Sheet 44(34)	189	\$17,337.00	46	4,109	0.0917
Sales To Other-Primary Service Sheet 45(35)	9,664	\$703,887.00	10	966,400	0.0728
Sales To Other-Time of Day Distrib Sheet 41(36)	120,318	\$8,234,919.00	22	5,469,000	0.0684

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Sales of Electricity by Rate Schedules (Ref Page: 304)

Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Ave Customers (d)	KWh Sales Per Customer	Rev per KWH (f)
Sales To Other-Time of Day Trans Sheet 51(37)	40,512	\$2,387,096.00	6	6,752,000	0.0589
Sales To Other-Outdoor Lighting Sheet 65(38)	641	\$68,600.00	0	0	0.1070
Sales To Other-Outdoor Lighting Sheet 67(39)	44	\$5,240.00	0	0	0.1191
Sales To Other-Load Mgmt Riders Sheet 73(41)	1,564	\$158,484.00	6	260,667	0.1013
Sales To Other-Load Mgmt Riders Sheet 61(43)	511	\$19,927.00	0	0	0.0390
Sales To Other-Unbilled Revenue	-1,228	\$13,000.00	0	0	0.0106
Interdepartmental Sales	714	\$52,567.00	0	0	0.0736
	0	\$0.00	0	0	0.0000
Total Billed	4,038,289	\$312,447,492.00	135,574	29,787	0.0774
Total Unbilled Rev (see Instr 6)	-15,612	\$15,000.00	0	0	0.0010
TOTAL	4,022,677	\$312,462,492.00	135,574	29,671	0.0777

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Sales for Resale (447) (Ref Page: 310)

Name (a)	Stat Class (b)	FERC Number (c)	Ave Mon Bill Demand (d)	Act Ave Mon NCP Demand (e)	Act Ave Mon CP Demand (f)
	OS		0	0	0
Total Non RQ			0	0	0
Total			0	0	0
EXPORT					
INTRASTATE					
TOTAL					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Sales for Resale (447) (Ref Page: 310) (Part Two)

Name (a)	MWH Sold (g)	Demand Chrg (h)	Energy Chrg (i)	Other Chrg (j)	Total (k)
Requirements Service					
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
Total RQ	0	\$0.00	\$0.00	\$0.00	\$0.00
Non Requirements Service					
Ameren Energy Marketing Company	0	\$0.00	\$13,601.00	\$0.00	\$13,601.00
Cargill Power Markets, LLC	0	\$0.00	\$9,368.00	\$0.00	\$9,368.00
DTE Energy Trading, Inc	0	\$0.00	(\$25,621.00)	\$5,000.00	(\$20,621.00)
East Kentucky Power Cooperative, Inc	-178	\$0.00	(\$5,953.00)	\$0.00	(\$5,953.00)
Midwest Independent System Operator, Inc	663,788	\$0.00	\$23,375,131.00	\$367.00	\$23,375,498.00
Midwest Independent System Operator, Inc	-769	\$0.00	(\$42,117.00)	\$0.00	(\$42,117.00)
FirstEnergy Solutions Corp	0	\$0.00	(\$14,271.00)	\$0.00	(\$14,271.00)
American Electric Power Service Corp agent for AEP	0	\$0.00	(\$914.00)	\$0.00	(\$914.00)
Jefferies Bache, LLC	0	\$0.00	\$20,369.00	\$0.00	\$20,369.00
	0	\$0.00	\$0.00	\$0.00	\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Sales for Resale (447) (Ref Page: 310) (Part Two)

Name (a)	MWH Sold (g)	Demand Chrg (h)	Energy Chrg (i)	Other Chrg (j)	Total (k)
Total Non RQ	662,841	\$0.00	\$23,329,593.00	\$5,367.00	\$23,334,960.00
Total	662,841	\$0.00	\$23,329,593.00	\$5,367.00	\$23,334,960.00
EXPORT	0				\$0.00
INTRASTATE	0				\$0.00
TOTAL	0				\$0.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - 1. Power Production (Ref Page: 320)

	Amount for Current Yr	Amount for Previous Yr
POWER PRODUCTION EXPENSES		
A. Steam Power Generation		
Operation		
Operation Supervision and Engineering (500)	\$2,759,785.00	\$1,807,620.00
Fuel (501)	\$107,118,468.00	\$102,171,718.00
Steam Expenses (502)	\$11,194,857.00	\$10,799,818.00
Steam from Other Sources (503)		
(Less) Steam Transferred CR (504)		
Electric Expenses (505)	\$506,898.00	\$608,549.00
Miscellaneous steam Power Expenses (506)	\$1,388,122.00	\$1,141,559.00
Rents (507)	\$1,105,489.00	\$1,578,608.00
Allowance (509)	\$1,105,805.00	\$1,219,324.00
Total Operation	\$125,179,424.00	\$119,327,196.00
Maintenance		
Maintenance Supervision and Engineering (510)	\$1,714,811.00	\$1,880,235.00
Maintenance of Structures (511)	\$2,061,243.00	\$2,019,742.00
Maintenance of Boiler Plant (512)	\$7,553,291.00	\$10,517,922.00
Maintenance of Electric Plant (513)	\$923,920.00	\$3,173,345.00
Maintenance of Miscellaneous Steam Plant (514)	\$1,826,136.00	\$1,170,853.00
Total Maintenance	\$14,079,401.00	\$18,762,097.00
21. Total Power Production Expenses --Steam Power	\$139,258,825.00	\$138,089,293.00
B. Nuclear Power Generation		
Operations		
Operation Supervision and Engineering (517)		
Fuel (518)		
Coolants and water (519)		
Steam Expenses (520)		

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - 1. Power Production (Ref Page: 320)

	Amount for Current Yr	Amount for Previous Yr
Steam from Other Sources (521)		
(Less) Steam Transferred -- CR (522)		
Electric Expenses (523)		
Miscellaneous Nuclear Power Expenses (524)		
Rents (525)		
Total Operation		
Maintenance		
Maintenance Supervision and Engineering (528)		
Maintenance of Structures (529)		
Maintenance of Reactor Plant Equipment (530)		
Maintenance of Electric Plant (531)		
Maintenance of Miscellaneous Nuclear Plant (532)		
Total Maintenance		
41. Total Power Production Expenses - Nuclear Power		
C. Hydraulic Power Generation		
Operation		
Operation Supervision and Engineering (535)		
Water for Power (536)		
Hydraulic Expenses (537)		
Electric Expenses (538)		
Miscellaneous Hydraulic Power Genration Expenses (539)		
Rents (540)		
Total Operation		
Maintenance		
Maintenance of Supervision and Engineering (541)		
Maintenance of Structures (542)		
Maintenance of Reservoirs, Dams and Waterways (543)		

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - 1. Power Production (Ref Page: 320)

	Amount for Current Yr	Amount for Previous Yr
Maintenance of Electric Plant (544)		
Maintenance of Miscellaneous Hydraulic Plant (545)		
Total Maintenance		
59. Total Power Production Expenses - Hydraulic Power		
D. Other Power Generation		
Operation		
Operation Supervision and Engineering (546)	\$343,486.00	\$268,525.00
Fuel (547)	\$6,524,424.00	\$8,558,296.00
Generation Expenses (548)	\$361,102.00	\$445,288.00
Miscellaneous Other Power Generation Expenses (549)	\$864,909.00	\$763,686.00
Rents (550)		
Total Operation	\$8,093,921.00	\$10,035,795.00
Maintenance		
Maintenance Supervision and Engineering (551)	\$26,788.00	\$32,476.00
Maintenance of Structures (552)	\$499,009.00	\$499,798.00
Maintenance of Generating and Electric Plant (553)	\$5,349,289.00	\$4,625,132.00
Maintenance of Miscellaneous Other Power Generation Plant (554)	\$122,360.00	\$135,604.00
Total Maintenance	\$5,997,446.00	\$5,293,010.00
Total Power Production Expenses -- Other Power	\$14,091,367.00	\$15,328,805.00
E. Other Power Supply Expenses		
Purchased Power (555)	\$31,481,422.00	\$34,126,610.00
System Control and Load Dispatching (556)		
Other Expenses (557)	(\$4,970,557.00)	(\$3,136,806.00)
79. Total Other Power Supply Expenses	\$26,510,865.00	\$30,989,804.00
80. Total Power Production Expenses (Lines 21,41,59,74,79)	\$179,861,057.00	\$184,407,902.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - Transmission and Distribution Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
2. Transmission Expenses		
Operation		
Operation Supervision and Engineering (560)	\$6,202.00	\$6,230.00
Load Dispatching (561)	\$1,374,936.00	\$1,060,717.00
Station Expenses (562)	\$106,518.00	\$116,667.00
Overhead Lines Expenses (563)	\$88,323.00	\$81,675.00
Underground Lines Expenses (564)		
Transmission of Electricity by Others (565)	\$27,082,235.00	\$17,241,235.00
Miscellaneous Transmission Expenses (566)	\$2,628,943.00	\$68.00
Rents (567)	\$1,934,161.00	\$1,934,700.00
Total Operation	\$33,221,318.00	\$20,441,292.00
Maintenance		
Maintenance Supervision and Engineering (568)		
Maintenance of Structures (569)	\$157,445.00	\$176,679.00
Maintenance of Station Equipment (570)	\$280,257.00	\$562,193.00
Maintenance of Overhead Lines (571)	\$134,549.00	\$295,352.00
Maintenance of Underground Lines (572)	\$9,754.00	\$4,006.00
Maintenance of Miscellaneous Transmission Plant (573)		
Total Maintenance	\$582,005.00	\$1,038,230.00
100. Total Transmission Expenses	\$33,803,323.00	\$21,479,522.00
3. Distribution Expenses		
Operation		
Operation Supervision and Engineering (580)	\$6,612.00	
Load Dispatching (581)	\$476,768.00	\$638,351.00
Station Expenses (582)	\$179,599.00	\$188,606.00
Overhead Line Expenses (583)	\$165,064.00	\$252,740.00
Underground Line Expenses (584)	\$401,233.00	\$374,421.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - Transmission and Distribution Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
Street Lighting and signal System Expenses (585)		
Meter Expenses (586)	\$405,197.00	\$279,853.00
Customer Installations Expenses (587)	\$1,028,382.00	\$883,118.00
Miscellaneous Expenses (588)	\$1,569,929.00	\$912,956.00
Rents (589)	\$206,220.00	\$494,928.00
Total Operation	\$4,439,004.00	\$4,024,973.00
Maintenance		
Maintenance Supervision and Engineering (590)		
Maintenance of Structures (591)	\$49,055.00	\$220,745.00
Maintenance of Station Equipment (592)	\$358,112.00	\$349,791.00
Maintenance of Overhead Lines (593)	\$4,049,889.00	\$3,598,002.00
Maintenance of Underground Lines (594)	\$207,162.00	\$267,438.00
Maintenance of Line Transformers (595)	(\$24,075.00)	(\$64,114.00)
Maintenance of Street Lighting and Signal Systems (596)	\$146,457.00	\$134,879.00
Maintenance of Meters (597)	\$193,986.00	\$235,559.00
Maintenance of Miscellaneous Distribution Plant (598)	\$0.00	(\$27,755.00)
Total Maintenance	\$4,980,586.00	\$4,714,545.00
126. Total Distribution Expenses	\$9,419,590.00	\$8,739,518.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - Customer, Sales and Administrative Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
4. Customer Accounts Expenses		
Operation		
Supervision (901)	\$402.00	\$805.00
Meter Reading Expenses (902)	\$967,928.00	\$988,901.00
Customer Records and Collection Expenses (903)	\$5,385,435.00	\$5,309,327.00
Uncollectible Accounts (904)	\$2,539,854.00	\$2,760,671.00
Miscellaneous Customer Accounts Expenses (905)		
134. Total Customer Accounts Expenses	\$8,893,619.00	\$9,059,704.00
5. Customer Service and Informational Expenses		
Operation		
Supervision (907)		
Customer Assistance Expenses (908)	\$5,571.00	\$4,085.00
Information and Instructional Expenses (909)	\$1,744.00	\$2,099.00
Miscellaneous Customer Service and Information Expenses (910)	\$1,824,492.00	\$248,546.00
141. Total Cust. Service and Informational Exp	\$1,831,807.00	\$254,730.00
6. Sales Expenses		
Operation		
Supervision (911)	\$3,262.00	\$1.00
Demonstrating and selling Expenses (912)	\$79.00	\$255.00
Advertising Expenses (913)	\$71,461.00	\$80,361.00
Miscellaneous Sales Expenses (916)		
148. Total Sales Expenses	\$74,802.00	\$80,617.00
7. Administrative and General Expenses		
Operation		
Administrative and General Salaries (920)	\$5,492,737.00	\$9,213,278.00
Office Supplies and Expenses (921)	\$3,316,779.00	\$3,653,204.00
(Less) Administrative Expenses Transferred--CR (922)	(\$320.00)	(\$34.00)

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - Customer, Sales and Administrative Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
Outside Services Employed (923)	\$3,256,429.00	\$3,452,469.00
Property Insurance (924)	\$401,332.00	\$591,865.00
Injuries and Damages (925)	\$538,632.00	\$649,162.00
Employee Pensions and Benefits (926)	\$6,725,042.00	\$7,408,852.00
Franchise requirements (927)		
Regulatory Commission Expenses (928)	\$815,706.00	\$1,819,544.00
(Less) Duplicate Charges -- CR (929)	\$744,225.00	\$991,095.00
General Advertising Expenses (930.1)	\$13,550.00	\$14,377.00
Miscellaneous General Expenses (930.2)	\$1,810,826.00	\$1,554,603.00
Rents (931)	\$1,393,457.00	\$1,142,121.00
Total Operation	\$23,020,585.00	\$28,508,414.00
Maintenance		
Maintenance of General Plant (935)	\$110,494.00	\$466,579.00
168. Total Administrative and General Expenses	\$23,131,079.00	\$28,974,993.00
Total Electric Operation and Maintenance (80,100,126,134,141,148,168)	\$257,924,107.00	\$253,934,141.00

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1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Operation and Maintenance Expenses - Customer, Sales and Administrative Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
Outside Services Employed (923)	\$3,256,429.00	\$3,452,469.00
Property Insurance (924)	\$401,332.00	\$591,865.00
Injuries and Damages (925)	\$538,632.00	\$649,162.00
Employee Pensions and Benefits (926)	\$6,725,042.00	\$7,408,852.00
Franchise requirements (927)		
Regulatory Commission Expenses (928)	\$815,706.00	\$1,819,544.00
(Less) Duplicate Charges -- CR (929)	\$744,225.00	\$991,095.00
General Advertising Expenses (930.1)	\$13,550.00	\$14,377.00
Miscellaneous General Expenses (930.2)	\$1,810,826.00	\$1,554,603.00
Rents (931)	\$1,393,457.00	\$1,142,121.00
Total Operation	\$23,020,585.00	\$28,508,414.00
Maintenance		
Maintenance of General Plant (935)	\$110,494.00	\$466,579.00
168. Total Administrative and General Expenses	\$23,131,079.00	\$28,974,993.00
Total Electric Operation and Maintenance (80,100,126,134,141,148,168)	\$257,924,107.00	\$253,934,141.00

Note:

Market Facilitation, Monitoring and Compliance Services (575.7)
\$908,830.

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1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Purchased Power (555) (Ref Page: 326)

Name (a)	Stat Class (b)	FERC Rate (c)	Avg Bill Demd (d)	Avg NCPH (e)	Avg CP Demd (f)	MWH Purch (g)
Cargill Power Markets, LLC	OS	(1)	0	0	0	0
East Kentucky Power Cooperative, Inc.	OS	(1)	0	0	0	202
Midwest Independent System Operator, Inc.	OS	(1)	0	0	0	760,139
Midwest Independent System Operator, Inc.	AD	(1)	0	0	0	1,857
Jefferies Bache, LLC	OS	NJ	0	0	0	0
American Electric Power Service Corp agent for AEP	OS	(1)	0	0	0	0
			0	0	0	0
(1) - designates FERC approved Tariff and/or Rate			0	0	0	0
Schedule as on file with the Commission			0	0	0	0
TOTAL						762,198

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Purchased Power (555) (Ref Page: 326) (Part Two)

Name (a)	MWH Rcvd (h)	MWH Del (i)	Demand Chrg (j)	Energy Chrg (k)	Other Chrg (l)	Total
Cargill Power Markets, LLC	0	0	\$0.00	\$1,030.00	\$0.00	\$1,030.00
East Kentucky Power Cooperative, Inc.	0	0	\$0.00	\$5,593.00	\$0.00	\$5,593.00
Midwest Independent System Operator, Inc.	0	0	\$0.00	\$31,324,156.00	\$0.00	\$31,324,156.00
Midwest Independent System Operator, Inc.	0	0	\$0.00	\$105,280.00	\$0.00	\$105,280.00
Jefferies Bache, LLC	0	0	\$0.00	\$45,661.00	\$0.00	\$45,661.00
American Electric Power Service Corp agent for AEP	0	0	\$0.00	(\$298.00)	\$0.00	(\$298.00)
	0	0	\$0.00	\$0.00	\$0.00	\$0.00
(1) - designates FERC approved Tariff and/or Rate	0	0	\$0.00	\$0.00	\$0.00	\$0.00
Schedule as on file with the Commission	0	0	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	0	0	\$0.00	\$31,481,422.00	\$0.00	\$31,481,422.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission of Electricity for Others (456) (Ref Page: 328)

Line	Payment by (a)	Energy Received From (b)	Energy Delivered to (c)	Classification (d)
1	City of Williamstown			OS
2	Midwest ISO			OS

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission of Electricity for Others (456) pg 2 (Ref Page: 329)

Line	Ferc Rate Schedule	Point of Receipt (f)	Point of Delivery (g)	Billing Demand MW	MWh Received (i)	MWh Delivered (j)
1				111	0	0
2				0	0	0
Total				111	0	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission of Electricity for Others (456) pg 3 (Ref Page: 330)

Line	Demand (k)	Energy (l)	Other (m)	Total (n)
1	\$13,149.00	\$24,432.00	\$0.00	\$37,581.00
2	\$0.00	\$0.00	\$664,132.00	\$664,132.00
Total	\$13,149.00	\$24,432.00	\$664,132.00	\$701,713.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission of Electricity by Others (565) (Ref Page: 332)

Name (a)	MWH Received (b)	MWH Delivered (c)	Demand Charges (d)	Energy Charges (e)	Other Charges (f)	Total Cost (g)
Duke Energy Ohio, Inc.	4,877,673	4,877,673	\$8,994,985.00	\$0.00	\$655,668.00	\$9,650,653.00
Midwest ISO Transmission	0	0	\$0.00	\$0.00	\$17,278,840.00	\$17,278,840.00
East Kentucky Power Cooperative, Inc	0	0	\$0.00	\$0.00	\$152,742.00	\$152,742.00
Total	4,877,673	4,877,673	\$8,994,985.00	\$0.00	\$18,087,250.00	\$27,082,235.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Miscellaneous General Expenses 930.2 Electric (Ref Page: 335)

Purpose	Recipient	Amount
Industry Association Dues		\$207.00
Nuclear Power Research Expenses		
Other Experimental and general Research Expenses		\$11,847.00
Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding securities of the Respondent		
Other Expenses (List items of \$5000 or more in this column showing the Purpose, Recipient and amount of such items.		
Group amounts of less than \$5000 by classes if the number of items so grouped is shown.		
	Business and service company support	\$1,510,949.00
	Account analysis reconciliation adjustments	\$99,553.00
	ISO conversion costs	\$89,594.00
	Director's fees and expenses	\$48,265.00
	Shareholder's communications/systems	\$46,803.00
	Dues & subscriptions to various organizations	\$3,083.00
	Corporate sponsorships	\$507.00
	Leased circuit charges	\$18.00
TOTAL		\$1,810,826.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Depreciation and Amortization of Electric Plant (Ref Page: 336)

	Dep Exp 403 (b)	Dep Exp Asset Retirement	Amort 404 (d)	Amort 405 (e)	Total (f)
Intangible Plant	\$0.00	\$0.00	\$871,556.00	\$0.00	\$871,556.00
Steam Product Plant	\$12,099,423.00	\$0.00	\$0.00	\$0.00	\$12,099,423.00
Nuclear Production Plant					
Hydraulic Production Plant -- Conventional					
Hydraulic Production Plant -- Pumped Storage					
Other Production Plant	\$6,089,084.00	\$0.00	\$0.00	\$0.00	\$6,089,084.00
Transmission Plant	\$657,112.00	\$0.00	\$0.00	\$0.00	\$657,112.00
Distribution Plant	\$9,173,292.00	\$0.00	\$0.00	\$0.00	\$9,173,292.00
General Plant	\$164,260.00	\$0.00	\$291,832.00	\$0.00	\$456,092.00
Common Plant -- Electric	\$657,857.00	\$0.00	\$1,815,319.00	\$0.00	\$2,473,176.00
Total	\$28,841,028.00	\$0.00	\$2,978,707.00	\$0.00	\$31,819,735.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Regulatory Commission Expenses (Ref Page: 350)

Description (a)	Assessed By Reg. Comm	Expenses of Util (c)	Total Current Yr (d)	Def. 182.3 Beg. Yr (e)	Exp Charged Dept (f)
KyPSC Expense - Gas related	\$200,784.00	\$0.00	\$200,784.00	\$0.00	Gas
KyPSC Expense - Electric related	\$534,714.00	\$0.00	\$534,714.00	\$0.00	Electric
MISO FERC annual assessment	\$280,992.00	\$0.00	\$280,992.00	\$0.00	Electric
AMRP rate study case #2001-092	\$0.00	\$32,040.00	\$32,040.00	\$34,710.00	Gas
KyPSC Case #2009-00202; request for rate increase	\$0.00	\$51,798.00	\$51,798.00	\$103,597.00	Gas
Total	\$1,016,490.00	\$83,838.00	\$1,100,328.00	\$138,307.00	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011
 Regulatory Commission Expenses (Ref Page: 350) (Part Two)

Description (a)	Exp Charged Acct (g)	Exp Charged Amt (h)	Def to 182.3 (i)	Contra Acct (j)	Amort Amount (k)	Amort Def 182.3 End Yr (l)
KyPSC Expense - Gas related	928	\$200,784.00	\$0.00		\$0.00	\$0.00
KyPSC Expense - Electric related	928	\$534,714.00	\$0.00		\$0.00	\$0.00
MISO FERC annual assessment	928	\$280,992.00	\$0.00		\$0.00	\$0.00
AMRP rate study case #2001-092	928	\$32,040.00	\$0.00		\$32,040.00	\$2,670.00
KyPSC Case #2009-00202; request for rate increase	928	\$51,798.00	\$0.00		\$51,798.00	\$51,799.00
Total		\$1,100,328.00	\$0.00		\$83,838.00	\$54,469.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Research Development and Demonstration Activities (Ref Page: 352)

Classification (a)	Description (b)	Costs Internal (c)	Costs External (d)	Acct (e)	Amt Charged (f)	Unamort Accum (g)
B.External 1.Support to Elec Research Council or Elec Power Research Inst	Electric Power Research Institute Memberships	\$0.00	\$464,239.00	930.2	\$464,239.00	\$0.00
B.External 1.Support to Elec Research Council or Elec Power Research Inst	Others (less than \$50k each)	\$0.00	\$121,746.00	930.2	\$121,746.00	\$0.00
Total					\$585,985.00	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Distribution of Salaries and Wages - Electric (Ref Page: 354)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
Electric			
Operation			
3. Production	\$6,178,473.00		
4. Transmission	\$376,626.00		
5. Distribution	\$2,178,131.00		
6. Customer Accounts	\$3,181,805.00		
7. Customer Service and Informational	\$697,566.00		
8. Sales			
9. Administrative and General	\$6,505,649.00		
10. Total Operation	\$19,118,250.00		
Maintenance			
12. Production	\$4,823,705.00		
13. Transmission	\$266,646.00		
14. Distribution	\$1,839,884.00		
15. Administrative and General	\$33,252.00		
16. Total Maint	\$6,963,487.00		
17. Total Operation and Maintenance			
18. Total Production (Lines 3 and 12)	\$11,002,178.00		
19. Total Transmission (Lines 4 and 13)	\$643,272.00		
20. Total Distribution (Lines 5 and 14)	\$4,018,015.00		
21. Customer Accounts (Transcribe from Line 6)	\$3,181,805.00		
22. Customer Service and Informational (Transcribe from Line 7)	\$697,566.00		
23. Sales (Transcribe from Line 8)			
24. Administrative and General(Lines 9 and 15)	\$6,538,901.00		

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Distribution of Salaries and Wages - Electric (Ref Page: 354)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
25. Total Oper. and Maint. (Lines 18-24)	\$26,081,737.00	\$271,359.00	\$26,353,096.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Distribution of Salaries and Wages - Gas (Ref Page: 354)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
Gas			
Operation			
28. Production -- Manufactured Gas	\$157,000.00		
29. Production -- Nat. Gas (Including Expl and Dev.)			
30. Other Gas Supply	\$318,687.00		
31. Storage, LNG Terminaling and Processing			
32. Transmission			
33. Distribution	\$2,926,343.00		
34. Customer Accounts	\$1,983,282.00		
35. Customer Service and Informational	\$565,937.00		
36. Sales			
37. Administrative and General	\$1,626,913.00		
38. Total Operation	\$7,578,162.00		
Maintenance			
40. Production -- Manufactured Gas	\$269,134.00		
41. Production -- Natural Gas			
42. Other Gas Supply			
43. Storage, LNG Terminaling and Processing			
44. Transmission			
45. Distribution	\$546,268.00		
46. Administrative and General	\$2,455.00		
47. Total Maint	\$817,857.00	\$0.00	\$0.00
48. Total Operation and Maintenance			

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Distribution of Salaries and Wages - Gas (Ref Page: 354)

Specify	Direct Payroll (b)	Affoc Clearing Accts (c)	Total (d)
49. Total Production -- Manufactured Gas (Lines 28 and 40)	\$426,134.00		
50. Total Production -- Natural Gas (Lines 29 and 41)			
51. Total Other Gas Supply (Lines 30 and 42)	\$318,687.00		
52. Total Storage LNG Terminaling and Processing (Lines 31 and 43)			
53. Total Transmission (Lines 32 and 44)			
54. Total Distribution (Lines 33 and 45)	\$3,472,611.00		
55. Customer Accounts (Transcribe Line 34)	\$1,983,282.00		
56. Customer Service and Informational (Transcribe Line 35)	\$565,937.00		
57. Sales (Transcribe Line 36)			
58. Total Administrative and General (Lines 37 and 46)	\$1,629,368.00		
59. Total Operation and Maintenance	\$8,396,019.00	\$7,695.00	\$8,403,714.00
60. Other Utility Departments			
61. Operation and Maintenance			
62. Total All Utility Dept (25,59,61)	\$34,477,756.00	\$279,054.00	\$34,756,810.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Distribution of Salaries and Wages - Utility Plant (Ref Page: 355)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
Utility Plant			
Construction (By Utility Departments)			
65. Electric Plant	\$6,664,531.00	\$682,030.00	\$7,346,561.00
66. Gas Plant	\$2,239,825.00	\$115,169.00	\$2,354,994.00
67. Other			
68. Total Construction	\$8,904,356.00	\$797,199.00	\$9,701,555.00
69. Plant Removal (By Utility Departments)			
70. Electric Plant	\$531,085.00	\$0.00	\$531,085.00
71. Gas Plant	\$81,322.00	\$0.00	\$81,322.00
72. Other			
73. Total Plant Removal	\$612,407.00	\$0.00	\$612,407.00
74. Other Accounts			
Projects for Duke's subsidiaries & merchandising	\$4,605.00	\$0.00	\$4,605.00
Other work in progress	\$82,591.00	\$0.00	\$82,591.00
Other accounts	\$792,407.00	\$0.00	\$792,407.00
95. Total Other Accounts	\$879,603.00	\$0.00	\$879,603.00
96. Total Salaries and Wages	\$44,874,122.00	\$1,076,253.00	\$45,950,375.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Energy Account (Ref Page: 401)

	MW Hours
Sources of Energy	
Generation (Excluding Station Use:)	
Steam	4,077,997
Nuclear	
Hydro--Conventional	
Hydro--Pumped Storage	
Other	37,478
(Less) Energy for Pumping	
Net Generation	4,115,475
Purchases	762,198
Power Exchanges	
Received	
Delivered	
Net Exchanges (line 12 - Line 13)	
Transmission for Other	
Received	
Delivered	
Net Transmission for Other (Line 16-17)	
Transmission by Other Losses	
Total (Lines 9,10,14,18 and 19)	4,877,673
Disposition of Energy	
Sales to Ultimate Consumers (including Interdepartmental Sales)	4,022,677
Requirements Sales for Resale (See Instruction 4 pg 311)	
Non-Requirements Sales for Resale (See Instruction 4 pg 311)	662,841
Energy furnished without Charge	
Energy Used by the Company (Electric Dept Only, excluding Station Use)	451
Total Energy Losses	191,704

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Electric Energy Account (Ref Page: 401)

MW Hours

Total (Lines 22 thru 27)

4,877,673

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Monthly Peaks and Output (Ref Page: 401)

	Total Mon Energy (b)	Mon Non-Req. Sales for	Mon Peak MW (d)	Peak Day of Mon (e)	Peak Hour (f)
January	408,957	25,908	669	12	1900
February	363,472	40,500	689	10	0800
March	433,658	99,800	586	10	2000
April	374,195	79,136	535	1	0700
May	396,631	58,134	793	31	1500
June	463,072	91,251	818	7	1700
July	471,095	4,113	894	21	1800
August	423,449	3,914	862	2	1600
September	424,557	99,288	857	2	1600
October	350,708	45,542	541	10	1600
November	339,563	33,055	580	30	2000
December	428,316	82,200	615	7	1900
Total	4,877,673	662,841			

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - Part One Plant Info (Ref Page: 402)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 402

Col b - Plant name East Bend

Kind of Plant (internal comb, gas turb, nuclear) Steam

Type of Constr (conventional, outdoor, boiler, etc) Conventional

Col c - Plant name Miami Fort 6

Kind of Plant (internal comb, gas turb, nuclear) Steam

Type of Constr (conventional, outdoor, boiler, etc) Conventional

Col d - Plant name Woodsdale GT

Kind of Plant (internal comb, gas turb, nuclear) Gas Turbine

Type of Constr (conventional, outdoor, boiler, etc) Conventional

Col e - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col f - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Year Originally Constructed	1,981	1,960	1,992	0	0
Year Last Unit was Installed	1,981	1,960	1,993	0	0
Total Installed Cap (Max Gen name Plate Ratings MW)	447	168	490	0	0
Net Peak Demand on Plant - MW (60 minutes)	420	166	444	0	0
Plant Hours Connected to Load	7,927	8,468	1,277	0	0
Net Continuous Plant Capability (MW)	414	163	564	0	0
When Not Limited by Condenser Water	414	163	564	0	0
When Limited by Condenser Water					
Average Number of Employees	95	0	26	0	0
Net Generation, Exclusive of Plant Use - KWh	2,856,381,000	1,221,616,000	37,478,000	0	0
Cost of Plant:					
Land and Land Rights	1,686,453	95	2,910,272	0	0
Structures and Improvements	39,280,216	3,293,525	33,797,473	0	0
Equipment Costs	389,627,076	75,517,435	241,062,547	0	0
Asset Retirement Costs	563,352	-78,733	0	0	0
Total Cost	431,157,097	78,732,322	277,770,292	0	0
Cost per KW of Installed Capacity (line 5)	965	469	567	0	0
Production Expenses:					
Oper, Supv and Engr	1,466,057	1,182,283	454,931	0	0
Fuel	71,459,483	33,017,002	6,522,570	0	0
Coolants and Water (Nuclear only)	0	0	361,067	0	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Steam Expenses	10,974,313	220,579	0	0	0
Steam from Other Sources					
Steam Transferred (Cr)					
Electric Expenses	379,371	128,866	863,570	0	0
Misc Steam (or Nuclear) Power Expenses	894,808	486,560	6,754	0	0
Rents	133	1,105,356	0	0	0
Allowances					
Maintenance Supervision and Engineering	1,344,299	326,176	71,124	0	0
Maintenance of Structures	1,469,175	592,068	499,009	0	0
Maintenance of Boiler (or reactor) Plant	6,164,759	1,388,542	-10	0	0
Maintenance of Electric Plant	481,121	441,785	5,350,303	0	0
Maintenance of Misc Steam (or Nuclear) Plant	1,244,715	581,418	122,363	0	0
Total Production Expenses	95,878,234	39,470,635	14,251,681	0	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - Part Two (Line 34) (Ref Page: 402)

	b	c	d	e	f
Expenses per Net KWh	0.0336	0.0323	0.3803	0.0000	0.0000

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Column b					
Nuclear Unit					East Bend
Quantity of Fuel Burned	1,378,381.0000	11,037.00000000	0.0000	0.0000	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	11,343.0000	137,100.00000000	0.0000	0.0000	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	51.0120	133.14700000	0.0000	0.0000	
Average Cost of Fuel per Unit Burned	50.9140	116.05200000	0.0000	0.0000	
Average Cost of Fuel Burned per Million BTU	2.2440	20.15400000	0.0000	0.0000	
Average Cost of Fuel Burned per KWh Net Gen	0.0250	0.00000000	0.0000	0.0000	
Average BTU per KWh Net Generation	10,948.0000	0.00000000	0.0000	0.0000	
Column c					
Nuclear Unit					Miami Fort 6
Quantity of Fuel Burned	528,126.0000	9,651.00000000	0.0000	0.0000	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	11,754.0000	137,303.00000000	0.0000	0.0000	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	60.4630	0.00000000	0.0000	0.0000	
Average Cost of Fuel per Unit Burned	60.4280	114.32300000	0.0000	0.0000	
Average Cost of Fuel Burned per Million BTU	2.5710	19.82500000	0.0000	0.0000	
Average Cost of Fuel Burned per KWh Net Gen	0.0260	0.00100000	0.0000	0.0000	
Average BTU per KWh Net Generation	10,163.0000	0.00000000	0.0000	0.0000	

Column d

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Nuclear Unit					Woodsdale GT
Quantity of Fuel Burned	0.0000	22,189.00000000	1,188,716.0000	0.0000	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0.0000	91,709.00000000	1.0000	0.0000	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0.0000	0.00000000	4.7820	0.0000	
Average Cost of Fuel per Unit Burned	0.0000	37.80000000	4.7820	0.0000	
Average Cost of Fuel Burned per Million BTU	0.0000	9.81300000	4.6510	0.0000	
Average Cost of Fuel Burned per KWh Net Gen	0.0000	0.02200000	0.1520	0.0000	
Average BTU per KWh Net Generation	0.0000	0.00000000	34,886.0000	0.0000	
Column e					
Nuclear Unit					
Quantity of Fuel Burned	0		0	0	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0		0	0	
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0		0	0	
Average Cost of Fuel per Unit Burned	0		0	0	
Average Cost of Fuel Burned per Million BTU	0		0	0	
Average Cost of Fuel Burned per KWh Net Gen	0		0	0	
Average BTU per KWh Net Generation	0		0	0	
Column f					
Nuclear Unit					

Steam-Electric Generating Plant Statistics - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Quantity of Fuel Burned	0		0	0	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0		0	0	
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0		0	0	
Average Cost of Fuel per Unit Burned	0		0	0	
Average Cost of Fuel Burned per Million BTU	0		0	0	
Average Cost of Fuel Burned per KWh Net Gen	0		0	0	
Average BTU per KWh Net Generation	0		0	0	

Steam-Electric Generating Plant Statistics - pg two - Part One Plant Info (Ref Page: 402)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 402

Col b - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col c - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col d - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col e - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col f - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Steam-Electric Generating Plant Statistics - pg two - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Year Originally Constructed					
Year Last Unit was Installed					
Total Installed Cap (Max Gen name Plate Ratings MW)					
Net Peak Demand on Plant - MW (60 minutes)					
Plant Hours Connected to Load					
Net Continuous Plant Capability (MW)					
When Not Limited by Condenser Water					
When Limited by Condenser Water					
Average Number of Employees					
Net Generation, Exclusive of Plant Use - KWh					
Cost of Plant:					
Land and Land Rights					
Structures and Improvements					
Equipment Costs					
Asset Retirement Costs					
Total Cost					
Cost per KW of Installed Capacity (line 5)					
Production Expenses:					
Oper, Supv and Engr					
Fuel					
Coolants and Water (Nuclear only)					

Steam-Electric Generating Plant Statistics - pg two - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Steam Expenses					
Steam from Other Sources					
Steam Transferred (Cr)					
Electric Expenses					
Misc Steam (or Nuclear) Power Expenses					
Rents					
Allowances					
Maintenance Supervision and Engineering					
Maintenance of Structures					
Maintenance of Boiler (or reactor) Plant					
Maintenance of Electric Plant					
Maintenance of Misc Steam (or Nuclear) Plant					
Total Production Expenses					

Steam-Electric Generating Plant Statistics - pg two - Part Two (Line 34) (Ref Page: 402)

	b	c	d	e	f
Expenses per Net KWh	0	0	0	0	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - pg two - Part Three (Lines 35-43) (Ref Page: 402)

	Coal - Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
column b					
Nuclear Unit					
Quantity of Fuel Burned	0	0	0	0	0
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0	0	0	0	0
Average Cost of Fuel per Unit Burned	0	0	0	0	0
Average Cost of Fuel Burned per Million BTU	0	0	0	0	0
Average Cost of Fuel Burned per KWh Net Gen	0	0	0	0	0
Average BTU per KWh Net Generation	0	0	0	0	0
column c					
Nuclear Unit					
Quantity of Fuel Burned	0	0	0	0	0
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0	0	0	0	0
Average Cost of Fuel per Unit Burned	0	0	0	0	0
Average Cost of Fuel Burned per Million BTU	0	0	0	0	0
Average Cost of Fuel Burned per KWh Net Gen	0	0	0	0	0
Average BTU per KWh Net Generation	0	0	0	0	0

column d

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - pg two - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Nuclear Unit					
Quantity of Fuel Burned	0	0	0	0	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0	0	0	0	
Average Cost of Fuel per Unit Burned	0	0	0	0	
Average Cost of Fuel Burned per Million BTU	0	0	0	0	
Average Cost of Fuel Burned per KWh Net Gen	0	0	0	0	
Average BTU per KWh Net Generation	0	0	0	0	
column e					
Nuclear Unit					
Quantity of Fuel Burned	0	0	0	0	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0	0	0	0	
Average Cost of Fuel per Unit Burned	0	0	0	0	
Average Cost of Fuel Burned per Million BTU	0	0	0	0	
Average Cost of Fuel Burned per KWh Net Gen	0	0	0	0	
Average BTU per KWh Net Generation	0	0	0	0	
column f					
Nuclear Unit					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Steam-Electric Generating Plant Statistics - pg two - Part Three (Lines 35-43) (Ref Page: 402)

	Coal - Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Quantity of Fuel Burned	0	0	0	0	0
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0	0	0	0	0
Average Cost of Fuel per Unit Burned	0	0	0	0	0
Average Cost of Fuel Burned per Million BTU	0	0	0	0	0
Average Cost of Fuel Burned per KWh Net Gen	0	0	0	0	0
Average BTU per KWh Net Generation	0	0	0	0	0

HydroElectric Generating Plant Statistics - Part One Plant Info (Ref Page: 406)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 406

Col b Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col c Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col d Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col e Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col f Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

HydroElectric Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 406)

	b	c	d	e	f
Year Originally Constructed					
Year Last Unit was Installed					
Total installed cap (Gen name plate Rating in MW)					
Net Peak Demand on Plant-Megawatts (60 minutes)					
Plant Hours Connect to Load					
Net Plant Capability (in megawatts)					
(a) Under Most Favorable Oper Conditions					
(b) Under the Most Adverse Oper Conditions					
Average Number of Employees					
Net Generation, Exclusive of Plant Use - KWh					
Cost of Plant					
Land and Land Rights					
Structures and Improvements					
Reservoirs, Dams, and Waterways					
Equipment Costs					
Roads, Railroads and Bridges					
Asset Retirement Costs					
Total Cost					
Cost per KW of Installed Capacity (line 5)					
Production Expenses					
Operation Supervision and Engineering					

HydroElectric Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 406)

	b	c	d	e	f
Water for Power					
Hydraulic Expenses					
Electric Expenses					
Misc Hydraulic Power					
Generation Expenses					
Rents					
Maintenance Supervision and Engineering					
Maintenance of Structures					
Maintenance of Reservoirs, Dams and Waterways					
Maintenance of Electric Plant					
Maintenance of Misc Hydraulic Plant					
Total Production Expenses					
Expenses per net KWh					

Pumped Storage Generating Plant Statistics - Part One Plant Info (Ref Page: 408)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 406

Col b Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col c Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col d Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col e Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col f Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Pumped Storage Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 408)

	b	c	d	e	f
Year Originally Constructed					
Year Last Unit was Installed					
Total installed cap (Gen name plate Rating in MW)					
Net Peak Demand on Plant-Megawatts (60 minutes)					
Plant Hours Connect to Load					
Net Plant Capability (in megawatts)					
Average Number of Employees					
9. Generation, Exclusive of Plant Use - KWh					
10. Energy Used for Pumping					
Net Output for Load (line 9 - line 10)					
Land and Land Rights					
Structures and Improvements					
Reservoirs, Dams, and Waterways					
Water Wheels, Turbines and Generators					
Accessory Electric Equipment					
Misc Pwerplant Equipment					
Roads, Railroads and Bridges					
Asset Retirement Costs					
Total Cost					
Cost per KW of Installed Capacity (line 5)					
Production Expenses					

Pumped Storage Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 408)

	b	c	d	e	f
Operation Supervision and Engineering					
Water for Power					
Pumped Storage Expenses					
Electric Expenses					
Misc Pumped Storage Power Generation Expenses					
Rents					
Maintenance Supervision and Engineering					
Maintenance of Structures					
Maintenance of Reservoirs, Dams and Waterways					
Maintenance of Electric Plant					
Maintenance of Misc Pumped Storage Plant					
Production Expenses before Pumping Exp (23 thru 33)					
Pumping Expenses					
Total Production Expenses					
Expenses per net KWh					

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Generating Plant Statistics (Small Plants) (Ref Page: 410)

Name of Plant (a)	Yr Orig Const (b)	Installed Capacity Name	Net Peak Demand MW	Net Generation	Cost of Plant (f)
-------------------	-------------------	-------------------------	--------------------	----------------	-------------------

0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Generating Plant Statistics (Small Plants) (Ref Page: 410) (Part Two)

Name of Plant (a)	Plant Cost (include Asst Ret) per MW	Operation Excl Fuel (h)	Prod Exp. Fuel (i)	Prod Exp Maintenance (j)	Kind of Fuel (k)	Fuel Costs (in cents per Million BTU) (l)
-------------------	-----------------------------------------	----------------------------	--------------------	-----------------------------	------------------	----------------------------------------------

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission Line Statistics (Ref Page: 422)

Line	From (a)	To (b)	Volt Operating (c)	Volt Designed (d)	Type support (e)	Length Line Designated (f)	Length Another Line (g)	Number of Circuits (h)
1	69KV Transmission Pool		69	69	Pole	102.1400	3.0400	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission Line Statistics (cont) (Ref Page: 423)

Line	Size of	Cost of Line -	Cost of Line -	Cost of Line -	Operation (m)	Maintenance (n)	Rents (o)	Total (p)
1		\$1,094,542.00	\$11,416,574.00	\$12,511,116.00	\$88,323.00	\$144,303.00	\$1,934,161.00	\$2,166,787.00
Total		\$1,094,542.00	\$11,416,574.00	\$12,511,116.00	\$88,323.00	\$144,303.00	\$1,934,161.00	\$2,166,787.00

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission Lines Added During Year (Ref Page: 424)

Line	From (a)	To (b)	Line Length Lines (c)	Type support (d)	Ave Num per Miles (e)	Circuits Per Structure Present (f)	Circuits Per Structure Ultimate (g)
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0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Transmission Lines Added During Year (cont) (Ref Page: 425)

Line	Conductor Size	Conductor	Config and	Voltage KV	Land and Land	Poles Towers	Conductors	Asset	Total (p)
------	----------------	-----------	------------	------------	---------------	--------------	------------	-------	-----------

Total

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
1	Alexandria South - Campbell Co	Unattended - D	69.0000	13.2000	0.0000
2	Augustine - Covington, KY	Unattended - D	138.0000	13.2000	0.0000
3	Beaver - Boone Co.	Unattended - D	69.0000	13.2000	0.0000
4	Bellevue - Campbell Co	Unattended - D	138.0000	13.2000	0.0000
5	Blackwell - Grant Co	Unattended - T	138.0000	69.0000	0.0000
6	Buffington - Kenton Co.	Unattended - T&D	138.0000	69.0000	13.2000
7	Claryville - Campbell Co.	Unattended - D	69.0000	13.2000	0.0000
8	Cold Spring - Kenton Co.	Unattended - D	138.0000	13.2000	0.0000
9	Constance - Kenton Co.	Unattended - D	138.0000	13.2000	0.0000
10	Covington - Kenton Co.	Unattended - D	69.0000	13.2000	0.0000
11	Crescent - Kenton Co.	Unattended - D	138.0000	13.2000	0.0000
12	Crittenden - Grant Co.	Unattended - D	69.0000	13.2000	0.0000
13	Dayton - Campbell Co.	Unattended - D	138.0000	13.2000	0.0000
14	Decoursey - Kenton Co.	Unattended - D	69.0000	13.2000	0.0000
15	Dixie - Boone Co.	Unattended - D	69.0000	13.2000	0.0000
16	Donaldson - Kenton Co.	Unattended - D	138.0000	13.2000	0.0000
17	Dry Ridge - Grant Co.	Unattended - D	69.0000	13.2000	0.0000
18	Empire - Boone Co.	Unattended - D	69.0000	13.2000	0.0000
19	Florence - Boone Co.	Unattended - D	138.0000	13.2000	0.0000
20	Grant - Grant Co.	Unattended - D	69.0000	13.2000	0.0000
21	Hands - Kenton Co.	Unattended - D	138.0000	13.2000	0.0000
22	Hebron - Boone Co.	Unattended - D	138.0000	13.2000	0.0000
23	Kenton - Kenton Co.	Unattended - T&D	138.0000	13.2000	0.0000
24	KY University - Campbell Co.	Unattended - D	138.0000	13.2000	0.0000
25	Limaburg - Boone Co.	Unattended - D	69.0000	13.2000	0.0000

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
26	Longbranch - Boone Co.	Unattended - D	138.0000	13.2000	0.0000
27	Marshall - Campbell Co.	Unattended - D	69.0000	13.2000	0.0000
28	Mt. Zion - Boone Co.	Unattended - D	138.0000	13.2000	0.0000
29	Oakbrook - Boone Co.	Unattended - D	69.0000	13.2000	0.0000
30	Richwood - Boone Co.	Unattended - D	69.0000	13.2000	0.0000
31	Thomas More - Kenton Co.	Unattended - D	69.0000	13.2000	0.0000
32	Verona - Kenton Co.	Unattended - D	69.0000	13.2000	0.0000
33	Villa - Crestview Hills, KY	Unattended - D	69.0000	13.2000	0.0000
34	White Tower - Kenton Co.	Unattended - D	69.0000	13.2000	0.0000
35	Wilder - Wilder, KY	Unattended - T&D	138.0000	69.0000	13.2000
36	York - Newport, KY	Unattended - D	138.0000	0.0000	0.0000
37	1 Station under 10 MVA	Unattended - D	13.2000	4.3000	0.0000
0			0.0000	0.0000	0.0000
0			0.0000	0.0000	0.0000
0			0.0000	0.0000	0.0000
0			0.0000	0.0000	0.0000
0			0.0000	0.0000	0.0000

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (in	Num spare Trans (h)	Type Equipment (l)	Num Units (j)	Total Capacity (k)
1	11.0000	1	0		0	0
2	72.0000	2	0		0	0
3	21.0000	2	0		0	0
4	45.0000	2	0		0	0
5	150.0000	1	0		0	0
6	328.0000	5	0		0	0
7	32.0000	3	0		0	0
8	33.0000	2	0		0	0
9	45.0000	2	0		0	0
10	22.0000	1	0		0	0
11	45.0000	2	0		0	0
12	21.0000	2	0		0	0
13	22.0000	1	0		0	0
14	11.0000	1	0		0	0
15	42.0000	2	0		0	0
16	45.0000	2	0		0	0
17	11.0000	1	0		0	0
18	25.0000	2	0		0	0
19	67.0000	3	0		0	0
20	21.0000	2	0		0	0
21	45.0000	2	0		0	0
22	45.0000	2	0		0	0
23	165.0000	3	0		0	0
24	45.0000	2	0		0	0
25	31.0000	3	0		0	0
26	22.0000	1	0		0	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (in	Num spare Trans (h)	Type Equipment (l)	Num Units (j)	Total Capacity (k)
27	11.0000	1	0		0	0
28	22.0000	1	0		0	0
29	22.0000	1	0		0	0
30	32.0000	3	0		0	0
31	22.0000	1	0		0	0
32	11.0000	1	0		0	0
33	45.0000	2	0		0	0
34	21.0000	2	0		0	0
35	167.0000	3	0		0	0
36	22.0000	1	0		0	0
37	4.0000	1	0		0	0

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

CheckList

Item	Value 1	Value 2	Agree	Explain
Balance Sheet (Assets and Other Debts) (ref pg 110)				
Line 2. Utility Plant (101-106) agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Sum of Lines Total In Service, Leased to Others and Held for Future Use	1629663486.00	1182527696.00	NO	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Line 3. Construction Work in Progress agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Construction Work in Progress Col Elec (c)	27611713.00	22347049.00	NO	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Line 4. Total Utility Plant agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Total Utility Plant Col Elec (c)	1657275199.00	1204874745.00	NO	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Line 5. (Less) Accum. Prov for Dep. Amort. Depl agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Accum. Prov. for Depr, Amort and Depl.	744281884.00	597583327.00	NO	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Line 6. Net Utility Plant agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Net Utility Plant	912993315.00	607291418.00	NO	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Line 17. Investments in Subsidiary Companies agrees with Sched Investments in Subsidiary Companies (ref pg 224) Line Total	0.0000	0	OK	
Line 34. Fuel Stock agrees with Sched Materials and Supplies (ref pg 227) Line Fuel Stock	17624306.00	17624306.00	OK	
Line 35. Fuel Stock Expenses Undistributed agrees with Sched Materials and Supplies (ref pg 227) Line Fuel Stock Expenses Undistributed	0.0000	0	OK	
Line 36. Residuals (Elect) and Extracted Products agrees with Sched Materials and Supplies (ref pg 227) Line Residuals (Elect) and Extracted Products	0.0000	0	OK	
Line 37. Plant Materials and Operating Supplies agrees with Sched Materials and Supplies (ref pg 227) Line Total Plant Materials and Operating Supplies	18379080.00	18379080.00	OK	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

CheckList

Item	Value 1	Value 2	Agree	Explain
Line 38. Merchandise agrees with Sched Materials and Supplies (ref pg 227) Line Merchandise	0.0000		0	OK
Line 39. Other Materials and Supplies agrees with Sched Materials and Supplies (ref pg 227) Line Other Materials and Supplies	0.0000		0	OK
Line 40. Nuclear Materials Held for Sale agrees with Sched Materials and Supplies (ref pg 227) Line Nuclear Materials Held for Sale	0.0000		0	OK
Line 43. Stores Expense Undistributed agrees with Sched Materials and Supplies (ref pg 227) Line Store Expense Undistributed	814113.00	814113.00		OK
Line 55. Extraordinary Property Losses agrees with Sched Extraordinary Property Losses (ref pg 230) Line Total Col Balance (f)	0.0000		0	OK
Line 62. Miscellaneous Deferred Debits agrees with Sched Miscellaneous Deferred Debits (ref pg 233) Line Total Col Balance (f)	37376859.00	37376859.00		OK
Line 64. Research, Devel. and Demonstration Expend. agrees with Sched Research Development and Demonstration Activities (ref pg 352) Line Total Col g	0.0000	0.0000		OK
Line 66. Accumulated Deferred Income Taxes agrees with Sched Accumulated Taxes (ref pg 254) Line Total Acct 190	6735833.00	6735833.00		OK
Balance Sheet - Liabilities and Other Credits (ref pg 112)				
Line 2. Common Stock Issued (201) agrees with Sched Capital Stock (Acct 201 and 204) ref pg 250 Line Total Common Stock Col f	8779995.00	8779995.00		OK
Line 3. Preferred Stock Issued (204) agrees with Sched Capital Stock (Acct 201 and 204) ref pg 250 Line Total Preferred Stock Col f	0.0000		0	OK
Line 11. Retained Earnings agrees with Sched Statement of Retained Earnings (ref pg 118) Line Total Retained Earnings Col Amount c	178389553.00	178389553.00		OK

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

CheckList

Item	Value 1	Value 2	Agree	Explain
Line 12. Unappropriated Undistributed Subsidiary Earnings agrees with Sched Statement of Retained Earnings (ref pg 118) Line Balance End of Year for Unappropriated Undistrib Sub Earnings Col c	0.0000		0	OK
Line 13. (Less Reaquired Capital Stock) agrees with Sched Capital Stock (ref pg 250) Line Total Col h	0.0000	0.0000		OK
Line 16. Bonds (221) agrees with Sched Long Term Debt (221, 222,223,224) (ref pg 256) Line Total 221 Col h	0.0000		0	OK
Line 18. Advances from Associated Companies (223) agrees with Sched Long Term Debt (221, 222,223,224) (ref pg 256) Line Total 223 Col h	0.0000		0	OK
Line 19. Other Long Term Debt (224) agrees with Sched Long Term Debt (221, 222,223,224) (ref pg 256) Line Total 224 Col h	332571494.00	332571494.00		OK
Line 37. Taxes Accrued agrees with Sched Taxes Accrued, Prepaid and Charged (Ref pg 262) Line Total Col g	7389694.00	7389694.00		OK
Line 48. Accumulated Def Investment Tax Credits agrees with Sched Accumulated Deferred Investment Tax Credit (Ref Pg 266) Line Total Col h	1776454.00	1776454.00		OK
Line 50. Other Deferred Credits agrees with Sched Other deferred Credits (Ref Pg 269) Line Total Col h	22449809.00	22449809.00		OK
Line 53. Other Deferred Credits agrees with Sched Other deferred Credits (Ref Pg 269) Line Total Col h	242706189.00	242706189.00		OK
Income Statement (Ref pg 114)				
Line 2. Operating Revenues agrees with Sched Electric Operating Revenues (Ref pg 300) Line Total Electric Operating Revenues Col b	343471128.00	343471128.00		OK
Sum of Lines 4. Operation Exp and 5. Maint Exp agrees with Sched Electric Operation and Maint. Expenses (Ref pg 323) Line Total Elec Operation and Maintenance	257924107.00	257924107.00		OK

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

CheckList

Item	Value 1	Value 2	Agree	Explain
Line 6. Depreciation Expense agrees with Sched Depreciation and Amort of Electric Plant (Ref pg 336) Line Total Col b	28841028.00	28841028.00	OK	
Line 7. Amort and Depl of Utility Plant agrees with Sched Depreciation and Amort of Electric Plant (Ref pg 336) The Sum of Cols d and e Line Total	2978707.00	2978707.0000	OK	
Sum of Lines 13,14 and 15 Col. Electric (e) agrees with Sched Taxes Accrued, Prepaid and Charged (Ref pg 262) Line Total Taxes Col i	12571108.00	12571108.00	OK	
Line 19. Investment Tax Credit Adj. agrees with Sched Accumulated Deferred Investment Tax Credit (Ref pg 266) Line Total Col f	-142557.00	575598.00	NO	Value 1 is for account 411.4. Value 2 includes accounts 411.4 and 411.5 on page 266. The sum of gas and electric in account 411.4 = \$142,557
Statement of Income (Continued) (Ref Pg 117)				
Line 70. Income Taxes - Federal and Other agrees with Sched Taxes Accrued Prepaid and Charged (ref pg 262) Col j	0	0.0000	OK	
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion				
Line Plant Purchased or Sold Col c Electric agrees with Schedule Electric Plant in Service (ref pg 207) Line Electric Plant Purchased Less Electric Plant Sold Col g	0	0	OK	
Line Experimental Plant Unclassified Col c Electric agrees with Schedule Electric Plant in Service (ref pg 206) Line Experimental Plant Unclassified Col g	0	0	OK	
Line Held for Future Use Col c Electric agrees with Schedule Electric Plant Held for Future Use (ref pg 214) Line Total	0	0	OK	
Electric Operating Revenues (Acct 400) (ref pg 300)				
Line Sales for Resale Col b agrees with Sched Sales for Resale (Ref pg 310) Line Total Col k	23334960.00	23334960.00	OK	
Line Sales for Resale Col d MWH agrees with Sched Sales for Resale (Ref pg 310) Line Total Col g MWH	662841	662841	OK	

1001200 Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

CheckList

Item	Value 1	Value 2	Agree	Explain
Electric Operation and Maintenance Expenses (Ref pg 323)				
Line Miscellaneous General Expenses Col b agrees wtih Sched Miscellaneous General Expenses (Ref pg 335) Line Total Amount	1810826.00	1810826.00	OK	
Electric Energy Account (ref pg 401)				
Line Purchases Col MWHours agrees with Sched Purchased Power (Ref pg 326) Line Total Col g MWH Purchased	762198	762198	OK	
Line Sales to Ultimate Consumers Col MWHours agrees with Sched Electric Operating Revenues (Ref pg 300) Line Total Sales to Ultimate Consumers Col d MWH Sold	4022677	4022677	OK	
Line Requirements Sales for Resale Col MWHours agrees with Sales for Resale (Ref pg 310) Line Total RQ Col g MWH Sold	0	0.0000	OK	

OATH

State of NORTH CAROLINA)
County of MECKLENBURG COUNTY) ss:

Steven K. Young makes oath and says
(Name of Officer)

that he/she is Senior Vice President and Controller of
(Official title of officer)

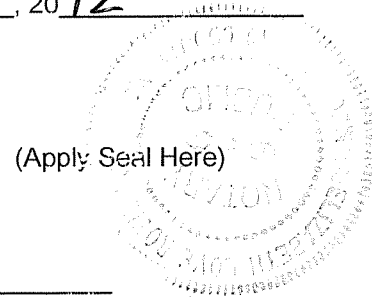
Duke Energy Kentucky, Inc.
(Exact legal title or name of respondent)

that it is her/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2011, to and including December 31, 2011

Steven K. Young
(Signature of Officer)

subscribed and sworn to before me, a Notary Public, in and for
the State and County named in the above this 18th day of April, 20 12



(Apply Seal Here)

My Commission expires 12/7/2013

Elizabeth Love Rothrock
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]



Kentucky Public Service Commission

SUPPLEMENTAL REPORTS

for

Duke Energy Kentucky, Inc.

Duke Energy Kentucky, Inc.
Supplemental Electric Information
Revenues, Customers and KWH Sales

	<u>For Reporting Year 2011</u>		
	<u>Revenues</u>	<u>KWHs Sold</u>	<u>Customers</u>
440 Residential	125,417,440	1,494,370,524	120,423
442 Commercial & Industrial Sales			
Small (or Commercial)	110,313,927	1,427,247,888	13,396
Large (or Industrial)	52,612,717	785,033,393	379
444 Public St & Highway Lighting	1,458,272	15,225,721	408
445 Other Sales to Public Authorities	22,607,569	300,085,325	968
446 Sales to Railroads and Railways		-	
448 Interdepartmental Sales	52,567	714,466	-
TOTAL Sales to Ultimate Customers	312,462,492	4,022,677,317	135,574
447 Sales for Resale	23,334,960	662,841,000	1
TOTAL Sales of Electricity	<u>335,797,452</u>	<u>4,685,518,317</u>	<u>135,575</u>

Duke Energy Kentucky, Inc.
Supplemental Gas Information
Revenues, Customers and MCF Sales

	<u>For Reporting Year 2011</u>		
	<u>Revenues</u>	<u>MCFs of Natural Gas Sold</u>	<u>Customers</u>
480 Residential	76,858,764	6,043,620	87,316
481 Commercial & Industrial Sales			
Small (or Commercial)	26,585,123	2,894,103	7,011
Large (or Industrial)	2,364,506	285,804	211
482 Other Sales to Public Authorities	3,340,849	406,175	360
484 Interdepartmental Sales	24,921	3,193	
TOTAL Sales to Ultimate Customers	109,174,163	9,632,895	94,898
483 Sales for Resale	-	-	
TOTAL Natural Gas Service	<u>109,174,163</u>	<u>9,632,895</u>	<u>94,898</u>

2011 TOTAL NUMBER OF MILES ENERGIZED

VOLTAGE		UNDERGROUND		OVERHEAD	
		<i>CIRCUIT MILES</i>	<i>ENERG. MILES</i>	<i>CIRCUIT MILES</i>	<i>ENERG. MILES</i>
<i>DEK DISTRIBUTION</i>					
2.4		1.34	2.68	13.84	27.68
4		0.90	3.60	4.61	18.44
7.5		367.67	735.34	765.38	1530.76
13		300.83	1203.32	678.73	2714.92
20		0.00	0.00	0.00	0.00
34.5		0.00	0.00	0.00	0.00
SECONDARY	(X3)	129.33	387.99	667.85	2003.55
TOTAL					
		800.07	2332.93	2130.41	6295.35
<i>DEK OVERHEAD TRANSMISSION</i>					
138 KV - (X4) DE OHIO OWNED				125.69	502.76
345 KV + CCD (X4) DE OHIO OWNED				59.57	238.28
69 KV (X4)				126.45	505.80
TOTAL				311.71	1246.84
TOTAL MILES:					
		800.07	2332.93	2442.12	7542.19
TOTAL ENERGIZED MILES:					
		9875.12			

DUKE ENERGY, KENTUCKY INC DISTRIBUTION AND TRANSMISSION (MILES OF LINE) 2011

<u>TAX DISTRICT</u>	<u>DISTRIBUTION POLE MILES</u>	<u>DISTRIBUTION U.G. TRENCH MILES</u>	<u>TRANSMISSION POLE MILES</u>
5902020000	82.85	15.11	4.28
5900030000	54.83	11.52	1.69
5908030000	42.81	12.22	5.13
5907030200	16.46	3.49	1.99
5910010000	21.32	7.69	0.36
5900040000	40.27	32.66	1.17
5917040000	10.04	1.36	0.00
5916050000	0.78	0.00	0.00
5914040000	9.58	2.63	0.00
5914010000	0.01	0.22	0.00
5911040000	29.55	11.61	2.76
5906040000	33.50	18.24	0.64
5913040000	0.65	0.00	0.00
5905040000	8.31	14.03	3.35
5903040000	0.93	0.18	0.00
5915040000	2.31	0.01	0.00
5919040000	31.93	14.89	2.80
5904040000	0.16	0.08	0.00
5909040000	2.31	0.08	1.38
5920040000	15.87	32.49	1.30
5902040000	27.34	11.23	0.73
5916040000	10.93	1.67	0.00
5908040000	1.97	0.39	0.69
5918040800	35.03	4.00	1.17
5910040000	2.97	2.10	0.00
5911010000	0.35	0.12	0.00
5900040600	29.16	7.54	2.00
5900040400	15.39	0.29	2.77
5900040200	26.30	6.52	1.72
5900040800	45.07	5.35	2.20
5909040000	2.31	0.08	0.70
5900040300	27.43	9.65	6.14
5912040300	74.43	36.85	0.00
5900040500	10.04	1.36	0.00
5900040700	33.50	18.24	0.00
5900040100	37.28	9.10	3.91
5900040080	0.02	0.01	0.00
5901040000	3.35	0.05	0.00
5900040070	0.10	0.00	0.00
TOTAL			
KENTON COUNTY	787.44	293.06	48.88

<u>TAX DISTRICT</u>	<u>DISTRIBUTION POLE MILES</u>	<u>DISTRIBUTION U.G. TRENCH MILES</u>	<u>TRANSMISSION POLE MILES</u>
1911050000	37.25	7.15	1.34
1902010000	14.9	1.20	0.00
1906030000	14.36	2.15	0.00
1913070000	6.32	1.21	0.00
1901020500	28.07	13.47	3.32
1900020000	2.55	0.17	2.20
1915020000	0.72	0.03	0.00
1908020000	4.18	2.27	0.86
1914020000	15.98	8.66	7.07
1904020000	11.63	5.51	2.94
1900060800	2.09	0.53	0.00
1913020000	5.93	1.11	0.00
1911020000	0.63	0.89	0.00
1902020000	0.02	0.14	0.00
1900020200	71.84	40.28	7.38
1900020600	22.33	3.81	0.00
1900020700	33.44	9.65	0.37
1900020500	88.00	28.01	5.52
1907020000	3.38	2.72	0.00
1900020100	53.05	9.22	0.00
1900020800	3.34	0.23	0.00
1905020000	0.73	0.04	0.00
1909020600	10.38	5.82	0.00
1912060000	5.11	0.52	0.00
1999020000	0.06	0.00	0.00
1907040000	57.38	13.24	0.00
TOTAL CAMPBELL COUNTY	493.67	158.03	31.00

<u>TAX DISTRICT</u>	<u>DISTRIBUTION POLE MILES</u>	<u>DISTRIBUTION U.G. TRENCH MILES</u>	<u>TRANSMISSION POLE MILES</u>
800010000	7.51	19.76	0.60
800020800	0.00	0.00	0.00
801000000	0.00	0.00	3.03
803020100	64.92	44.60	2.97
802010000	27.18	12.03	0.00
800010100	48.13	37.57	3.10
800020100	85.13	53.66	6.33
800010200	8.48	0.37	0.00
800010400	35.73	43.84	0.00
800010300	60.95	53.54	15.87
800010500	38.28	35.29	2.40
800010600	17.31	5.02	2.34
800010900	115.97	95.96	12.70
800010700	19.22	5.29	0.00
801010000	24.50	0.01	0.00
800010800	9.13	3.57	0.00
TOTAL			
BOONE COUNTY	562.44	410.51	49.34

<u>TAX DISTRICT</u>	<u>DISTRIBUTION POLE MILES</u>	<u>DISTRIBUTION U.G. TRENCH MILES</u>	<u>TRANSMISSION POLE MILES</u>
4100010000	38.94	19.36	9.63
4103010000	10.48	2.87	2.03
4104020000	0.00	0.00	0.08
4100020000	0.17	0.00	1.17
4104010000	0.00	0.00	0.08
4102010000	4.13	1.22	0.00
TOTAL			
GRANT COUNTY	53.72	23.45	12.99

9600010000	5.79	0.31	0.00
90104000	3.35	0.05	0.00
TOTAL			
PENDLETON COUNTY	9.14	0.36	0.00

GRAND TOTALS	1906.41	885.41	142.21
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Cline, Jeff D (PSC)

From: PSC_UFR_WebApp@ky.gov
Sent: Friday, April 27, 2012 9:32 AM
To: Cline, Jeff D (PSC); Owen, Kenneth R (PSC); Rhodes, Jim R (PSC)
Subject: 1001200 ALL Schedules Complete - Duke Energy Kentucky, Inc.(2011)

Importance: High

1001200 has just marked all schedules complete. The Utility Financial Report is ready for your review. This message has been autogenerated by the PSC Utility Financial .NET Application. Please do not respond to this message.

Cline, Jeff D (PSC)

From: PSC_UFR_WebApp@ky.gov
Sent: Wednesday, July 11, 2012 3:45 PM
To: Cline, Jeff D (PSC); Owen, Kenneth R (PSC); Rhodes, Jim R (PSC)
Subject: 1001200 ALL Schedules Complete - Duke Energy Kentucky, Inc.(2011)

Importance: High

1001200 has just marked all schedules complete. The Utility Financial Report is ready for your review. This message has been autogenerated by the PSC Utility Financial .NET Application.
Please do not respond to this message.

Cline, Jeff D (PSC)

From: Hood, Sharon L <Sharon.Hood@duke-energy.com>
Sent: Wednesday, July 11, 2012 4:05 PM
To: Cline, Jeff D (PSC)
Cc: Laub, Peggy A; Cocanougher, Kristen; D'Ascenzo, Rocco O; Longueira, Phil; Hood, Sharon L
Subject: RE: Duke Energy Kentucky, Inc. - 2011 Annual Financial and Statistical Report Issue

Mr. Cline,

I have made the following revisions to the Duke Energy Kentucky's 2011 Annual Financial and Statistical Reports:

Electric Annual Report - Electric Operation and Maintenance Expenses – Customer, Sales and Administrative Expenses (Ref Page 321):

I have added a note explaining the difference which is the same explanation as prior year (Market Facilitation, Monitoring and Compliance Services (575.7))

Gas Annual Report - Gas Plant in Service – Transmission, Distribution (Ref Page 206):

Cost \$7,780 was incorrectly classified as Miscellaneous Equipment and should have been Communication Equipment. I have moved this amount to the correct line.

I have made the changes to the reports noted and changed the status to complete. Thank you for bringing these errors to our attention and please contact me if you have any questions.

Sharon Lam Hood | Duke Energy - Consolidations | T: 704-382-3451 | F: 980-373-8725 | Mailcode: DEC44C

From: Cline, Jeff D (PSC) [<mailto:JeffD.Cline@ky.gov>]
Sent: Wednesday, July 11, 2012 12:16 PM
To: D'Ascenzo, Rocco O
Subject: Duke Energy Kentucky, Inc. - 2011 Annual Financial and Statistical Report Issue

Dear Mr. D'Ascenzo:

This correspondence has been issued to advise that the following items in Duke Energy Kentucky's 2011 Annual Financial and Statistical Reports filed April 30, 2012 may be in need of correction or explanation.

ELECTRIC ANNUAL REPORT

Electric Operation and Maintenance Expenses – Customer, Sales and Administrative Expenses (Ref Page 321); Amount for Current Year

Using figures as provide, the **Total Electric Operation and Maintenance** appears to be incorrect. In prior year reports, a note was included indicating the difference was attributed to Market Facilitation, Monitoring and Compliance Services (575.7). In the event the difference is the same for the 2011 report, can Duke please utilize the "add note" item in the web portal tools menu?

GAS ANNUAL REPORT

Gas Plant in Service – Transmission, Distribution (Ref Page 206); Balance End Year

Using figures as provide, the **Subtotal (line 121)** appears to be incorrect. Based on other information the this schedule, it seems that if Subtotal is correct, Miscellaneous Equipment (line 120) could potentially be incorrect.

The above referenced schedules are attached and Have been electronically placed into “*edit*” mode on our web portal. Please make the appropriate changes or explanations you deem necessary and resubmit any revisions by marking all schedules complete in the web portal tools menu and providing a hard-copy by mail of any modified pages no later than **July 18, 2012**.


Jeff Cline
Annual Report Branch Manager
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602

Phone: 502.564.3940 X 218 | Fax: 502.564.3460 | Web: www.psc.ky.gov

Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

PUBLIC SERVICE COMMISSION
ANNUAL REPORT BRANCH
AUG 14 2012
RECEIVED
EXAMINED BY 

Total Rows with Errors
Electric Operation and Maintenance Expenses - Customer, Sales and Administrative Expenses

Total Electric Operation and (calculated) Amount for \$257,924,107.0
\$257,015,277.0 *OK... See note on schedule.* 

CheckList Items

Item	value 1	value 2	Agree	Explain
Balance Sheet - Assets and Other Debits (Ref Pg 110) Line 2. Utility Plant (101-106) agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Sum of Lines Total In Service, Leased to Others and Held for Future Use	1629663486.00	1182527696.00	False	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Balance Sheet - Assets and Other Debits (Ref Pg 110) Line 3. Construction Work in Progress agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Construction Work in Progress Col Elec (c)	27611713.00	22347049.00	False	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Balance Sheet - Assets and Other Debits (Ref Pg 110) Line 4. Total Utility Plant agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Total Utility Plant Col Elec (c)	1657275199.00	1204874745.00	False	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Balance Sheet - Assets and Other Debits (Ref Pg 110) Line 5. (Less) Accum. Prov for Dep. Amort. Depl agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Accum. Prov. for Depr, Amort and Depl.	744281884.00	597583327.00	False	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.
Balance Sheet - Assets and Other Debits (Ref Pg 110) Line 6. Net Utility Plant agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Net Utility Plant	912993315.00	607291418.00	False	Value 1 includes both electric, gas & common portions. Value 2 only represents electric. Should compare total company on page 200, not electric only.

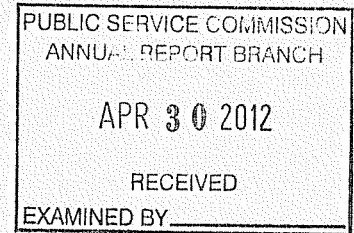
Duke Energy Kentucky, Inc. 01/01/2011 - 12/31/2011

Item	value 1	value 2	Agree	Explain
Statement of Income for the Year (Ref Pg 114) Line 19. Investment Tax Credit Adj. agrees with Sched Accumulated Deferred Investment Tax Credit (Ref pg 266) Line Total Col f	-142557.00	575598.00	False	Value 1 is for account 411.4. Value 2 includes accounts 411.4 and 411.5 on page 266. The sum of gas and electric in account 411.4 = \$142,557

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company) Duke Energy Kentucky, Inc.	Year/Period of Report End of <u>2011/Q4</u>
-------------------------------------------------------------------------------	-------------------------------------------------------

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**


IDENTIFICATION

01 Exact Legal Name of Respondent Duke Energy Kentucky, Inc.		02 Year/Period of Report End of 2011/Q4	
03 Previous Name and Date of Change (if name changed during year) / /			
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 1697 A. Monmouth Street, Newport, KY 41071			
05 Name of Contact Person Sharon Hood		06 Title of Contact Person Lead Accounting Analyst	
07 Address of Contact Person (Street, City, State, Zip Code) 550 South Tryon Street, Charlotte, NC 28202			
08 Telephone of Contact Person, Including Area Code (704) 382-3451	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) / /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Lynn J. Good	03 Signature  Lynn J. Good	04 Date Signed (Mo, Da, Yr) 04/16/2012
02 Title Chief Financial Officer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	N/A
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	N/A
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	N/A
18	Electric Plant Held for Future Use	214	N/A
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	N/A
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	
24	Extraordinary Property Losses	230	N/A
25	Unrecovered Plant and Regulatory Study Costs	230	N/A
26	Transmission Service and Generation Interconnection Study Costs	231	N/A
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	N/A
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Duke Energy Kentucky, Inc. is a wholly-owned subsidiary of Duke Energy Ohio, Inc. Duke Energy Ohio, Inc. is a wholly-owned subsidiary of Cinergy Corp., which is a wholly-owned subsidiary of Duke Energy Corporation.

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chief Executive Officer	James E Rogers	
2			
3	Chief Financial Officer	Lynn J Good	
4			
5	Group Executive and Chief Generation Officer	Dhiaa M. Jamil	
6			
7	President	Julia S Janson	
8			
9	Group Executive and Chief Legal Officer	Marc E Manly	
10			
11	Senior Vice President, Tax	Keith G. Butler	
12			
13	Senior Vice President, Financial Planning and Analysis	Myron L. Caldwell	
14			
15	Chief Risk Officer	Swati V Daji	
16			
17	Senior Vice President and Treasurer	Stephen G. De May	
18			
19	Senior Vice President, Construction and Major Projects	Richard W. Haviland	
20			
21	Senior Vice President and Chief Customer Officer	Gianna M. Manes	
22			
23	Senior Vice President and Chief Technology Officer	David W. Mohler	
24			
25	Senior Vice President and Chief Information Officer	A. R. Mullinax	
26			
27	Senior Vice President, Strategy, Wholesale Customers and		
28	Commodities & Analytics	Paul R. Newton	
29			
30	Senior Vice President and Chief Procurement Officer	Ronald R. Reising	
31			
32	Senior Vice President, Generation Support	John J. Roebel	
33			
34	Senior Vice President, Power Delivery	Jim L. Stanley	
35			
36	Senior Vice President, Federal Government and		
37	Regulatory Affairs	William F. Tyndall	
38			
39	Senior Vice President & Chief Human Resources Officer	Jennifer L. Weber	
40			
41	Senior Vice President and Controller	Steven K. Young	
42			
43	Vice President and Corporate Secretary	David S. Maltz	
44			

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Vice President, Accounting	James D. Wiles	
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Lynn J. Good (Chief Financial Officer)	550 S. Tryon Street, Charlotte, NC 28202
2	Marc E. Manly (Group Executive & Chief Legal Officer),	550 S. Tryon Street, Charlotte, NC 28202
3	effective 1/1/2011	
4	James E. Rogers (Chief Executive Officer)	550 S. Tryon Street, Charlotte, NC 28202
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------------------	------------------------------------------------------------------------

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Midwest ISO FERC Electric Tariff Fifth Revised	
2	Volume No. 1	ER11-2700-000
3	Midwest ISO FERC Electric Tariff Fifth Revised	
4	Volume No. 1	ER11-3251
5	Midwest ISO FERC Electric Tariff Fifth Revised	
6	Volume No. 1	ER11-3704
7	Midwest ISO FERC Electric Tariff Fifth Revised	
8	Volume No. 1	ER11-3279-000
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	N/A				
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s)	Schedule	Column	Line No
1	227	Materials and Supplies		C 16
2	401	Monthly Peaks and Outputs		D 29
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2011/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	1,629,663,486	1,593,477,412
3	Construction Work in Progress (107)	200-201	27,611,713	14,510,244
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		1,657,275,199	1,607,987,656
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	744,281,884	708,752,314
6	Net Utility Plant (Enter Total of line 4 less 5)		912,993,315	899,235,342
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		912,993,315	899,235,342
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		24,088,348	24,088,348
19	(Less) Accum. Prov. for Depr. and Amort. (122)		17,723,306	16,435,934
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,500	1,500
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		6,366,542	7,653,914
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		9,873,513	7,315,421
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		0	2,500
38	Temporary Cash Investments (136)		0	25,480,000
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		2,711,715	1,354,042
41	Other Accounts Receivable (143)		4,009,492	5,108,551
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		243,221	339,747
43	Notes Receivable from Associated Companies (145)		31,908,184	101,860,360
44	Accounts Receivable from Assoc. Companies (146)		70,462	4,443,258
45	Fuel Stock (151)	227	17,624,306	20,129,313
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	18,379,080	15,920,942
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	553,203	1,580,008

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	814,113	1,266,445
55	Gas Stored Underground - Current (164.1)		0	6,101,308
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		2,950,497	1,483,709
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	49,929
60	Rents Receivable (172)		78,000	0
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		8,509,140	561,502
63	Derivative Instrument Assets (175)		221,976	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		97,460,460	192,317,541
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		2,793,101	2,452,656
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	16,684,902	12,541,331
73	Prelim. Survey and Investigation Charges (Electric) (183)		2,301,918	1,761,706
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		35,376	21,652
77	Temporary Facilities (185)		-21,595	-1,525
78	Miscellaneous Deferred Debits (186)	233	37,376,859	35,279,166
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		2,813,656	3,096,800
82	Accumulated Deferred Income Taxes (190)	234	6,735,833	1,377,750
83	Unrecovered Purchased Gas Costs (191)		-2,306,548	-416,895
84	Total Deferred Debits (lines 69 through 83)		66,413,502	56,112,641
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		1,083,233,819	1,155,319,438

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2011/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	8,779,995	8,779,995
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		18,838,946	18,838,946
7	Other Paid-In Capital (208-211)	253	148,655,189	148,655,189
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	178,389,553	289,079,935
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		354,663,683	465,354,065
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	332,571,494	332,571,494
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		710,262	800,689
24	Total Long-Term Debt (lines 18 through 23)		331,861,232	331,770,805
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		8,878,042	10,914,651
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		13,754,004	16,864,581
30	Accumulated Miscellaneous Operating Provisions (228.4)		520,000	520,000
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		8,472,629	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	4,628,100
34	Asset Retirement Obligations (230)		5,859,011	5,512,010
35	Total Other Noncurrent Liabilities (lines 26 through 34)		37,483,686	38,439,342
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		27,166,108	30,381,577
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		25,977,263	17,304,664
41	Customer Deposits (235)		8,367,445	8,127,400
42	Taxes Accrued (236)	262-263	7,389,694	8,273,137
43	Interest Accrued (237)		4,133,070	3,985,331
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2011/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,625,734	1,883,035
48	Miscellaneous Current and Accrued Liabilities (242)		7,733,476	9,719,380
49	Obligations Under Capital Leases-Current (243)		2,046,316	1,903,733
50	Derivative Instrument Liabilities (244)		8,472,629	42,847
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		8,472,629	0
52	Derivative Instrument Liabilities - Hedges (245)		0	4,628,100
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	4,628,100
54	Total Current and Accrued Liabilities (lines 37 through 53)		84,439,106	81,621,104
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		1,030,284	1,323,510
57	Accumulated Deferred Investment Tax Credits (255)	266-267	1,776,454	2,554,791
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	22,449,809	8,308,119
60	Other Regulatory Liabilities (254)	278	6,823,376	3,596,892
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	394,496	197,747
63	Accum. Deferred Income Taxes-Other Property (282)		232,620,280	215,711,250
64	Accum. Deferred Income Taxes-Other (283)		9,691,413	6,441,813
65	Total Deferred Credits (lines 56 through 64)		274,786,112	238,134,122
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		1,083,233,819	1,155,319,438

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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STATEMENT OF INCOME

Quarterly

- Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
- Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
- Report in column (h) the quarter to date amounts for electric utility function, in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
- If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

- Do not report fourth quarter data in columns (e) and (f)
- Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	458,674,872	486,740,594		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	306,812,697	311,682,848		
5	Maintenance Expenses (402)	320-323	27,533,307	32,051,992		
6	Depreciation Expense (403)	336-337	38,438,584	37,481,857		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	4,595,742	6,181,917		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		7,052,265	8,751,639		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	11,869,635	10,545,022		
15	Income Taxes - Federal (409.1)	262-263	3,733,788	1,218,643		
16	- Other (409.1)	262-263	1,415,793	1,495,631		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	54,160,006	53,187,046		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	33,606,494	33,962,981		
19	Investment Tax Credit Adj. - Net (411.4)	266	-142,557	-160,714		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		6,841	11,239		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		421,855,925	428,461,661		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		36,818,947	58,278,933		

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
343,471,128	347,408,408	115,203,744	139,332,186			2
						3
232,174,175	223,659,680	74,638,522	88,023,168			4
25,749,932	30,274,461	1,783,375	1,777,531			5
28,841,028	28,251,922	9,597,556	9,229,935			6
						7
2,978,707	4,074,574	1,617,035	2,107,343			8
						9
						10
						11
5,197,697	5,345,286	1,854,568	3,406,353			12
						13
7,946,803	7,169,435	3,922,832	3,375,587			14
3,625,970	-1,968,211	107,818	3,186,854			15
998,335	656,583	417,458	839,048			16
31,760,811	37,884,849	22,399,195	15,302,197			17
26,344,659	24,919,053	7,261,835	9,043,928			18
-70,561	-87,997	-71,996	-72,717			19
						20
						21
6,841	11,239					22
						23
						24
312,851,397	310,330,290	109,004,528	118,131,371			25
30,619,731	37,078,118	6,199,216	21,200,815			26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		36,818,947	58,278,933		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		220,100	327,566		
32	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)		78,550	114,631		
33	Revenues From Nonutility Operations (417)		8,289	1,094		
34	(Less) Expenses of Nonutility Operations (417.1)		-181,222	1,153		
35	Nonoperating Rental Income (418)		-239,695	-636,132		
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		2,815,133	2,917,823		
38	Allowance for Other Funds Used During Construction (419.1)		595,773	353,341		
39	Miscellaneous Nonoperating Income (421)		1,484	54,628		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		3,503,756	2,902,536		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		51,800	27,939		
46	Life Insurance (426.2)		18,226	-1,323		
47	Penalties (426.3)		4,338	220		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		299,532	337,609		
49	Other Deductions (426.5)		1,378,539	440,726		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		1,752,435	805,171		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	294,580	304,148		
53	Income Taxes-Federal (409.2)	262-263	2,312,927	4,061,919		
54	Income Taxes-Other (409.2)	262-263	367,360	706,305		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	1,819,917	292,056		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	7,593,444	3,890,203		
57	Investment Tax Credit Adj.-Net (411.5)		-433,041	-541,655		
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-3,231,701	932,570		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		4,983,022	1,164,795		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		13,821,653	13,839,721		
63	Amort. of Debt Disc. and Expense (428)		294,680	450,571		
64	Amortization of Loss on Reaquired Debt (428.1)		283,143	283,143		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		3,306,183	1,764,048		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		213,308	155,043		
70	Net Interest Charges (Total of lines 62 thru 69)		17,492,351	16,182,440		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		24,309,618	43,261,288		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		24,309,618	43,261,288		

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		289,079,935	245,818,647
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		24,309,618	43,261,288
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	September 2011 Common Stock Dividends Declared	131	-135,000,000	
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-135,000,000	
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		178,389,553	289,079,935
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		178,389,553	289,079,935
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

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STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments,(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other. Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20, instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	24,309,618	43,261,288
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	38,438,584	37,481,857
5	Amortization of		
6	Plant Items	4,595,742	6,181,917
7	Debt Discount, Premium, Expense and Loss on Reacquired Debt	577,823	733,714
8	Deferred Income Taxes (Net)	14,779,985	15,625,918
9	Investment Tax Credit Adjustment (Net)	-575,598	-702,369
10	Net (Increase) Decrease in Receivables	17,531,761	-7,510,782
11	Net (Increase) Decrease in Inventory	-624,587	5,034,092
12	Net (Increase) Decrease in Allowances Inventory	1,026,805	1,219,324
13	Net Increase (Decrease) in Payables and Accrued Expenses	-1,880,075	-3,652,671
14	Net (Increase) Decrease in Other Regulatory Assets	179,321	5,211,601
15	Net Increase (Decrease) in Other Regulatory Liabilities	3,226,484	2,632,468
16	(Less) Allowance for Other Funds Used During Construction	595,773	353,341
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	9,890,034	-6,512,314
19			
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	110,880,124	98,650,702
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-54,253,866	-59,893,609
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	-722,841	-1,327,937
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-595,773	-353,341
31	Other (provide details in footnote)		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-54,380,934	-60,868,205
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	56,410,000	-31,599,839
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	2,029,066	-92,468,044
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		26,720,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)		26,720,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-26,720,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Premium payments and fees on deferred debt	-833,598	-268,016
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-135,000,000	
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-135,833,598	-268,016
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-22,924,408	5,914,642
87			
88	Cash and Cash Equivalents at Beginning of Period	32,797,921	26,883,279
89			
90	Cash and Cash Equivalents at End of period	9,873,513	32,797,921

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

Other:

Unrecovered Purchased Gas Costs	1,889,653
Prepayments	(1,466,788)
Clearing Accounts	(13,724)
Miscellaneous Current and Accrued Assets	(722,542)
Derivative Instrument Assets	(221,976)
Miscellaneous Deferred Debits	(2,097,693)
Obligations under Capital Leases-Non-current	(2,036,609)
Accumulated Provisions	3,228,505
Customer Advances for Construction	(293,226)
Other Deferred Credits	13,794,688
Contributions to Company Sponsored Pension Plan	(6,339,082)
Temporary Facilities	20,070
Net Utility Plant and Nonutility Property	1,364,923
Cost of Removal	3,075,458
Deferred Income Taxes	14,572
Derivative Instruments	(42,847)
Preliminary Survey and Investigation Charges	(540,212)
Debt Expenses	288,901
Derivative Instrument Liabilities	(12,037)
	9,890,034

Schedule Page: 120 Line No.: 18 Column: c

Other:

Unrecovered Purchased Gas Costs	1,495,166
Prepayments	243,545
Clearing Accounts	(12,975)
Miscellaneous Current and Accrued Assets	(69,623)
Miscellaneous Deferred Debits	1,720,244
Obligations Under Capital Leases - Non-current	(980,071)
Accumulated Provisions	(7,537,548)
Customer Advances for Construction	(109,594)
Other Deferred Credits	1,747,620
Contributions to Company Pension	(5,403,974)
Temporary Facilities	(50,213)
Net Utility Plant and Non Utility Property	1,310,329
Cost of Removal	1,559,350
Deferred Income Taxes	386,520
Derivative Instruments	27,141
Preliminary Survey and Investigation Charges	(750,033)
Debt Expenses	(137,881)
Derivative Instrument Liabilities - Hedges	49,683
	\$(6,512,314)

Schedule Page: 120 Line No.: 90 Column: b

Supplemental Disclosures (in thousands):	YTD Dec '11	YTD Dec '10
Cash paid for interest, net of amount capitalized	\$ 16,875	\$ 15,639
Cash paid for income taxes	4,817	11,962

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Significant non-cash transactions (in thousands):

AFUDC - equity component	\$ 596	\$ 353
Accrued capital expenditures	7,794	3,053

	<u>YTD</u> <u>Dec '11</u>	<u>YTD</u> <u>Dec '10</u>
Cash and Cash Equivalents at End of Period:		
Cash (131)	\$9,873,513	\$ 7,315,421
Working Funds (135)	0	2,500
Temporary Cash Investments (136)	0	25,480,000
Total	<u>\$9,873,513</u>	<u>\$32,797,921</u>

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2011/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

This Federal Energy Regulatory Commission (FERC) Form 1 represents the financial statements of Duke Energy Kentucky, Inc. (Duke Energy Kentucky) as of and for the year ended December 31, 2011. Duke Energy Kentucky's financial statements have been prepared in conformity with the requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The following areas represent the significant differences between the Uniform System of Accounts and GAAP: (1) the presentation of significant non-cash transactions, (2) the presentation of current and non-current portions of long-term debt, preferred stock and other liabilities, (3) the presentation of extraordinary deductions, (4) the presentation of removal costs, (5) the presentation of ASC 740-10 (formerly SFAS No. 109) regulatory assets and liabilities, (6) the presentation of the current portion of deferred income taxes, (7) the presentation of purchases and sales of emission allowances, (8) the presentation of credit balances in asset accounts and debit balances in liability accounts, and (9) the presentation of capital leases vs. operating leases.

GAAP requires that the current and non-current portions of long-term debt, preferred stock and other liabilities be appropriately identified and reported on the Balance Sheet. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which does not recognize any segregation between the current and non-current portions of these items for reporting purposes.

GAAP requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and certain information about their products and services, which are not required for FERC reporting purposes. The item reported differently due to these guidelines is the non-current portion of profits from wholesale power sales to be shared with customers, reported as a deferred credit per GAAP and as a current liability per FERC.

FERC requires that losses of unusual nature and infrequent occurrence, which would significantly distort the current year's income, be recorded as extraordinary deductions.

GAAP requires that removal costs for property that does not have an associated legal retirement obligation be presented as a liability on the Balance Sheet. These costs are presented as accumulated depreciation on the Balance Sheet for FERC reporting purposes. The portion of accumulated depreciation related to removal costs was \$63 million at December 31, 2011 and \$56 million at December 31, 2010.

GAAP requires the regulatory assets and liabilities resulting from the implementation of ASC 740-10 (formerly SFAS No. 109) be presented as a net amount on the Balance Sheet. For FERC reporting purposes, these assets and liabilities are presented separately and are included in the other regulatory asset and other regulatory liability line items.

GAAP requires the current portion of deferred income taxes be reported as a current asset or liability on the balance sheet. For FERC reporting purposes, the current portion of deferred income taxes are included in Accumulated Deferred Income Taxes, which is non-current.

GAAP requires proceeds from the purchase and sale of emission allowances to be presented within the Investing Section of the Statement of Cash Flows. For FERC purposes, these amounts are included within the Operating Section of the Cash Flow Statement.

GAAP requires that certain account balances within financial statement line items which are not in the natural position for that line item (i.e., an account within Accounts Receivable with a credit balance) be reclassified to the appropriate side of the Balance Sheet. FERC does not require certain accounts which are not in a natural position for their respective line item to be reclassified, as long as the line item in total is in its natural position.

GAAP requires the payments related to capital leases to be included within the Financing Section of the Statement of Cash Flows. For FERC purposes, payments related to these capital leases are included within the Operating Section of the Cash Flow Statement.

In Docket No. A1-07-2-000, the FERC issued accounting and financial reporting guidance related to the implementation of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FSB Statement No. 109" (FIN 48). Duke Energy Kentucky reflects this guidance in the FERC Form No. 1.

Duke Energy Kentucky's Notes to the Financial Statements have been prepared in conformity with GAAP. Accordingly, certain footnotes are not reflective of Duke Energy Kentucky's Financial Statements contained herein.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
Duke Energy Kentucky, Inc.			
NOTES TO FINANCIAL STATEMENTS (Continued)			

1. Summary of Significant Accounting Policies

Nature of Operations. Duke Energy Kentucky, Inc. (Duke Energy Kentucky) a Kentucky corporation organized in 1901, is a combination electric and gas public utility company that provides service in northern Kentucky. Duke Energy Kentucky's principal lines of business include generation, transmission and distribution of electricity, as well as the sale of and/or transportation of natural gas. Duke Energy Kentucky's common stock is wholly owned by Duke Energy Ohio, Inc. (Duke Energy Ohio) an indirect wholly-owned subsidiary of Duke Energy Corporation (Duke Energy).

These statements reflect Duke Energy Kentucky's proportionate share of the East Bend generating station which is jointly owned with Dayton Power & Light.

Use of Estimates. To conform to GAAP, management makes estimates and assumptions that affect the amounts reported in the Financial Statements and Notes. Although these estimates are based on management's best available knowledge at the time, actual results could differ.

Cash and Cash Equivalents. All highly liquid investments with remaining maturities of three months or less at the date of acquisition are considered cash equivalents.

Inventory. Inventory consists primarily of coal held for electric generation, materials and supplies and natural gas held in storage for transmission and sales commitments. Inventory is recorded primarily using the average cost method.

Components of Inventory

	December 31, 2011	December 31, 2010
	(in thousands)	
Coal held for electric generation	\$ 14,500	\$ 16,057
Materials and supplies	21,081	19,867
Gas held in storage	1,236	7,494
Total Inventory	\$ 36,817	\$ 43,418

Cost-Based Regulation. Duke Energy Kentucky accounts for its regulated operations in accordance with applicable regulatory accounting guidance. The economic effects of regulation can result in a regulated company recording assets for costs that have been or are expected to be approved for recovery from customers in a future period or recording liabilities for amounts that are expected to be returned to customers in the rate-setting process in a period different from the period in which the amounts would be recorded by an unregulated enterprise. Accordingly, Duke Energy Kentucky records assets and liabilities that result from the regulated ratemaking process that would not be recorded under GAAP for non-regulated entities. Regulatory assets and liabilities are amortized consistent with the treatment of the related costs in the ratemaking process. Management continually assesses whether regulatory assets are probable of future recovery by considering factors such as applicable regulatory changes, recent rate orders applicable to other regulated entities and the status of any pending or potential deregulation legislation. Additionally, management continually assesses whether any regulatory liabilities have been incurred. Based on this continual assessment, management believes the existing regulatory assets are probable of recovery and that no regulatory liabilities, other than those recorded, have been incurred. These regulatory assets and liabilities are primarily classified in the Balance Sheets as Regulatory Assets and Deferred Debits, and Deferred Credits and Other Liabilities. Duke Energy Kentucky periodically evaluates the applicability of regulatory accounting treatment, and considers factors such as regulatory changes and the impact of competition. If cost-based regulation ends or competition increases, Duke Energy Kentucky may have to reduce its asset balances to reflect a market basis less than cost and write off their associated regulatory assets and liabilities. For further information see Note 3.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

In order to apply regulatory accounting treatment and record regulatory assets and liabilities, certain criteria must be met. Management makes significant judgments in determining whether the criteria are met for its operations, including determining whether revenue rates for services provided to customers are subject to approval by an independent, third-party regulator, whether the regulated rates are designed to recover specific costs of providing the regulated service, and a determination of whether, in view of the demand for the regulated services and the level of competition, it is reasonable to assume that rates are set at levels that will recover the operations' costs and can be charged to and collected from customers. This final criterion requires consideration of anticipated changes in levels of demand or competition, direct and indirect, during the recovery period for any capitalized costs.

Fuel Cost Deferrals. Fuel expense includes fuel costs or other recoveries that are deferred through fuel clauses established by Duke Energy Kentucky's regulators. These clauses allow Duke Energy Kentucky to recover fuel costs, fuel-related costs and portions of purchased power costs through surcharges on customer rates. These deferred fuel costs are recognized in revenues and fuel expenses as they are billable to customers.

Property, Plant and Equipment. Property, plant and equipment are stated at the lower of historical cost less accumulated depreciation or fair value, if impaired. Duke Energy Kentucky capitalizes all construction-related direct labor and material costs, as well as indirect construction costs. Indirect costs include general engineering, taxes and the cost of funds used during construction (see "Allowance for Funds Used During Construction (AFUDC) and Interest Capitalized," discussed below). The cost of renewals and betterments that extend the useful life of property, plant and equipment are also capitalized. The cost of repairs, replacements and major maintenance projects, which do not extend the useful life or increase the expected output of property, plant and equipment, is expensed as incurred. Depreciation is generally computed over the asset's estimated useful life using the straight-line method. The composite weighted-average depreciation rate was 2.7% and 2.8% for the year ended December 31, 2011 and 2010, respectively. Depreciation studies are conducted periodically to update the composite rates and are approved by the Kentucky Public Service Commission (KPSC).

When Duke Energy Kentucky retires its regulated property, plant and equipment, it charges the original cost plus the cost of retirement, less salvage value, to accumulated depreciation, consistent with regulated rate making practices, if the retirement is considered a normal retirement. When it (i) sells entire regulated operating units or (ii) retires regulated property, plant and equipment and the retirement is not considered normal, the cost is removed from the property account and the related accumulated depreciation and amortization accounts are reduced. Any gain or loss is recorded in earnings, unless otherwise required by the applicable regulatory body.

See Note 7 for further information on the components and estimated useful lives of Duke Energy Kentucky's property, plant and equipment balance.

Allowance for Funds Used During Construction (AFUDC) and Interest Capitalized. In accordance with applicable regulatory accounting guidance, Duke Energy Kentucky records AFUDC, which represents the estimated debt and equity costs of capital funds necessary to finance the construction of new regulated facilities. Both the debt and equity components of AFUDC are non-cash amounts within the Statements of Operations. AFUDC is capitalized as a component of the cost of Property, Plant and Equipment, with an offsetting credit to Other Income and Expenses, net on the Statements of Operations for the equity component and as an offset to Interest Expense on the Statements of Operations for the debt component. After construction is completed, Duke Energy Kentucky is permitted to recover these costs through inclusion in the rate base and the corresponding depreciation expense.

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Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

AFUDC equity is recorded in the Statements of Operations on an after-tax basis and is a permanent difference item for income tax purposes (i.e. a permanent difference between financial statement and income tax reporting), thus reducing Duke Energy Kentucky's effective tax rate during the construction phase in which AFUDC equity is being recorded. The effective tax rate is subsequently increased in future periods when the completed property, plant and equipment is placed in service and depreciation of the AFUDC equity commences.

Asset Retirement Obligations. Duke Energy Kentucky recognizes asset retirement obligations for legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the asset, and for conditional asset retirement obligations. The term conditional asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Thus, the timing and (or) method of settlement may be conditional on a future event. When recording an asset retirement obligation, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The present value of the liability is added to the carrying amount of the associated asset. This additional carrying amount is then depreciated over the estimated useful life of the asset. See Note 6 for further information regarding Duke Energy Kentucky's asset retirement obligations.

Unamortized Debt Premium, Discount and Expense. Premiums, discounts and expenses incurred with the issuance of outstanding long-term debt are amortized over the terms of the debt issues. Any call premiums or unamortized expenses associated with refinancing higher-cost debt obligations to finance regulated assets and operations are amortized consistent with regulatory treatment of those items, where appropriate. The amortization expense is recorded as a component of interest expense in the Statements of Operations and is reflected as Depreciation and amortization within Net cash provided by operating activities on the Statements of Cash Flows.

Loss Contingencies and Environmental Liabilities. Duke Energy Kentucky is involved in certain legal and environmental matters that arise in the normal course of business. Contingent losses are recorded when it is determined that it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. When a range of the probable loss exists and no amount within the range is a better estimate than any other amount, Duke Energy Kentucky records a loss contingency at the minimum amount in the range. Unless otherwise required by GAAP, legal fees are expensed as incurred.

Environmental liabilities are recorded on an undiscounted basis when the necessity for environmental remediation becomes probable and the costs can be reasonably estimated, or when other potential environmental liabilities are reasonably estimable and probable. Duke Energy Kentucky expenses environmental expenditures related to conditions caused by past operations that do not generate current or future revenues. Certain environmental expenses receive regulatory accounting treatment, under which the expenses are recorded as regulatory assets. Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate.

See Note 4 for further information.

Pension and Other Post-Retirement Benefit Plans. Duke Energy maintains qualified, non-qualified and other post-retirement benefit plans. Duke Energy Kentucky participates in Duke Energy's qualified and non-qualified and other post-retirement benefit plans and is allocated its proportionate share of benefit costs by Duke Energy. See Note 14 for information related to Duke Energy Kentucky's benefit plans, including certain accounting policies associated with these plans.

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Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Severance and Special Termination Benefits. Duke Energy has an ongoing severance plan under which, in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits. Duke Energy Kentucky records a liability for involuntary severance once an involuntary severance plan is committed to by management, or sooner, if involuntary severances are probable and the related severance benefits can be reasonably estimated. For involuntary severance benefits that are incremental to its ongoing severance plan benefits, Duke Energy Kentucky measures the obligation and records the expense at its fair value at the communication date if there are no future service requirements, or, if future service is required to receive the termination benefit, ratably over the service period. From time to time, Duke Energy offers special termination benefits under voluntary severance programs. Special termination benefits are measured upon employee acceptance and recorded immediately absent a significant retention period. If a significant retention period exists, the cost of the special termination benefits are recorded ratably over the remaining service periods of the affected employees. Employee acceptance of voluntary severance benefits is determined by management based on the facts and circumstances of the special termination benefits being offered. See Note 13 for further information.

Revenue Recognition and Unbilled Revenue. Revenues on sales of electricity and gas are recognized when either the service is provided or the product is delivered. Unbilled retail revenues are estimated by applying an average revenue per kilowatt-hour or per thousand cubic feet (Mcf) for all customer classes to the number of estimated kilowatt-hours or Mcfs delivered but not billed. Unbilled wholesale energy revenues are calculated by applying the contractual rate per megawatt hour (MWh) to the number of estimated MWh delivered, but not yet billed. Unbilled wholesale demand revenues are calculated by applying the contractual rate per megawatt (MW) to the MW volume not yet billed. The amount of unbilled revenues can vary significantly from period to period as a result of factors including seasonality, weather, customer usage patterns and customer mix.

Cinergy Receivables Company LLC (CRC) is a bankruptcy remote, special purpose entity that is a wholly-owned limited liability company of Cinergy. Unbilled revenues, which are primarily recorded as Receivables on the Balance Sheets and exclude receivables sold to CRC, primarily relate to wholesale sales and were immaterial as of December 31, 2011 and \$1 million at December 31, 2010.

Additionally, Duke Energy Kentucky sells, on a revolving basis, nearly all of its retail accounts receivable and related collections to CRC. As discussed further in Note 12, Duke Energy Kentucky meets the revised sales/derecognition criteria of the accounting rules and, therefore, continues to account for the transfers of receivables to CRC as sales. Accordingly, the receivables sold are not reflected on the Balance Sheets of Duke Energy Kentucky. Receivables for unbilled revenues related to retail accounts receivable at Duke Energy Kentucky included in the sales of accounts receivable to CRC were \$19 million at December 31, 2011 and \$23 million at December 31, 2010.

Accounting for Risk Management and Hedging Activities and Financial Instruments. Duke Energy Kentucky may use a number of different derivative and non-derivative instruments in connection with its interest rate risk management activities, including swaps, futures, forwards and options. All derivative instruments not designated as hedges and not qualifying for the normal purchase/normal sale (NPNS) exception within the accounting guidance for derivatives are recorded on the Balance Sheets at their fair value. Duke Energy Kentucky may designate qualifying derivative instruments as either cash flow hedges or fair value hedges, while others either have not been designated as hedges or do not qualify as a hedge (hereinafter referred to as undesignated contracts).

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following new accounting standards were adopted by Duke Energy Kentucky during the year ended December 31, 2010 and the impact of such adoption, if applicable has been presented in the accompanying Financial Statements:

ASC 860—Transfers and Servicing. In June 2009, the FASB issued revised accounting guidance for transfers and servicing of financial assets and extinguishment of liabilities, to require additional information about transfers of financial assets, including securitization transactions, as well as additional information about an enterprise's continuing exposure to the risks related to transferred financial assets. This revised accounting guidance eliminated the concept of a Qualifying Special Purpose Entity (QSPE) and required those entities which were not subject to consolidation under previous accounting rules to now be assessed for consolidation. In addition, this accounting guidance clarified and amended the derecognition criteria for transfers of financial assets (including transfers of portions of financial assets) and required additional disclosures about a transferor's continuing involvement in transferred financial assets. For Duke Energy Kentucky, this revised accounting guidance was effective prospectively for transfers of financial assets occurring on or after January 1, 2010, and early adoption of this statement was prohibited. Since 2002, Duke Energy Kentucky has sold, on a revolving basis, nearly all of its accounts receivable and related collections through CRC, a bankruptcy-remote QSPE. The securitization transaction was structured to meet the criteria for sale accounting treatment, and accordingly, Duke Energy Kentucky did not consolidate CRC, and the transfers were accounted for as sales. Duke Energy Kentucky's sales of accounts receivable and related financial statement presentation were not impacted by the adoption of ASC 860. See Note 12 for additional information.

ASC 810—Consolidations. In June 2009, the FASB amended existing consolidation accounting guidance to eliminate the exemption from consolidation for QSPEs, and clarified, but did not significantly change, the criteria for determining whether an entity meets the definition of a VIE. This revised accounting guidance also required an enterprise to qualitatively assess the determination of the primary beneficiary of a VIE based on whether that enterprise has both the power to direct the activities that most significantly impact the economic performance of a VIE and the obligation to absorb losses or the right to receive benefits of a VIE that could potentially be significant to a VIE. In addition, this revised accounting guidance modified existing accounting guidance to require an ongoing evaluation of a VIE's primary beneficiary and amended the types of events that trigger a reassessment of whether an entity is a VIE. Furthermore, this accounting guidance required enterprises to provide additional disclosures about their involvement with VIEs and any significant changes in their risk exposure due to that involvement.

For the Duke Energy Kentucky, this accounting guidance was effective beginning on January 1, 2010, and is applicable to all entities in which Duke Energy Kentucky is involved, including entities previously subject to existing accounting guidance for VIEs, as well as any QSPEs that existed as of the effective date. Duke Energy Kentucky's sales of accounts receivable and related financial statement presentation were not impacted by the adoption of ASC 810.

ASC 820—Fair Value Measurements and Disclosures. In January 2010, the FASB amended existing fair value measurements and disclosures accounting guidance to clarify certain existing disclosure requirements and to require a number of additional disclosures, including amounts and reasons for significant transfers between the three levels of the fair value hierarchy, and presentation of certain information in the reconciliation of recurring Level 3 measurements on a gross basis. For Duke Energy Kentucky, certain portions of this revised accounting guidance were effective on January 1, 2010, with additional disclosures effective for periods beginning January 1, 2011. The initial adoption of this accounting guidance resulted in additional disclosure in the notes to the financial statements but did not have an impact on Duke Energy Kentucky's results of operations, cash flows or financial position.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

2. Acquisitions

Duke Energy Kentucky consolidates assets and liabilities from acquisitions as of the purchase date, and includes earnings from acquisitions in consolidated earnings after the purchase date.

On January 8, 2011, Duke Energy entered into an Agreement and Plan of Merger (Merger Agreement) among Diamond Acquisition Corporation, a North Carolina corporation and Duke Energy's wholly-owned subsidiary (Merger Sub) and Progress Energy, Inc. (Progress Energy), a North Carolina corporation. Upon the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into Progress Energy with Progress Energy continuing as the surviving corporation and a wholly-owned subsidiary of Duke Energy. The merger is conditioned upon, among other things, approval by the shareholders of both companies, as well as expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and approval by the Federal Energy Regulatory Commission (FERC), the Federal Communications Commission (FCC), the U.S. Nuclear Regulatory Commission, the North Carolina Utilities Commission, and the KPSC. Duke Energy and Progress Energy are also seeking review of the merger by the Public Service Commission of South Carolina (PSCSC) and approval of the joint dispatch agreement by the PSCSC. Although there are no merger-specific regulatory approvals required in Indiana, Ohio or Florida, the companies will continue to update the public services commissions in those states on the merger, as applicable and as required.

On April 4, 2011, Duke Energy and Progress Energy filed a merger application with the KPSC. On June 24, 2011, Duke Energy and Progress Energy filed a settlement agreement with the Attorney General. A public hearing occurred on July 8, 2011. An order conditionally approving the merger was issued on August 2, 2011. On September 15, 2011, Duke Energy and Progress Energy filed for approval of a stipulation revising one of the merger conditions contained in the KPSC order. On October 28, 2011, the KPSC issued an order approving the stipulation and merger and again required Duke Energy and Progress Energy to accept all conditions contained in the order. Duke Energy and Progress Energy filed their acceptance of those conditions on November 4, 2011.

No assurances can be given as to the timing of the satisfaction of all closing conditions or that all required approvals will be received.

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3. Regulatory Matters

Regulatory Assets and Liabilities. Duke Energy Kentucky's regulated operations apply regulatory accounting. Accordingly, Duke Energy Kentucky records assets and liabilities that result from the regulated ratemaking process that would not be recorded under GAAP for non-regulated entities. See Note 1 for further information.

Duke Energy Kentucky's Regulatory Assets and Liabilities:

	As of December 31,		Recovery/Refund Period Ends
	2011	2010	
(in thousands)			
<i>Regulatory Assets</i> ^(a)			
Deferred debt expense	\$ 283	\$ -	2012
Vacation accrual	1,853	2,064	2012
Under-recovery of fuel costs	1,537	-	2012
Hedge costs and other deferrals	529	539	2012
Other	56	-	2012
Total current regulatory assets ^(e)	<u>\$ 4,258</u>	<u>\$ 2,603</u>	
Accrued pension and other post-retirement benefits	34,414	31,614	(b)
Storm cost deferrals	4,913	4,913	(b)
Hedge costs and other deferrals	7,516	3,659	(b)
Deferred debt expense	2,531	3,097	2033
Other	599	577	(b)
Total non-current regulatory assets	<u>49,973</u>	<u>43,860</u>	
Total Regulatory Assets	<u>\$ 54,231</u>	<u>\$ 46,463</u>	
<i>Regulatory Liabilities</i> ^(a)			
Gas purchase costs	\$ 2,353	\$ 3,958	2012
Other	222	-	2012
Total current regulatory liabilities ^(f)	<u>2,575</u>	<u>3,958</u>	
Removal costs ^(c)	59,167	52,111	(d)
Accrued pension and other post-retirement benefits	3,512	3,194	(b)
Demand side management	6,054	2,734	(b)
Other	1,726	2,918	(b)
Total non-current regulatory liabilities	<u>70,459</u>	<u>60,957</u>	
Total Regulatory Liabilities	<u>\$ 73,034</u>	<u>\$ 64,915</u>	

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- (a) All regulatory assets and liabilities are excluded from rate base unless otherwise noted.
- (b) Recovery/refund period varies for these items with some currently unknown.
- (c) Included in rate base.
- (d) Recovery/refund is over the life of the associated asset or liability.
- (e) Included in Other within Current Assets on the Balance Sheets.
- (f) Included in Other within Current Liabilities on the Balance Sheets.

Restrictions on the Ability of Duke Energy Kentucky to Make Dividends, Advances and Loans to Duke Energy. As a condition of the Duke Energy and Cinergy Corp. (Cinergy) merger approval, the KPSC imposed conditions on the ability of Duke Energy Kentucky to transfer funds to Duke Energy through loans or advances, as well as restricted amounts available to pay dividends to Duke Energy. Pursuant to these conditions, Duke Energy Kentucky is required to pay dividends solely out of retained earnings and to maintain a minimum of 35% equity in its capital structure.

Progress Energy Merger. See Note 2 for information regarding Duke Energy's pending merger with Progress Energy.

Rate Related Information. The KPSC approves rates for retail electric and gas services within the Commonwealth of Kentucky. The FERC approves rates for electric sales to wholesale customers served under cost-based rates, as well as sales of transmission service.

Potential Plant Retirement. Duke Energy Kentucky periodically files Integrated Resource Plans (IRP) with the KPSC. The IRPs provide a view of forecasted energy needs over a long term (15-20 years), and options being considered to meet those needs. The IRP's filed by Duke Energy Kentucky in 2011 and 2010 included planning assumptions to potentially retire by 2015, its 163 MW Miami Fort Unit 6, as it does not have the requisite emission control equipment. This is primarily to meet EPA regulations that are not yet effective. As of December 31, 2011, the net carrying value of Miami Fort 6 in the Balance Sheets, was \$14 million.

Regional Transmission Organization Realignment. Duke Energy Ohio, which includes its wholly-owned subsidiary Duke Energy Kentucky, transferred control of its transmission assets to effect a Regional Transmission Organization (RTO) realignment from the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) to PJM, effective December 31, 2011.

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On December 16, 2010, FERC issued an order related to the Midwest ISO's cost allocation methodology surrounding Multi-Value Projects (MVP), a type of Midwest ISO Transmission Expansion Planning (MTEP) project cost. The Midwest ISO expects that MVP will fund the costs of large transmission projects designed to bring renewable generation from the upper Midwest to load centers in the eastern portion of the Midwest ISO footprint. The Midwest ISO approved MVP proposals with estimated project costs of approximately \$5.2 billion prior to the date of Duke Energy Ohio's exit from the Midwest ISO on December 31, 2011. These projects are expected to be undertaken by the constructing transmission owners from 2012 through 2020 with costs recovered through the Midwest ISO over the useful life of the projects. The FERC order did not clearly and expressly approve the Midwest ISO's apparent interpretation that a withdrawing transmission owner is obligated to pay its share of costs of all MVP projects approved by the Midwest ISO up to the date of the withdrawing transmission owners' exit from the Midwest ISO. Duke Energy Ohio, including Duke Energy Kentucky, has historically represented approximately five-percent of the Midwest ISO system. The impact of this order is not fully known, but could result in a substantial increase in the Midwest ISO transmission expansion costs allocated to Duke Energy Ohio and Duke Energy Kentucky subsequent to a withdrawal from the Midwest ISO. Duke Energy Ohio and Duke Energy Kentucky, among other parties, sought rehearing of the FERC MVP order. On October 21, 2011, the FERC issued an order on rehearing in this matter largely affirming its original MVP order and conditionally accepting Midwest ISO's compliance filing as well as determining that the MVP allocation methodology is consistent with cost causation principles and FERC precedent. The FERC also reiterated that it will not prejudice any settlement agreement between an RTO and a withdrawing transmission owner for fees that a withdrawing transmission owner owes to the RTO. The order further states that any such fees that a withdrawing transmission owner owes to an RTO are a matter for those parties to negotiate, subject to review by the FERC. The FERC also ruled that Duke Energy Ohio and Duke Energy Kentucky's challenge of the Midwest ISO's ability to allocate MVP costs to a withdrawing transmission owner is beyond the scope of the proceeding. The Order further stated that Midwest ISO's tariff withdrawal language establishes that once cost responsibility for transmission upgrades is determined, withdrawing transmission owners retain any costs incurred prior to the withdrawal date. In order to preserve their rights, Duke Energy Ohio and Duke Energy Kentucky filed an appeal of the FERC order in the D.C. Circuit Court of Appeals. The case was consolidated with appeals of the FERC order by other parties in the Seventh Circuit Court of Appeals.

Duke Energy Ohio and Duke Energy Kentucky have entered into settlements or have received state regulatory approvals associated with the RTO realignment if ultimately allocated to Duke Energy Ohio and Duke Energy Kentucky. On December 22, 2010, the KPSC issued an order granting approval of Duke Energy Kentucky's request to effect the RTO realignment, subject to several conditions. The conditions accepted by Duke Energy Kentucky include a commitment to not seek to double-recover in a future rate case the transmission expansion fees that may be charged by the Midwest ISO and PJM in the same period or overlapping periods. On January 25, 2011, the KPSC issued an order stating that the order had been satisfied and is now unconditional.

On October 14, 2011, Duke Energy Ohio and Duke Energy Kentucky filed an application with the FERC to establish new wholesale customer rates for transmission service under PJM's Open Access Transmission Tariff. In this filing, Duke Energy Ohio and Duke Energy Kentucky are seeking recovery of their legacy MTEP costs. The new rates went into effect, subject to refund, on January 1, 2012. Protests were filed by certain transmission customers. The matter is pending response from FERC.

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On November 2, 2011, the Midwest ISO, the Midwest ISO Transmission Owners, Duke Energy Ohio and Duke Energy Kentucky jointly submitted to the FERC a filing that addresses the treatment of MTEP costs, excluding MVP costs. The November 2, 2011 filing, which was accepted by the FERC on December 30, 2011, provides that the MISO Transmission Owners will continue to be obligated to construct the non-MVP MTEP projects, for which Duke Energy Ohio and Duke Energy Kentucky will continue to be obligated to pay a portion of the costs. Likewise, transmission customers serving load in the Midwest ISO will continue to be obligated to pay a portion of the costs of a previously identified non-MVP MTEP project that Duke Energy Ohio has constructed.

On December 29, 2011, Midwest ISO filed with FERC a Schedule 39 to the Midwest ISO's tariff. Schedule 39 provides for the allocation of MVP costs to a withdrawing owner based on the owner's actual transmission load after the owner's withdrawal from the Midwest ISO, or, if the owner fails to report such load, based on the owner's historical usage in the Midwest ISO assuming annual load growth. On January 19, 2012, Duke Energy Ohio and Duke Energy Kentucky filed with FERC a protest of the allocation of MVP costs to them under Schedule 39. On February 27, 2012, the FERC accepted Schedule 39 as a just and reasonable basis for the Midwest ISO to charge for MVP costs, a transmission owner that withdraws from the Midwest ISO after January 1, 2012. The FERC set hearing and settlement procedures regarding whether the Midwest ISO's proposal to use the methodology in Schedule 39 to calculate the obligation of transmission owners who withdrew from the Midwest ISO prior to January 1, 2012 (such as Duke Energy Ohio and Duke Energy Kentucky) to pay for MVP costs is consistent with the MVP-related withdrawal obligations in the tariff at the time that they withdrew from the Midwest ISO, and, if not, what amount of, and methodology for calculating, any MVP cost responsibility should be.

On December 31, 2011, Duke Energy Kentucky recorded a liability for its Midwest ISO exit obligation and share of MTEP costs, excluding MVP, of approximately \$18 million. The charges were recorded to Operation, maintenance and other in Duke Energy Kentucky's statement of operations and are included in Other liabilities within the operating section of the statements of cash flows, upon exit from the Midwest ISO on December 31, 2011. In addition to the above amounts, Duke Energy Kentucky may also be responsible for costs associated with the Midwest ISO MVP projects. Duke Energy Kentucky is contesting its obligation to pay for such costs. However, depending on the final outcome of this matter, Duke Energy Kentucky could incur material costs associated with MVP projects, which are not reasonably estimable at this time. Regulatory accounting treatment will be pursued for any costs incurred in connection with the resolution of this matter.

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4. Commitments and Contingencies

General Insurance

Duke Energy Kentucky carries, either directly or through Duke Energy's captive insurance company, Bison Insurance Company Limited, insurance and reinsurance coverage consistent with companies engaged in similar commercial operations with similar type properties. Duke Energy Kentucky's insurance coverage includes (i) commercial general liability coverage for liabilities arising to third parties for bodily injury and property damage resulting from Duke Energy Kentucky's operations; (ii) workers' compensation liability coverage to statutory limits; (iii) automobile liability coverage for all owned, non-owned and hired vehicles covering liabilities to third parties for bodily injury and property damage; (iv) insurance policies in support of the indemnification provisions of Duke Energy Kentucky's by-laws and (v) property coverage for all real and personal property damage, excluding electric transmission and distribution lines, including damages arising from boiler and machinery breakdowns, earthquake, flood damage and extra expense. All coverage is subject to certain deductibles or retentions, sublimits, terms and conditions common for companies with similar types of operations.

Duke Energy Kentucky also maintains excess liability insurance coverage above the established primary limits for commercial general liability and automobile liability insurance. Limits, terms, conditions and deductibles are comparable to those carried by other energy companies of similar size.

The cost of Duke Energy Kentucky's coverage can fluctuate year to year reflecting the changing conditions of the insurance and reinsurance markets.

Environmental

Duke Energy Kentucky is subject to federal, state and local regulations regarding air and water quality, hazardous and solid waste disposal and other environmental matters. These regulations can be changed from time to time, imposing new obligations on Duke Energy Kentucky.

Clean Water Act 316(b). The EPA published its proposed cooling water intake structures rule on April 20, 2011. Duke Energy submitted comments on the proposed rule on August 16, 2011. The proposed rule advances one main approach and three alternatives. The main approach establishes aquatic protection requirements for existing facilities and new on-site facility additions that withdraw two million gallons or more of water per day from rivers, streams, lakes, reservoirs, estuaries, oceans, or other U.S. waters for cooling purposes. Based on the main approach proposed, Duke Energy Kentucky's two coal-fired generating facilities are likely affected sources.

The EPA has plans to finalize the 316(b) rule in July 2012. Compliance with portions of the rule could begin as early as 2015. Because of the wide range of potential outcomes, including the other three alternative proposals, Duke Energy Kentucky is unable to estimate its costs to comply at this time.

Cross-State Air Pollution Rule (CSAPR). On August 8, 2011, the final Cross-State Air Pollution Rule (CSAPR) was published in the Federal Register. The CSAPR established state-level annual SO₂ and NO_x budgets that were to take effect on January 1, 2012, and state-level ozone-season NO_x budgets that were to take effect on May 1, 2012, allocating emission allowances to affected sources in each state equal to the state budget less an allowance set-aside for new sources. The budget levels were set to decline in 2014 for many states, including each state that Duke Energy Kentucky operates. The rule allowed both intrastate and interstate allowance trading.

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Numerous petitions for review of the CSAPR and motions for stay of the CSAPR were filed with the U.S Court of Appeals for the District of Columbia. On December 30, 2011 the court ordered a stay of the CSAPR pending the court's resolution of the various petitions for review. Based on the court's order, the EPA continues to administer the Clean Air Interstate Rule that Duke Energy Kentucky has been complying with since 2009 and which was to be replaced by the CSAPR beginning in 2012. Oral arguments in the case are scheduled for April 13, 2012, with a court decision expected in the third quarter of 2012.

Duke Energy Kentucky is currently evaluating options for achieving the CSAPR requirements. Where the CSAPR requirements were to be constraining, activities to meet the requirements could include purchasing emission allowances, power purchases, curtailing generation and utilizing low sulfur fuel. The CSAPR was not expected to result in Duke Energy Kentucky adding new emission controls. Technical adjustments to the CSAPR recently finalized by the EPA will not materially impact Duke Energy Kentucky. Duke Energy Kentucky cannot predict the outcome of the litigation or how it might affect the CSAPR requirements as they apply to Duke Energy Kentucky.

Coal Combustion Product (CCP) Management. The EPA and a number of states are considering additional regulatory measures that will contain specific and more detailed requirements for the management and disposal of CCPs, primarily ash, from Duke Energy Kentucky's coal-fired power plants.

On June 21, 2010, the EPA issued a proposal to regulate, under the Resource Conservation and Recovery Act, coal combustion residuals (CCR), a term the EPA uses to describe the CCPs associated with the generation of electricity. The EPA proposal contains two regulatory options whereby CCRs not employed in approved beneficial use applications would either be regulated as hazardous waste or would continue to be regulated as non-hazardous waste. Duke Energy Kentucky cannot predict the outcome of this rulemaking. However, based on the proposal, the cost of complying with the final regulation will be material. The EPA Administrator has indicated that the Agency could issue a final rule in late 2012.

Duke Energy Kentucky currently estimates that it will spend \$14 million over the period 2012-2016 to comply with current CCP regulations.

Mercury and Air Toxics Standards (MATS). On February 16, 2012, the final Mercury and Air Toxics Standards rule (previously referred to as the Utility MACT Rule) was published in the Federal Register. The final rule establishes emission limits for hazardous air pollutants, including mercury, from new and existing coal-fired electric generating units. The rule requires sources to comply with the emission limits by April 16, 2015. Under the Clean Air Act, permitting authorities have the discretion to grant up to a 1-year compliance extension, on a case-by-case basis, to sources that are unable to complete the installation of emission controls before the compliance deadline. Duke Energy Kentucky is evaluating the requirements of the rule and developing strategies for complying with the rule's requirements. Strategies to achieve compliance with the final MATS rules are likely to include installation of new or upgrades to existing air emission control equipment, the development of monitoring processes and accelerated retirement of some coal-fired electric-generating units. Based on a preliminary review, the cost to Duke Energy Kentucky to comply with the final regulation will be material.

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Litigation

Carbon Dioxide (CO₂) Litigation. In July 2004, the states of Connecticut, New York, California, Iowa, New Jersey, Rhode Island, Vermont, Wisconsin and the City of New York brought a lawsuit in the U.S. District Court for the Southern District of New York against Cinergy, American Electric Power Company, Inc., American Electric Power Service Corporation, Southern Company, Tennessee Valley Authority, and Xcel Energy Inc. A similar lawsuit was filed in the U.S. District Court for the Southern District of New York against the same companies by Open Space Institute, Inc., Open Space Conservancy, Inc., and The Audubon Society of New Hampshire. These lawsuits allege that the defendants' emissions of CO₂ from the combustion of fossil fuels at electric generating facilities contribute to global warming and amount to a public nuisance. The complaints also allege that the defendants could generate the same amount of electricity while emitting significantly less CO₂. The plaintiffs were seeking an injunction requiring each defendant to cap its CO₂ emissions and then reduce them by a specified percentage each year for at least a decade. In September 2005, the District Court granted the defendants' motion to dismiss the lawsuit. The plaintiffs appealed this ruling to the Second Circuit Court of Appeals. Oral arguments were held before the Second Circuit Court of Appeals on June 7, 2006. In September 2009, the Court of Appeals issued an opinion reversing the district court and reinstating the lawsuit. Defendants filed a petition for rehearing en banc, which was subsequently denied. Defendants filed a petition for certiorari to the U.S. Supreme Court on August 2, 2010. On December 6, 2010, the Supreme Court granted certiorari. Argument on this matter was held on April 19, 2011. On June 20, 2011, the Supreme Court held that the Second Court of Appeals decision should be reversed on the basis that plaintiffs' claims cannot proceed under federal common law, which was displaced by the CAA and actual or potential EPA regulations. The Court's decision did not address plaintiffs' state law claims as those claims had not been presented. On September 2, 2011, plaintiffs notified the Court that they had decided to withdraw their complaints. On December 2, 2011, the District Court dismissed plaintiffs' federal claims and on December 6, 2011, plaintiffs filed notices of dismissal.

Other Litigation and Legal Proceedings. Duke Energy Kentucky is involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve substantial amounts. Duke Energy Kentucky believes that the final disposition of these proceedings will not have a material effect on its results of operations, cash flows or financial position.

Duke Energy Kentucky has exposure to certain legal matters that are described herein. As of both December 31, 2011 and 2010, Duke Energy Kentucky has recorded immaterial reserves for these proceedings and exposures. Duke Energy Kentucky expenses legal costs related to the defense of loss contingencies as incurred.

Other Commitments and Contingencies

General. Duke Energy Kentucky enters into various commitments to purchase or sell power or capacity. As of December 31, 2011, most of these commitments are designated as non-derivative contracts or normal purchases and sales and therefore not recognized on the Balance Sheets.

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Operating and Capital Lease Commitments

Duke Energy Kentucky leases assets in several areas of its operations. Rental expense for operating leases, which is included in Operation, Maintenance and Other on the Statements of Operations, was \$3 million for each of the years ended December 31, 2011 and 2010. Capitalized lease obligations are classified as debt on the Balance Sheets (see Note 5). Amortization of assets recorded under capital leases is included in Depreciation and Amortization on the Statements of Operations. The following is a summary of future minimum lease payments under operating leases, which at inception had a noncancelable term of more than one year, and capital leases as of December 31, 2011:

	Operating Leases	Capital Leases
	(in thousands)	
2012	\$ 1,947	\$ 2,046
2013	1,626	1,878
2014	1,459	1,725
2015	1,220	1,617
2016	1,007	1,518
Thereafter	<u>1,327</u>	<u>2,140</u>
Total future minimum lease payments	<u>\$ 8,586</u>	<u>\$ 10,924</u>

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5. Debt and Credit Facilities
Summary of Debt and Related Terms

	Weighted - Average Rate	Year Due	December 31, 2011	December 31, 2010
(in thousands)				
Unsecured debt	5.30%	2014 – 2036	\$ 255,000	\$ 255,000
Capital leases	5.30%	2012 – 2020	10,924	12,819
Other debt ^(a)	0.75%	2027	77,572	77,571
Unamortized debt discount and premium, net			<u>(710)</u>	<u>(801)</u>
Total debt			342,786	344,589
Current maturities of long-term debt			(1,956)	(1,813)
Total long-term debt			<u>\$ 340,830</u>	<u>\$ 342,776</u>

(a) Includes \$77 million of Duke Energy Kentucky tax-exempt bonds as of both December 31, 2011 and 2010. Of the \$77 million, \$27 million is backstopped by the master credit facility as of both December 31, 2011 and 2010.

Other Debt. In November 2010, Duke Energy Kentucky refunded \$27 million of tax-exempt auction rate bonds through the issuance of tax-exempt variable rate demand bonds, which are supported by a direct pay letter of credit. The variable-rate demand bonds, which are due August 2027, had an initial interest rate of 0.29% which is reset on a weekly basis.

Money Pool. Duke Energy Kentucky receives support for its short-term borrowing needs through participation with Duke Energy and certain of its subsidiaries in a money pool arrangement. Under this arrangement, those companies with short-term funds may provide short-term loans to affiliates participating under this arrangement. The money pool is structured such that the participants separately manage their cash needs and working capital requirements. Accordingly, there is no net settlement of receivables and payables between the money pool participants. Per the terms of the money pool arrangement, the ultimate parent company, Duke Energy, may loan funds to its participating subsidiaries, but may not borrow funds through the money pool.

As of December 31, 2011 and 2010, Duke Energy Kentucky had short-term money pool receivables of \$4 million and \$61 million, respectively, which are classified within Receivables in Duke Energy Kentucky's Balance Sheets. Increases or decreases in money pool receivables are reflected within investing activities on Duke Energy Kentucky's Statement of Cash Flows, while increases or decreases in money pool borrowings are reflected within financing activities on Duke Energy Kentucky's Statement of Cash Flows.

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Floating Rate Debt. Other debt includes \$77 million of floating-rate debt as of both December 31, 2011 and 2010. Floating-rate debt is primarily based on commercial paper rates or a spread relative to an index such as LIBOR. As of December 31, 2011 and 2010, the average interest rate associated with floating-rate debt was 0.71% and 0.31%, respectively.

**Maturities, Call Options and Acceleration Clauses.
Annual Maturities as of December 31, 2011**

	<u>(in thousands)</u>
2012	\$ 1,956
2013	1,788
2014	41,636
2015	1,564
2016	51,468
Thereafter	<u>244,374</u>
Total long-term debt (including current maturities)	<u>\$ 342,786</u>

Duke Energy Kentucky has the ability under certain debt facilities to call and repay the obligation prior to its scheduled maturity. Therefore, the actual timing of future cash repayments could be materially different than the above as a result of Duke Energy Kentucky's ability to repay these obligations prior to their scheduled maturity.

Available Credit Facilities. In November 2011, Duke Energy entered into a new \$6 billion, five-year master credit facility, with \$4 billion available at closing and the remaining \$2 billion available following the successful closing of the proposed merger with Progress Energy. Duke Energy and certain of its wholly-owned subsidiaries, including Duke Energy Kentucky, each have borrowing capacity under the master credit facility up to specified sublimits for each borrower. However, Duke Energy has the unilateral ability at any time to increase or decrease the borrowing sublimits of each borrower, subject to maximum sublimits. At December 31, 2011, Duke Energy Kentucky had a borrowing sublimit under Duke Energy's master credit facility of \$100 million. The amount available to Duke Energy Kentucky under its sublimits to Duke Energy's master credit facility may be reduced by draw downs of cash, borrowings through the money pool arrangement, or use of the master credit facility to backstop the issuances of letters of credit and certain tax-exempt bonds. At December 31, 2011, Duke Energy Kentucky's available capacity was \$73 million under the master credit facility.

At December 31, 2011 and 2010, respectively, \$27 million and \$77 million of tax-exempt bonds, which are short-term obligations by nature, were classified as Long-Term Debt on the Balance Sheets due to Duke Energy Kentucky's intent and ability to utilize such borrowings as long-term financing. Duke Energy's credit facilities with non-cancelable terms in excess of one year as of the balance sheet date give Duke Energy Kentucky the ability to refinance these short-term obligations on a long-term basis. All of the \$27 million and \$77 million of tax-exempt bonds outstanding at December 31, 2011 and 2010, respectively were backstopped by a letter of credit.

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In January 2012, Duke Energy Kentucky and Duke Energy Indiana, Inc. (Duke Energy Indiana), a wholly-owned subsidiary of Duke Energy, collectively entered into a \$156 million two-year bilateral letter of credit agreement, under which Duke Energy Kentucky and Duke Energy Indiana may request the issuance of letters of credit up to \$27 million and \$129 million, respectively, on their behalf to support various series of variable rate demand bonds. In addition, Duke Energy Indiana entered into a \$78 million two-year bilateral letter of credit facility. This credit facility may not be used for any purpose other than to support the variable rate demand bonds issued by Duke Energy Kentucky and Duke Energy Indiana. In February 2012, letters of credit were issued corresponding to the amount of the facilities to support various series of tax-exempt bonds at Duke Energy Kentucky and Duke Energy Indiana.

In September 2008, Duke Energy Kentucky and Duke Energy Indiana, collectively entered into a \$330 million three-year letter of credit agreement with a syndicate of banks, under which Duke Energy Kentucky and Duke Energy Indiana may request the issuance of letters of credit up to \$51 million and \$279 million, respectively on their behalf to support various series of variable rate demand bonds issued or to be issued on behalf of either Duke Energy Kentucky or Duke Energy Indiana. This credit facility, which is not part of Duke Energy's master credit facility, may not be used for any purpose other than to support variable rate demand bonds issued by Duke Energy Kentucky and Duke Energy Indiana. In September 2010, the letter of credit agreement was amended to reduce the size to \$327 million and extended the maturity date to September 2012. In September 2011, the maturity date for the agreement was extended to December 2012 and in December 2011, the maturity date was extended to March 2013 and the facility size was reduced to \$208 million. The facility was subsequently terminated in February 2012.

Restrictive Debt Covenants. Duke Energy Kentucky's debt and credit agreements contain various financial and other covenants. Failure to meet those covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreements. As of December 31, 2011, Duke Energy Kentucky was in compliance with all covenants related to its significant debt agreements. In addition, some credit agreements may allow for acceleration of payments or termination of the agreements due to nonpayment, or the acceleration of other significant indebtedness of the borrower or some of its subsidiaries.

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6. Asset Retirement Obligations

Asset retirement obligations, which represent legal obligations associated with the retirement of certain tangible long-lived assets, are computed as the present value of the projected costs for the future retirement of specific assets and are recognized in the period in which the liability is incurred, if a reasonable estimate of fair value can be made. The present value of the liability is added to the carrying amount of the associated asset in the period the liability is incurred, and this additional carrying amount is depreciated over the remaining life of the asset. Subsequent to the initial recognition, the liability is adjusted for any revisions to the estimated future cash flows associated with the asset retirement obligation (with corresponding adjustments to property, plant, and equipment), which can occur due to a number of factors including, but not limited to, cost escalation, changes in technology applicable to the assets to be retired and changes in federal, state or local regulations, as well as for accretion of the liability due to the passage of time until the obligation is settled. Depreciation expense is adjusted prospectively for any increases or decreases to the carrying amount of the associated asset. The recognition of asset retirement obligations has no impact on the earnings of Duke Energy Kentucky's regulated electric operations as the effects of the recognition and subsequent accounting for an asset retirement obligation are offset by the establishment of regulatory assets and liabilities pursuant to regulatory accounting.

Asset retirement obligations at Duke Energy Kentucky relate primarily to the retirement of gas mains, asbestos abatement at certain generating stations and closure and post-closure activities of landfills. Certain assets of Duke Energy Kentucky have an indeterminate life, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these asset retirement obligations will be recorded when a fair value is determinable.

The following table presents the changes to liability associated with asset retirement obligations during the years ended December 31, 2011 and 2010:

Reconciliation of Asset Retirement Obligation Liability

	Years Ended December 31,	
	2011	2010
	(in thousands)	
Balance as of January 1,	\$ 5,512	\$ 7,063
Accretion expense	204	101
Revisions to estimates of cash flows	143	(1,652)
Balance as of December 31,	<u>\$ 5,859</u>	<u>\$ 5,512</u>

Duke Energy Kentucky's regulated electric and regulated natural gas operations accrue costs of removal for property that does not have an associated legal retirement obligation based on regulatory orders from the KPSC. These costs of removal are recorded as a regulatory liability in accordance with regulatory accounting treatment. See Note 3 for the estimated cost of removal for assets without an associated legal retirement obligation, which are included in Other Deferred Credits and Other Liabilities on the Balance Sheets as of December 31, 2011 and 2010.

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7. Property, Plant and Equipment

	Estimated Useful Life (Years)	December 31, 2011 (in thousands)	December 31, 2010 (in thousands)
Land ^(c)	—	\$ 19,492	\$ 19,492
Plant			
Electric generation, distribution and transmission ^{(a)(c)}	8 – 100	1,154,753	1,133,237
Natural gas transmission and distribution ^(a)	12 – 60	399,194	389,078
Other buildings and improvements ^(a)	25 – 100	32,092	31,710
Equipment	5 – 25	14,562	12,567
Construction in process ^(c)	—	27,612	14,510
Other ^(c)	5 – 20	33,659	31,482
Total property, plant and equipment		1,681,364	1,632,076
Total accumulated depreciation ^{(b)(d)}		(698,977)	(669,682)
Total net property, plant and equipment		\$ 982,387	\$ 962,394

(a) Includes capitalized leases, for which the totals were \$26 million for 2011 and \$33 million for 2010.

(b) Includes accumulated amortization of capitalized leases of \$4 million for 2011 and \$3 million for 2010.

(c) Duke Energy Kentucky and Dayton Power & Light jointly own East Bend Station, an electric generating unit. Duke Energy Kentucky's 69% share of revenues and operating costs are included within the corresponding line on the Statements of Operations. Each participant in the jointly owned facility must provide its own financing. Includes East Bend Station property, plant and equipment and construction work in progress of \$434 million and \$6 million, respectively at December 31, 2011.

(d) Includes East Bend Station accumulated depreciation of \$234 million at December 31, 2011.

Capitalized interest, which includes the debt component of AFUDC, was less than \$500 thousand for each of the years ended December 31, 2011 and 2010.

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8. Other Income and Expenses, net

The components of Other Income and Expenses, net on the Statements of Operations for the years ended December 31, 2011 and 2010 are as follows:

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
	(in thousands)	
Income/(Expense):		
Interest Income	\$ 2,815	\$ 2,918
AFUDC Equity	596	353
Other	<u>(22)</u>	<u>54</u>
Total	<u>\$ 3,389</u>	<u>\$ 3,325</u>

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9. Related Party Transactions

Duke Energy Kentucky engages in related party transactions, which are generally performed at cost and in accordance with the applicable state and federal commission regulations. Balances due to or due from related parties included in the Balance Sheets as of December 31, 2011 and December 31, 2010 are as follows:

	December 31, 2011 ^(a)	December 31, 2010 ^(a)
	(in thousands)	
Current assets ^(b)	\$ 1,885	\$ 4,488
Non-current assets ^(c)	62	3,357
Current liabilities ^(d)	(27,146)	(16,687)
Non-current liabilities ^(e)	(4,355)	(7,038)
Net deferred tax liabilities ^(f)	(228,436)	(213,935)

- (a) Balances exclude assets or liabilities associated with accrued pension and other post-retirement benefits, CRC and money pool arrangements as discussed below.
- (b) Of the balance at December 31, 2011, \$70 thousand is classified as Receivables and \$1,815 thousand is classified as Other within Current Assets on the Balance Sheets. Of the balance at December 31, 2010, \$4,443 thousand is classified as Receivables and \$45 thousand is classified as Other within Current Assets on the Balance Sheets.
- (c) The balances at December 31, 2011 and December 31, 2010 are classified as Other within Investments and Other Assets on the Balance Sheets.
- (d) Of the balance at December 31, 2011, \$25,978 thousand is classified as Accounts payable and \$1,168 thousand is classified as Taxes accrued. The balance at December 31, 2010 is classified as Accounts payable and Taxes accrued on the Balance Sheets.
- (e) The balances at December 31, 2011 and December 31, 2010 are classified as Other within Deferred Credits and Other Liabilities on the Balance Sheets.
- (f) Of the balance at December 31, 2011, \$(231,102) thousand is classified as Deferred Income Taxes and \$2,666 thousand is classified as Other within Current Assets on the Balance Sheets. Of the balance at December 31, 2010, \$(215,544) thousand is classified as Deferred Income Taxes and \$1,609 thousand is classified as Other within Current Assets on the Balance Sheets.

As discussed in Note 14, Duke Energy Kentucky participates in Duke Energy's qualified and non-qualified defined benefit pension plans and post-retirement health care and insurance benefit plans and is allocated its proportionate share of expenses associated with these plans. Additionally, Duke Energy Kentucky has been allocated accrued pension and other post-retirement and post-employment benefit obligations as shown in the following table:

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	<u>December 31, 2011</u>	<u>December 31, 2010</u>
	(in thousands)	
Other current liabilities	\$ 310	\$ 355
Accrued pension and other postretirement benefit costs	<u>20,929</u>	<u>25,339</u>
Total allocated accrued pension and other post-employment benefit obligations	<u>\$ 21,239</u>	<u>\$ 25,694</u>

Other Related Party Amounts

	<u>Years ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Corporate governance and shared service expenses ^(a)	\$ 91,391	\$ 92,084
Midwest ISO expenses ^(b)	9,651	16,408

- (a) Duke Energy Kentucky is allocated its proportionate share of corporate governance and other costs by a consolidated affiliate of Duke Energy. Corporate governance and other shared services costs are primarily related to human resources, employee benefits, legal and accounting fees, as well as other third party costs. These amounts are recorded in Operation, Maintenance and Other within Operating Expenses on the Statements of Operations.
- (b) Duke Energy Kentucky incurs expenses from Duke Energy Ohio related to purchasing network integration transmission service from the Midwest ISO and ancillary services. These expenses are recorded in Operation, maintenance and other within Operating Expenses on the Statements of Operations.

Additionally, as discussed in Note 12, certain trade receivables have been sold by Duke Energy Kentucky to CRC. The proceeds obtained from the sales of receivables are largely cash, but do include a subordinated note from CRC for a portion of the purchase price. This subordinated note is classified as Receivables in the Balance Sheets and was \$28 million and \$41 million as of December 31, 2011 and December 31, 2010, respectively. The interest income associated with the subordinated note, which is recorded in Other Income and Expenses, net on the Statements of Operations, was \$3 million for both the years ended December 31, 2011 and 2010.

As discussed further in Note 5, Duke Energy Kentucky participates in a money pool arrangement with Duke Energy and other Duke Energy subsidiaries. As of December 31, 2011 and 2010, Duke Energy Kentucky was in a receivable position of \$4 million and \$61 million, respectively. The interest income associated with the money pool arrangement was immaterial for both years ended December 31, 2011 and 2010.

During 2011, Duke Energy Kentucky paid dividends of \$135 million to its parent, Duke Energy Ohio.

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10. Risk Management, Derivative Instruments, and Hedging Activities

Duke Energy Kentucky has limited exposure to market price changes of fuel and emission allowance costs incurred for its retail customers due to the use of cost tracking and recovery mechanisms in the state of Kentucky. Duke Energy Kentucky does have exposure to the impact of market fluctuations in the prices of electricity, fuel and emission allowances associated with its generation output not utilized to serve retail operations or committed load (off-system, wholesale power sales). Exposure to interest rate risk exists as a result of the issuance of variable and fixed rate debt. Duke Energy Kentucky employs established policies and procedures to manage its risks associated with these market fluctuations using various commodity and financial derivative instruments, including swaps, futures, forwards and options.

Duke Energy Kentucky does not have any significant commodity derivatives.

Interest Rate Risk. Changes in interest rates expose Duke Energy Kentucky to risk as a result of its issuance of variable and fixed rate debt. Duke Energy Kentucky manages its interest rate exposure by limiting its variable-rate exposures to a percentage of total debt and by monitoring the effects of market changes in interest rates. Duke Energy Kentucky also enters into financial derivative instruments such as interest rate swaps and U.S. Treasury lock agreements to manage and mitigate interest rate risk exposure. Duke Energy Kentucky's existing interest rate derivative instruments were immaterial to its results of operations, cash flows and financial position in 2011 and 2010. The notional amount for Duke Energy Kentucky's interest rate swap was \$27 million at December 31, 2011 and December 31, 2010. Regulatory accounting treatment is applied to this swap, and therefore, there is no mark-to-market impact on earnings.

Credit Risk. Where exposed to credit risk, Duke Energy Kentucky analyzes the counterparties' financial condition prior to entering into an agreement, establishes credit limits and monitors the appropriateness of those limits on an ongoing basis.

Duke Energy Kentucky's industry has historically operated under negotiated credit lines for physical delivery contracts. Duke Energy Kentucky may use master collateral agreements to mitigate certain credit exposures. The collateral agreements provide for a counterparty to post cash or letters of credit to the exposed party for exposure in excess of an established threshold. The threshold amount represents an unsecured credit limit, determined in accordance with the corporate credit policy. Collateral agreements also provide that the inability to post collateral is sufficient cause to terminate contracts and liquidate all positions.

Duke Energy Kentucky also obtains cash or letters of credit from customers to provide credit support outside of collateral agreements, where appropriate, based on its financial analysis of the customer and the regulatory or contractual terms and conditions applicable to each transaction.

See Note 11 for additional information on fair value disclosures related to derivatives

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11. Fair Value of Financial Assets and Liabilities

Under the accounting guidance for fair value, fair value is considered to be the exchange price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The fair value definition focuses on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability versus an entry price, which would be the price paid to acquire an asset or received to assume a liability. Although the accounting guidance for fair value does not require additional fair value measurements, it applies to other accounting pronouncements that require or permit fair value measurements.

Recurring and non-recurring fair value measurements are classified based on the following fair value hierarchy, as prescribed by the accounting guidance for fair value, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that Duke Energy Kentucky has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide ongoing pricing information. Duke Energy Kentucky does not adjust quoted market prices on Level 1 inputs for any blockage factor.

Level 2 – a fair value measurement utilizing inputs other than a quoted market price that are observable, either directly or indirectly, for the asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates. A Level 2 measurement cannot have more than an insignificant portion of the valuation based on unobservable inputs.

Level 3 – any fair value measurements which include unobservable inputs for the asset or liability for more than an insignificant portion of the valuation. A Level 3 measurement may be based primarily on level 2 inputs.

There are no financial assets or financial liabilities that are not required to be accounted for at fair value under GAAP for which the option to record at fair value has been elected. However, in the future, Duke Energy Kentucky may elect to measure certain financial instruments at fair value in accordance with this accounting guidance.

Duke Energy Kentucky's policy for the recognition of transfers between levels of the fair value hierarchy is to recognize the transfer at the end of the period.

The following tables provide the fair value measurement amounts for assets and liabilities recorded on Duke Energy Kentucky's Balance Sheets at fair value at December 31, 2011 and December 31, 2010:

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Description	Total Fair Value Amounts at December 31, 2011			
	Level 1	Level 2	Level 3	
	(in thousands)			
Derivative Assets ^(a)	\$ 222	\$ -	\$ -	\$ 222
Derivative Liabilities ^(b)	(8,473)	-	(8,473)	-
Net (Liabilities) Assets	\$ (8,251)	\$ -	\$ (8,473)	\$ 222

Description	Total Fair Value Amounts at December 31, 2010			
	Level 1	Level 2	Level 3	
	(in thousands)			
Derivative Liabilities ^(b)	\$ (4,671)	\$ -	\$ (4,628)	\$ (43)

- (a) Included in Other within Current Assets and Other within Investments and Other Assets on the Balance Sheets.
(b) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Balance Sheets.

The following table provides a reconciliation of beginning and ending balances of assets measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3):

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Rollforward of Level 3 Measurements

	Derivatives (net)
	(in thousands)
Balance at January 1, 2011	\$ (43)
Total gains included on balance sheet as regulatory asset or liability	245
Total pre-tax realized or unrealized losses included in earnings:	
Revenue, regulated electric ^(a)	47
Net purchases, sales, issuances and settlements:	
Purchases ^(a)	207
Settlements	(234)
Balance at December 31, 2011	<u>\$ 222</u>

a) Relates to financial transmission rights.

Balance at January 1, 2010	\$ (15)
Total gains included on balance sheet as regulatory asset or liability	526
Net purchases, sales, issuances and settlements	<u>(554)</u>
Balance at December 31, 2010	<u>\$ (43)</u>

Additional fair value disclosures. The fair value of financial instruments, excluding financial assets and certain financial liabilities included in the scope of the accounting guidance for fair value measurements disclosed in the tables above, is summarized in the following table. Judgment is required in interpreting market data to develop the estimates of fair value.

	<u>As of December 31, 2011</u>		<u>As of December 31, 2010</u>	
	<u>Book Value</u>	<u>Approximate Fair Value</u>	<u>Book Value</u>	<u>Approximate Fair Value</u>
	(in thousands)			
Long-term debt, including current maturities	\$ 342,786	\$ 380,248	\$ 344,589	\$ 364,384

At both December 31, 2011 and December 31, 2010, the fair value of cash and cash equivalents, accounts and notes receivable, accounts payable and notes payable are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated rates approximate market rates.

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12. Variable Interest Entities

A variable interest entity (VIE) is an entity that is evaluated for consolidation by more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. If an entity is determined to be a VIE, a qualitative analysis of control determines the party that consolidates a VIE based on what party has the power to direct the most significant activities of a legal entity that impact its economic performance as well as what party has rights to receive benefits or is obligated to absorb losses that are significant to the VIE. The analysis of the party that consolidates a VIE is a continual assessment.

NON-CONSOLIDATED VIEs

The table below shows the VIE that Duke Energy Kentucky does not consolidate and how this entity impacts Duke Energy Kentucky's Balance Sheets. As discussed below, Duke Energy Kentucky does not consolidate CRC as it is not the primary beneficiary.

	<u>CRC</u>	
	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
	(in thousands)	
Receivables	\$ 27,673	\$ 41,215

Duke Energy Kentucky is not aware of any situations where the maximum exposure to loss significantly exceeds the carrying values shown.

No financial support was provided to this non-consolidated VIE during the years ended December 31, 2011 and 2010, or is expected to be provided in the future, that was not previously contractually required.

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CRC. CRC was formed in order to secure low cost financing for Duke Energy Kentucky and other operating subsidiaries of Cinergy. Duke Energy Kentucky sells on a revolving basis, at a discount, nearly all of its customer accounts receivable and related collections to CRC. The receivables which are sold are selected in order to avoid any significant concentration of credit risk and exclude delinquent receivables. The receivables sold are securitized by CRC through a facility managed by two unrelated third parties and the receivables are used as collateral for commercial paper issued by the unrelated third parties. These loans provide the cash portion of the proceeds paid by CRC to Duke Energy Kentucky. The proceeds obtained by Duke Energy Kentucky from the sales of receivables are cash and a subordinated note from CRC (subordinated retained interest in the sold receivables) for a portion of the purchase price (typically approximates 25% of the total proceeds). The amount borrowed by CRC against these receivables is non-recourse to the general credit of Duke Energy and the associated cash collections from the accounts receivables sold is the sole source of funds to satisfy the related debt obligation. Borrowing is limited to 75% of the transferred receivables. Losses on collection in excess of the discount are first absorbed by the equity of CRC and next by the subordinated retained interests held by Duke Energy Kentucky and the other operating subsidiaries who sell receivables to CRC. The discount on the receivables reflects interest expense plus an allowance for bad debts net of a servicing fee charged by Duke Energy Kentucky. Duke Energy Kentucky is responsible for the servicing of the receivables (collecting and applying the cash to the appropriate receivables). Depending on the experience with collections, additional equity infusions to CRC may be required to be made by Duke Energy in order to maintain a minimum equity balance of \$3 million. The amount borrowed fluctuates based on the amount of receivables sold. The debt is classified as short-term as the facility has an expiration date of October 2012.

CRC is considered a VIE because the equity capitalization is insufficient to support its operations, the power to direct the most significant activities of the entity are not performed by the equity holder, Cinergy, and deficiencies in the net worth of CRC are not funded by Cinergy, but by Duke Energy. The most significant activity of CRC relates to the decisions made with respect to the management of delinquent receivables. These decisions, as well as the requirement to make up deficiencies in net worth, are made by Duke Energy and not by Duke Energy Kentucky. Accordingly, CRC is consolidated by Duke Energy and not by Duke Energy Kentucky.

The subordinated note is a retained interest (right to receive a specified portion of cash flows from the sold assets) and is classified within Receivables in Duke Energy Kentucky's Balance Sheets at December 31, 2011 and 2010, respectively. The retained interests reflected on the Balance Sheets of Duke Energy Kentucky approximate fair value. The carrying value of the retained interest is determined by allocating the carrying value of the receivables between the assets sold and the interests retained based on relative fair value. The key assumptions used in estimating the fair value for Duke Energy Kentucky in 2011 were an anticipated credit loss ratio of 0.8%, a discount rate of 2.6% and a receivable turnover rate of 11.9%. Because the receivables generally turnover in less than two months, credit losses are reasonably predictable due to the broad customer base and lack of significant concentration, and the purchased beneficial interest (equity in CRC) is subordinate to all retained interests and thus would absorb losses first, the allocated bases of the subordinated notes are not materially different than their face value. The hypothetical effect on the fair value of the retained interest assuming both a 10% and a 20% unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Kentucky on the retained interest using the accretable yield method, which generally approximates the stated rate on the notes since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both the retained interest and purchased beneficial interest whenever it is determined that an other-than-temporary impairment has occurred.

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14. Employee Benefit Plans

Duke Energy Retirement Plans. Duke Energy Kentucky participates in qualified and non-qualified defined benefit pension plans and other post-retirement benefit plans sponsored by Duke Energy. Duke Energy allocates pension and other post-retirement obligations and costs related to these plans to Duke Energy Kentucky.

Net periodic benefit cost disclosed in the tables below for the qualified, non-qualified and other post-retirement benefit plans represent the cost of the respective plan for the periods presented. However, portions of the net periodic benefit cost disclosed in the tables have been capitalized as a component of property, plant and equipment.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations.

Amounts presented in the tables below represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of Duke Energy Kentucky. Additionally, Duke Energy Kentucky is allocated its proportionate share of pension and other post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provides support to Duke Energy Kentucky. These allocated amounts are included in the governance and shared services costs discussed in Note 9.

Qualified Pension Plans

Duke Energy's qualified defined benefit pension plans cover substantially all employees meeting certain minimum age and service requirements. The plans cover most employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits that are based upon a percentage (which varies with age and years of service) of current eligible earnings and current interest credits. Certain legacy Cinergy employees are covered under plans that use a final average earnings formula. Under a final average earnings formula, a plan participant accumulates a retirement benefit equal to a percentage of their highest 3-year average earnings, plus a percentage of their highest 3-year average earnings in excess of covered compensation per year of participation (maximum of 35 years), plus a percentage of their highest 3-year average earnings times years of participation in excess of 35 years. Duke Energy Kentucky also participates in Duke Energy sponsored non-qualified, non-contributory defined benefit pension plans which cover certain executives.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefits to be paid to plan participants. The following table includes information related to Duke Energy Ohio's contributions to Duke Energy's qualified defined benefit pension plans.

(in millions)

	Years ended December 31,		
	2012	2011	2010
Contributions made		\$ 6	\$ 5
Anticipated contributions	\$ 4		

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the qualified retirement plan is ten years. The average remaining service period of active employees covered by the non-qualified retirement plans is also ten years. Duke Energy determines the market-related value of plan assets using a calculated value that recognizes changes in fair value of the plan assets over five years.

Components of Net Periodic Pension Costs as allocated by Duke Energy: Qualified Pension Plans

	For the Years Ended	
	December 31,	
	2011	2010
	(in thousands)	
Service cost	\$ 1,474	\$ 1,459
Interest cost on projected benefit obligation	4,532	4,738
Expected return on plan assets	(6,870)	(6,773)
Amortization of prior service cost	123	123
Amortization of actuarial loss	1,776	1,358
Settlement and contractual termination benefit cost	-	170
Other	328	280
Net periodic pension costs	<u>\$ 1,363</u>	<u>\$ 1,355</u>

Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets: Qualified Pension Plans

	For the Years Ended	
	December 31,	
	2011	2010
	(in thousands)	
Regulatory assets, net increase (decrease)	\$ 3,110	\$ (1,131)

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Reconciliation of Funded Status to Net Amount Recognized: Qualified Pension Plans

	As of and for the Years Ended December 31,	
	2011	2010
	(in thousands)	
<u>Change in Projected Benefit Obligation</u>		
Obligation at prior measurement date	\$ 94,212	\$ 89,885
Service cost	1,474	1,459
Interest cost	4,532	4,738
Actuarial (gains) losses	(463)	4,067
Transfers	(6,206)	(867)
Settlement and contractual termination benefit cost	-	169
Benefits paid	(5,200)	(5,239)
Obligation at measurement date	<u>\$ 88,349</u>	<u>\$ 94,212</u>

The accumulated benefit obligation allocated by Duke Energy to Duke Energy Kentucky was \$83,596 thousand and \$87,156 thousand at December 31, 2011 and 2010, respectively.

	As of and for the Years Ended December 31,	
	2011	2010
	(in thousands)	
<u>Change in Fair Value of Plan Assets</u>		
Plan assets at prior measurement date	\$ 87,147	\$ 77,641
Actual return on plan assets	1,071	10,209
Benefits paid	(5,200)	(5,239)
Transfers	(6,206)	(867)
Employer contributions	6,339	5,403
Plan assets at measurement date	<u>\$ 83,151</u>	<u>\$ 87,147</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Amounts Recognized in the Balance Sheets: Qualified Pension Plans

The following table provides the amounts related to Duke Energy Kentucky's qualified pension plans that are reflected in Accrued pension and other post-retirement benefit costs on the Balance Sheets at December 31, 2011 and 2010.

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Accrued pension liability	\$ (5,198)	\$ (7,065)

The following table provides the amounts related to Duke Energy Kentucky's qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits on the Balance Sheets at December 31, 2011 and 2010:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Regulatory Assets	\$ 30,103	\$ 26,993

Of the amounts above, approximately \$2,013 thousand in unrecognized net actuarial losses and \$120 thousand in prior service cost will be recognized in net periodic pension costs in 2012.

Additional Information: Qualified Pension Plan

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Projected benefit obligation	\$ -	\$ 76,373
Accumulated benefit obligation	-	69,866
Fair value of plan assets	-	71,043

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Assumptions Used for Duke Energy's Pension Benefits Accounting

	As of December 31,	
	2011	2010
	(percentages)	
Benefit Obligations	5.10	5.00
Discount rate	4.40	4.10
Salary increase		
Net Periodic Benefit Cost		
Discount rate	5.00	5.50
Salary increase	4.10	4.50
Expected long-term rate of return on plan assets	8.25	8.50

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Non-Qualified Pension Plans

Components of Net Periodic Pension Costs as allocated by Duke Energy: Non-Qualified Pension Plans

	As of December 31,	
	2011	2010
	(in thousands)	
Interest cost on projected benefit obligation	\$ 7	\$ 8
Amortization of actuarial loss	12	10
Net periodic pension costs	<u>\$ 19</u>	<u>\$ 18</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets: Non-Qualified Pension Plans

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Regulatory assets, net decrease	\$ (18)	\$ (12)

Reconciliation of Funded Status to Net Amount Recognized: Non-Qualified Pension Plans

	<u>As of and for the Years</u>	
	<u>Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
<u>Change in Projected Benefit Obligation</u>		
Obligation at prior measurement date	\$ 147	\$ 148
Service cost	-	-
Interest cost	7	8
Actuarial (gains) losses	(5)	2
Benefits paid	(11)	(11)
Obligation at measurement date	<u>\$ 138</u>	<u>\$ 147</u>

	<u>As of and for the Years</u>	
	<u>Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
<u>Change in Fair Value of Plan Assets</u>		
Benefits paid	\$ (11)	\$ (11)
Employer contributions	11	11
Plan assets at measurement date	<u>\$ -</u>	<u>\$ -</u>

The accumulated benefit obligation was \$138 thousand and \$147 thousand at December 31, 2011 and 2010, respectively.

Name of Respondent Duke Energy Kentucky, Inc	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Amounts Recognized in the Balance Sheets: Non-Qualified Pension Plans

The following table provides the amounts related to Duke Energy Kentucky's non-qualified pension plans that are reflected in Other within Deferred Credits and Other Liabilities on the Balance Sheets at December 31, 2011 and 2010:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Accrued pension liability ^(a)	\$ (138)	\$ (147)

(a) Includes \$14 thousand and \$10 thousand recognized in Other within Current Liabilities on the Balance Sheets as of December 31, 2011 and 2010, respectively.

The following table provides the amounts related to Duke Energy Kentucky's non-qualified pension plans that are reflected in Other within Regulatory Assets and Deferred Debits on the Balance Sheets at December 31, 2011 and 2010:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Regulatory assets	\$ 73	\$ 91

None of the amounts above will be recognized in net periodic pension costs in 2012.

Additional Information: Non-Qualified Pension Plans

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets as allocated by Duke Energy.

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Projected benefit obligation	\$ 138	\$ 147
Accumulated benefit obligation	138	147
Fair value of plan assets	-	-

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Assumptions Used for Duke Energy's Pension Benefits Accounting

	As of December 31,	
	2011	2010
	(percentages)	
Benefit Obligations	5.10	5.00
Discount rate	4.40	4.10
Salary increase		
Net Periodic Benefit Cost		
Discount rate	5.00	5.50
Salary increase	4.10	4.50

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Other Post-Retirement Benefit Plans

Duke Energy Kentucky participates in other post-retirement benefit plans sponsored by Duke Energy. Duke Energy provides certain health care and life insurance benefits to retired employees and their eligible dependents on a contributory and non-contributory basis. These benefits are subject to minimum age and service requirements. The health care benefits include medical coverage, dental coverage, and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments. These benefit costs are accrued over an employee's active service period to the date of full benefits eligibility. The net unrecognized transition obligation is amortized over 20 years. Actuarial gains and losses are amortized over the average remaining service period of the active employees. The average remaining service period of the active employees covered by the plan is 11 years. Duke Energy did not make any pre-funding contributions to its other post-retirement plans in 2011 or 2010.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Components of Net Periodic Other Post-Retirement Benefit Costs as allocated by Duke Energy

	For the Years Ended December 31,	
	2011	2010
	(in thousands)	
Service Cost	\$ 175	\$ 186
Interest cost on projected benefit obligation	477	501
Expected return on plan assets	(79)	(78)
Amortization of prior service credit	(40)	(40)
Amortization of actuarial loss	70	54
Net periodic other post-retirement benefit costs	\$ 603	\$ 623

Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets and Regulatory Liabilities: Other Post-Retirement Benefit Plans

	For the year ended December 31,	
	2011	2010
	(in thousands)	
Regulatory assets, net decrease	\$ (293)	\$ 380
Regulatory liabilities, net increase (decrease)	318	(269)

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs: Other Post-Retirement Benefit Plans

	As of and for the Years Ended December 31,	
	2011	2010
	(in thousands)	
<u>Change in Benefit Obligation</u>		
Accumulated post-retirement benefit obligation at prior measurement date	\$ 9,850	\$ 9,868
Service cost	175	186
Interest cost	477	501
Plan participants' contributions	212	135
Actuarial (gain) loss	(649)	(10)
Transfers	(651)	(238)
Early retiree reinsurance program subsidy	21	-
Accrued retiree drug subsidy	-	17
Benefits paid	(730)	(609)
Accumulated post-retirement benefit obligation at measurement date	<u>\$ 8,705</u>	<u>\$ 9,850</u>

	As of and for the Years Ended December 31,	
	2011	2010
	(in thousands)	
<u>Change in Fair Value of Plan Assets</u>		
Plan assets at prior measurement date	\$ 911	\$ 798
Actual return on plan assets	11	113
Plan participants' contributions	212	135
Benefits paid	(730)	(609)
Employer contributions	518	474
Plan assets at measurement date	<u>\$ 922</u>	<u>\$ 911</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Amounts Recognized in the Balance Sheets: Other Post-Retirement Benefit Plans

The following table provides the amounts related to Duke Energy Kentucky's other post-retirement benefit plans that are reflected in Other within Deferred Credits and Other Liabilities on the Balance Sheets at December 31, 2011 and 2010:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Accrued other post-retirement liability ^(a)	\$ (7,783)	\$ (8,939)

(c) Includes \$118 thousand and \$115 thousand recognized in Other within Current Liabilities on the Balance Sheets as of December 31, 2011 and 2010, respectively.

The following table provides the amounts related to Duke Energy Kentucky's other post-retirement benefit plans that are reflected in Other within Regulatory Assets Deferred Debits and Accrued pension and other post-retirement benefit costs on the Balance Sheets at December 31, 2011 and 2010:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Regulatory assets	\$ 4,237	\$ 4,530
Regulatory liabilities	3,512	3,194

Of the amounts above, \$43 thousand of unrecognized losses and \$40 thousand of unrecognized prior service credit (which will reduce pension expense) will be recognized in net periodic pension costs in 2012.

Assumptions Used in Duke Energy's Other Post-retirement Benefits

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(percentages)	
Benefit Obligations		
Discount rate	5.10	5.00
Net Periodic Benefit Cost		
Discount rate	5.00	5.50
Expected long-term rate of return on plan assets	8.25	8.50

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Assumed Health Care Cost Trend Rates

	<u>2011</u>	<u>2010</u>
Health care cost trend rate assumed for next year	8.75%	8.50%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2020

Expected Benefit Payments

The following table presents Duke Energy's expected benefit payments to participants on behalf of Duke Energy Kentucky in its qualified, non-qualified and other post-retirement benefit plans over the next 10 years, which are primarily paid out of the assets of various trusts. These benefit payments reflect expected future service, as appropriate.

	<u>Qualified Plans</u>	<u>Non-Qualified Plans</u>	<u>Other Post-Retirement Plans</u>	<u>Total</u>
	(in thousands)			
Years Ended December 31,				
2012	\$ 6,092	\$ 15	\$ 655	\$ 6,762
2013	6,026	14	694	6,734
2014	6,015	16	704	6,735
2015	6,010	12	702	6,724
2016	6,113	12	705	6,830
2017 - 2021	34,241	60	3,396	37,697

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Master Retirement Trust. The assets for the Duke Energy Kentucky plans discussed above are derived from the Master Trust that is held by Duke Energy, as such, each are allocated their proportionate share of assets discussed below. Assets for both the qualified pension and other post-retirement benefits are maintained in a Master Retirement Trust (Master Trust). The investment objective of the Master Trust is to achieve reasonable returns, subject to a prudent level of portfolio risk, for the purpose of enhancing the security of benefits for plan participants. The long-term rate of return of 8.00% as of December 31, 2011 for the Master Trust was developed using a weighted-average calculation of expected returns based primarily on future expected returns across asset classes considering the use of active asset managers. The weighted-average returns expected by asset classes were 2.61% for U.S. equities, 1.50% for Non-U.S. equities, 0.99% for Global equities, 1.69% for debt securities, 0.37% for global private equity, 0.24% for hedge funds, 0.30% for real estate and 0.30% for other global securities. The asset allocation targets were set after considering the investment objective and the risk profile. U.S. equities are held for their high expected return. Non-U.S. equities, debt securities, and real estate are held for diversification. Investments within asset classes are to be diversified to achieve broad market participation and reduce the impact of individual managers or investments. Duke Energy regularly reviews its actual asset allocation and periodically rebalances its investments to the targeted allocation when considered appropriate. The following table presents target and actual asset allocations for the Master Trust at December 31, 2011 and 2010:

Asset Category	Target Allocation	Percentage at December 31,	
		2011	2010
U.S. equity securities	28%	28%	30%
Non-U.S. equity securities	15	15	19
Global equity securities	10	9	10
Debt securities	32	32	27
Global private equity securities	3	1	0
Hedge funds	4	3	3
Real estate and cash	4	9	7
Other global securities	4	3	4
Total	100%	100%	100%

Employee Savings Plans

Duke Energy sponsors, and Duke Energy Kentucky participates in, an employee savings plan that covers substantially all U.S. employees. Duke Energy contributes a matching contribution equal to 100% of employee before-tax and Roth 401(k) contributions, of up to 6% of eligible pay per period. Duke Energy Kentucky expensed pre-tax plan contributions, as allocated by Duke Energy, of \$760 thousand in 2011 and \$818 thousand in 2010.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

15. Income Taxes

The following details the components of income tax expense:

Income Tax Expense

	<u>Years Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Current income taxes		
Federal	6,470	6,543
State	1,856	2,418
Total current income taxes	<u>8,326</u>	<u>8,961</u>
Deferred income taxes		
Federal	12,835	14,651
State	1,448	(504)
Total deferred income taxes	<u>14,283</u>	<u>14,147</u>
Investment tax credit amortization	<u>(575)</u>	<u>(702)</u>
Total income tax expense presented in Statements of Operations ^(a)	<u><u>22,034</u></u>	<u><u>22,406</u></u>

(d) Included in the "Total current income taxes" line above is an uncertain tax benefit relating primarily to certain temporary differences of \$497 thousand for 2011 and \$1,478 thousand for 2010. The offset to these temporary differences are included in the "Total deferred income taxes" line above.

Reconciliation of Income Tax Expense at the U.S. Federal Statutory Tax Rate to the Actual Tax Expense (Statutory Rate Reconciliation)

	<u>Years Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in thousands)	
Income tax expense, computed at the statutory rate of 35%	\$ 16,220	\$ 22,984
State income tax, net of federal income tax effect	2,148	1,244
Manufacturing deduction	(225)	(1,016)
Federal true up	3,336	(94)
Other items, net	<u>555</u>	<u>(712)</u>
Total income tax expense	\$ 22,034	\$ 22,406
Effective Tax Rates ^(a)	47.50%	34.10%

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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NOTES TO FINANCIAL STATEMENTS (Continued)			

- (a) The change in the effective tax rate for the year ended December 31, 2011 compared to December 31, 2010 is primarily due to the reduction in the manufacturing deduction and a property, plant and equipment Federal true up.

Net Deferred Income Tax Liability Components

	As of December 31,	
	2011	2010
	(in thousands)	
Deferred credits and other liabilities	\$ 9,854	\$ 2,968
Investments and other assets	2,116	445
Tax Credit Carryforwards	34	-
Other	2,245	2,602
Total deferred income tax assets	14,249	6,015
Accelerated depreciation rates	(221,617)	(211,173)
Regulatory assets and deferred debits	(21,068)	(8,777)
Total deferred income tax liabilities	(242,685)	(219,950)
Total net deferred income tax liabilities	\$ (228,436)	\$ (213,935)

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The above amounts have been classified in the Balance Sheets as follows:

Net Deferred Income Tax Liabilities

	As of December 31,	
	2011	2010
	(in thousands)	
Current deferred tax assets, included in other current assets	\$ 2,666	\$ 1,609
Non-current deferred tax liabilities	(231,102)	(215,544)
Total deferred income tax assets	<u>\$ (228,436)</u>	<u>\$ (213,935)</u>

Changes to Unrecognized Tax Benefits

	2011	2010
	Increase / (Decrease)	Increase / (Decrease)
	(in thousands)	
Unrecognized Tax Benefits – January 1	\$ 7,038	\$ 5,559
Unrecognized Tax Benefits Changes		
Gross increases – tax positions in prior periods	482	1,495
Gross decreases—tax positions in prior periods	(781)	(402)
Gross increases – current period tax positions	<u>796</u>	<u>386</u>
Total Changes	<u>497</u>	<u>1,479</u>
Unrecognized Tax Benefits – December 31	<u>\$ 7,535</u>	<u>\$ 7,038</u>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table includes information regarding the Duke Energy Kentucky's unrecognized tax benefits^(a).

December 31,
2011

(in thousands)

Amount that if recognized, would affect the effective tax rate or regulatory liability^(b) \$ -

- (a) Duke Energy Kentucky does not anticipate a material increase or decrease in unrecognized tax benefits in the next 12 months.
- (b) Duke Energy Kentucky is unable to estimate the specific amounts that would affect the effective tax rate or regulatory liability.

The following table includes interest and penalties recognized in the statements of operations and the balance sheets:

	As of December 31,	
	2011	2010
	<hr/> (in thousands)	
Net interest expense recognized related to income taxes	\$ 246	\$ 324
Interest payable related to income taxes included in the balance sheets	581	324
Accruals for the payment of penalties included in the balance sheets	-	-

Duke Energy Kentucky is no longer subject to U.S. federal examination for years before 2006. The Internal Revenue Service (IRS) is currently auditing the federal income tax returns for years 2006 and 2007. With few exceptions, Duke Energy Kentucky is no longer subject to state, local or non-U.S. income tax examinations by tax authorities for years before 2005.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

16. Subsequent Events

For information on subsequent events related to regulatory matters, commitments and contingencies and debt and credit facilities, see Notes 3, 4 and 5, respectively. Management has evaluated these Unaudited Financial Statements and Notes for subsequent events up through March 8, 2012.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4				43,261,288	43,261,288
5					
6					
7					
8					
9				24,309,618	24,309,618
10					

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	1,437,786,159	1,100,817,043
4	Property Under Capital Leases	19,413,392	5,841,431
5	Plant Purchased or Sold		
6	Completed Construction not Classified	172,463,935	75,869,222
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	1,629,663,486	1,182,527,696
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	27,611,713	22,347,049
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	1,657,275,199	1,204,874,745
14	Accum Prov for Depr, Amort, & Depl	744,281,884	597,583,327
15	Net Utility Plant (13 less 14)	912,993,315	607,291,418
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	713,765,532	593,370,496
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	30,516,352	4,212,830
22	Total In Service (18 thru 21)	744,281,884	597,583,326
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	744,281,884	597,583,326

Name of Respondent Duke Energy Kentucky, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
298,860,888				38,108,228	3
12,970,448				601,513	4
					5
94,160,857				2,433,856	6
					7
405,992,193				41,143,597	8
					9
					10
3,837,880				1,426,784	11
					12
409,830,073				42,570,381	13
118,161,278				28,537,279	14
291,668,795				14,033,102	15
					16
					17
115,524,405				4,870,631	18
					19
					20
2,636,874				23,666,648	21
118,161,279				28,537,279	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
118,161,279				28,537,279	33

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	3,222,674	2,562,517
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	3,222,674	2,562,517
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	1,686,548	
9	(311) Structures and Improvements	42,258,087	448,797
10	(312) Boiler Plant Equipment	343,041,163	917,061
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	79,823,104	19,052
13	(315) Accessory Electric Equipment	30,518,330	274,753
14	(316) Misc. Power Plant Equipment	10,684,551	1,165,207
15	(317) Asset Retirement Costs for Steam Production	484,619	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	508,496,402	2,824,870
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	2,910,272	
38	(341) Structures and Improvements	33,797,471	
39	(342) Fuel Holders, Products, and Accessories	15,507,516	
40	(343) Prime Movers		
41	(344) Generators	195,744,715	9,778,484
42	(345) Accessory Electric Equipment	16,883,945	2,936,558
43	(346) Misc. Power Plant Equipment	3,859,861	1,346,076
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	268,703,780	14,061,118
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	777,200,182	16,885,988

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
				3
			5,785,191	4
			5,785,191	5
				6
				7
			1,686,548	8
133,143			42,573,741	9
1,109,358	-8		342,848,858	10
				11
-16,313			79,858,469	12
142,864			30,650,219	13
62,794			11,786,964	14
			484,619	15
1,431,846	-8		509,889,418	16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
			2,910,272	37
			33,797,471	38
			15,507,516	39
				40
3,261,267			202,261,932	41
1,567,423			18,253,080	42
165,915			5,040,022	43
				44
4,994,605			277,770,293	45
6,426,451	-8		787,659,711	46

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	1,283,173	
49	(352) Structures and Improvements	918,576	6,032
50	(353) Station Equipment	16,035,695	47,181
51	(354) Towers and Fixtures		
52	(355) Poles and Fixtures	6,008,013	254,014
53	(356) Overhead Conductors and Devices	5,012,287	198,402
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	29,257,744	505,629
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	11,140,455	709
61	(361) Structures and Improvements	482,575	-2,665
62	(362) Station Equipment	48,780,125	191,748
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	42,734,400	2,137,459
65	(365) Overhead Conductors and Devices	81,028,872	2,940,667
66	(366) Underground Conduit	16,766,509	1,023,696
67	(367) Underground Conductors and Devices	46,874,503	1,443,467
68	(368) Line Transformers	60,666,552	2,583,755
69	(369) Services	12,529,986	1,048,655
70	(370) Meters	14,540,475	232,073
71	(371) Installations on Customer Premises	-3,571	9,493
72	(372) Leased Property on Customer Premises	9,647	
73	(373) Street Lighting and Signal Systems	7,785,060	278,120
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	343,335,588	11,887,177
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights		
87	(390) Structures and Improvements	206,484	
88	(391) Office Furniture and Equipment	290,841	1,090,065
89	(392) Transportation Equipment	217,855	
90	(393) Stores Equipment		
91	(394) Tools, Shop and Garage Equipment	1,092,963	211,099
92	(395) Laboratory Equipment		
93	(396) Power Operated Equipment	12,045	
94	(397) Communication Equipment	2,091,589	365,477
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	3,911,777	1,666,641
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	3,911,777	1,666,641
100	TOTAL (Accounts 101 and 106)	1,156,927,965	33,507,952
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	1,156,927,965	33,507,952

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
			1,283,173	48
			924,608	49
			16,082,876	50
				51
69,526			6,192,501	52
			5,210,689	53
				54
				55
				56
				57
69,526			29,693,847	58
				59
122			11,141,042	60
56,262			423,648	61
261,879			48,709,994	62
				63
270,974			44,600,885	64
860,354		626,103	83,735,288	65
375			17,789,830	66
172,050		-106,362	48,039,558	67
134,367		554,433	63,670,373	68
29,666			13,548,975	69
811,880		351,375	14,312,043	70
-1,579			7,501	71
			9,647	72
77,097			7,986,083	73
				74
2,673,447		1,425,549	353,974,867	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
				86
			206,484	87
23,763			1,357,143	88
9,374			208,481	89
				90
130,167	-1,034		1,172,861	91
				92
			12,045	93
			2,457,066	94
				95
163,304	-1,034		5,414,080	96
				97
				98
163,304	-1,034		5,414,080	99
9,332,728	-1,042	1,425,549	1,182,527,696	100
				101
				102
				103
9,332,728	-1,042	1,425,549	1,182,527,696	104

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)

- Report below descriptions and balances at end of year of projects in process of construction (107)
- Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
- Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Government Mandated Distribution Improvements	1,154,186
2	Woodsdale CT Unit 1 Overhaul	3,080,325
3	Woodsdale CT Unit 3 Overhaul	1,052,134
4	Replace East Bend Main Power Transformer	2,665,906
5	East Bend FGD Controls Replacement	1,499,317
6	East Bend Install Stack Lining	1,342,659
7	Projects Less Than \$1,000,000	11,552,522
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
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36		
37		
38		
39		
40		
41		
42		
43	TOTAL	22,347,049

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	571,481,787	571,481,787		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	28,841,028	28,841,028		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	36,962	36,962		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	28,877,990	28,877,990		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	9,169,423	9,169,423		
13	Cost of Removal	-3,248,791	-3,248,791		
14	Salvage (Credit)	49,835	49,835		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	5,870,797	5,870,797		
16	Other Debit or Cr. Items (Describe, details in footnote):	-1,118,484	-1,118,484		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	593,370,496	593,370,496		

Section B. Balances at End of Year According to Functional Classification

20	Steam Production	306,766,151	306,766,151		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	136,601,396	136,601,396		
25	Transmission	12,917,083	12,917,083		
26	Distribution	136,570,819	136,570,819		
27	Regional Transmission and Market Operation				
28	General	515,047	515,047		
29	TOTAL (Enter Total of lines 20 thru 28)	593,370,496	593,370,496		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 3 Column: c

This amount includes \$657,857 of common plant that was allocated to electric utility plant. This amount ties to depreciation expense shown on Pg. 115, Line 6, Column G. \$657,857 ties to the amount of common plant that was allocated to electric plant per Pg. 336, Line 11, Column B.

Schedule Page: 219 Line No.: 8 Column: c

ARO's \$36,962

Schedule Page: 219 Line No.: 16 Column: c

Transfers/Adjustments	\$154,537
Common Plant Provision	<u>\$(1,273,021)</u>
	\$(1,118,484)

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	20,129,313	17,624,306	Gas and Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	15,739,453	18,156,240	Gas and Electric
8	Transmission Plant (Estimated)	8,282	11,269	Electric
9	Distribution Plant (Estimated)	173,207	211,571	Gas and Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	15,920,942	18,379,080	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	1,266,445	814,113	Gas & Electric
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	37,316,700	36,817,499	

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 227 Line No.: 16 Column: c

2010 163 Account functionalization for use with MISO Attachment O:

Transmission \$659

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2012	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	50,422.00	1,559,998	19,603.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)			12,493.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	31,044.00	1,020,112		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	19,378.00	539,886	32,096.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	279.00		279.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	279.00			
40	Balance-End of Year			279.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)		793		
45	Gains		793		
46	Losses				

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2013		2014		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
19,603.00		19,603.00		509,678.00		618,909.00	1,559,998	1
								2
								3
10,100.00				19,603.00		42,196.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						31,044.00	1,020,112	18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
29,703.00		19,603.00		529,281.00		630,061.00	539,886	29
								30
								31
								32
								33
								34
								35
								36
279.00		279.00		13,671.00		14,787.00		37
				558.00		558.00		38
				279.00		558.00		39
279.00		279.00		13,950.00		14,787.00		40
								41
								42
								43
					48		841	44
					48		841	45
								46

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 228 Line No.: 4 Column: d

Includes 12,493 of initial allocations from EPA for Cross State Air Pollution Rule.

Schedule Page: 228 Line No.: 4 Column: f

Includes 10,100 of initial allocations from EPA for Cross State Air Pollution Rule.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2012	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	5,362.00	20,010	4,949.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	38.00		5,917.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10	Other purchases-see notes	700.00	79,000		
11					
12					
13					
14					
15	Total	700.00	79,000		
16					
17	Relinquished During Year:				
18	Charges to Account 509	4,978.00	85,693		
19	Other:				
20	CAIR Termination			4,549.00	
21	Cost of Sales/Transfers:				
22					
23	Other Sales-See notes			400.00	
24					
25					
26					
27					
28	Total			400.00	
29	Balance-End of Year	1,122.00	13,317	5,917.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				6,000
34	Gains				6,000
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transfers of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2013		2014		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
4,949.00		4,949.00				20,209.00	20,010	1
								2
								3
4,756.00						10,711.00		4
								5
								6
								7
								8
								9
						700.00	79,000	10
								11
								12
								13
								14
						700.00	79,000	15
								16
								17
						4,978.00	85,693	18
								19
4,949.00		4,949.00				14,447.00		20
								21
								22
						400.00		23
								24
								25
								26
								27
						400.00		28
4,756.00						11,795.00	13,317	29
								30
								31
								32
							6,000	33
							6,000	34
								35
								36
								37
								38
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								40
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								42
								43
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								46

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 229 Line No.: 4 Column: d

Includes 5,917 of initial allocations from EPA for Cross State Air Pollution Rule.

Schedule Page: 229 Line No.: 4 Column: f

Includes 4,756 of initial allocations from EPA for Cross State Air Pollution Rule.

Schedule Page: 229 Line No.: 10 Column: b

<u>Counter Party</u>	<u>Quantity</u>	<u>Amount</u>
Constellation	400	58,000
National Grid	300	21,000
	700	79,000

Schedule Page: 229 Line No.: 20 Column: d

Includes 4,549 allowances returned to the EPA for termination of the state program for CAIR Nox Annual and CAIR Nox Ozone Season Allowances.

Schedule Page: 229 Line No.: 20 Column: f

Includes 4,949 allowances returned to the EPA for termination of the state program for CAIR Nox Annual and CAIR Nox Ozone Season Allowances.

Schedule Page: 229 Line No.: 20 Column: h

Includes 4,949 allowances returned to the EPA for termination of the state program for CAIR Nox Annual and CAIR Nox Ozone Season Allowances.

Schedule Page: 229 Line No.: 23 Column: d

<u>Counter Party</u>	<u>Quantity</u>	<u>Amount</u>
Constellation	400	-

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	INCOME TAXES	119,535	3,232,663	Various	3,561,753	-209,555
2						
3	LIMITED EARLY RETIREMENT PROGRAM	19,682		930.2	18,168	1,514
4	(Amortized 120 months, Feb. 2002 - Jan. 2012)					
5						
6	AMRP STUDY COSTS - GAS (AMORTIZED 120	34,710		928	32,040	2,670
7	MONTHS FEBRUARY 2002 - JANUARY 2012)					
8						
9	DEMAND SIDE MANAGEMENT COSTS	1	4,638,637	Various	4,638,638	
10						
11	ARO OTHER REGULATORY ASSET	266,451	559,930	230	274,039	552,342
12						
13	GAS ARO OTHER REGULATORY ASSET	3,128,975	233,941	108	53,507	3,309,409
14						
15	INTEREST RATE HEDGES	3,659,272	5,935,260	245	2,078,694	7,515,838
16						
17	HURRICANE IKE REGULATORY ASSET	4,912,684				4,912,684
18						
19	CARBON MGMT REG ASSET	400,000	200,000			600,000
20						
21	2010 SMARTGRID OTHER DEF O&M	21		186	21	
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	12,541,331	14,800,431		10,656,860	16,684,902

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Items deferred pending	293		163	293	
2	investigation					
3						
4	Private outdoor lighting	60,637	91,734	Various	68,073	84,298
5						
6	LT lease receivable	995,641	443	418	18,537	977,547
7						
8	Vacation accrual	2,063,955		242	210,854	1,853,101
9						
10	Accrued pension post retire -	31,614,440	5,009,782	Various	2,210,632	34,413,590
11	FAS158					
12						
13	Indirect overhead allocation	34,575	3,974,368	Various	4,022,419	-13,476
14	pool - undistributed					
15						
16	Joint owner	274,187		Various	274,187	
17						
18	Duke Energy Kentucky 2009	103,597		928	51,798	51,799
19	gas rate case (amortization					
20	period 1/1/10-12/31/12)					
21						
22	Other miscellaneous items	10,000				10,000
23						
24	Smart Grid	103,375	135,895	Various	239,270	
25						
26	Duke Energy Kentucky 2011	18,466	47,454	Various	65,920	
27	electric rate case					
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	35,279,166				37,376,859

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 17 Column: b

Manufactured Gas Plant - Hazardous Clean Up	783,501
Tax Interest Accrual	<u>196,761</u>
Total	980,262

Schedule Page: 234 Line No.: 17 Column: c

Manufactured Gas Plant - Hazardous Clean Up	200,067
Tax Interest Accrual	<u>41,475</u>
Total	241,542

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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CAPITAL STOCKS (Account 201 and 204)

- Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
- Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	COMMON STOCK (ACCT 201)	1,000,000	15.00	
2	TOTAL COMMON STOCK	1,000,000		
3				
4	PREFERRED STOCK (ACCT 204)			
5	TOTAL PREFERRED STOCK			
6				
7				
8				
9				
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
585,333	8,779,995					1
585,333	8,779,995					2
						3
						4
						5
						6
						7
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 208 Donations Received from Stockholders	
2	Balance - Beginning of Year	148,811,383
3		
4		
5		
6		
7	Subtotal Balance - End of Year	148,811,383
8		
9		
10	Account 211 - Miscellaneous Paid-In Capital	
11	Balance - Beginning of Year (Sharesaver)	-156,194
12		
13	Subtotal Balance - End of Year (Sharesaver)	-156,194
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
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38		
39		
40	TOTAL	148,655,189

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 221 - NONE		
2			
3	ACCOUNTS 222 & 223 - NONE		
4			
5	ACCOUNT 224		
6	UNSECURED DEBENTURES:		
7	5.00% SERIES DUE IN 2014	40,000,000	410,000
8			379,200 D
9	5.75% SERIES DUE IN 2016	50,000,000	390,200
10			30,000 D
11	6.20% SERIES DUE IN 2036	65,000,000	653,550
12			367,900 D
13	2008 SERIES A POLLUTION CONTROL REFUNDING BONDS DUE IN 2027	50,000,000	691,754
14			
15	2010 SERIES POLLUTION CONTROL REFUNDING BONDS DUE IN 2027	26,720,000	939,966
16			
17	TEPPCO-Todhunter Cavern Gas Storage	851,494	
18			
19	4.650% SERIES DUE IN 2019	100,000,000	756,468
20			374,000 D
21			
22	SUBTOTAL ACCOUNT 224	332,571,494	4,993,038
23			
24			
25			
26	See footnote		
27			
28			
29			
30			
31			
32			
33	TOTAL	332,571,494	4,993,038

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
						6
12/06/04	12/15/14	12/06/04	12/15/14	40,000,000	2,000,000	7
						8
03/07/06	03/10/16	03/10/06	03/10/16	50,000,000	2,875,000	9
						10
03/07/06	03/10/36	03/10/06	03/10/36	65,000,000	4,030,000	11
						12
12/11/08	08/01/27	12/11/08	08/01/27	50,000,000	173,149	13
						14
11/24/10	08/01/27	11/24/10	08/01/27	26,720,000	93,504	15
						16
07/31/07	07/31/27			851,494		17
						18
09/22/09	10/01/19	09/22/09	10/01/19	100,000,000	4,650,000	19
						20
						21
				332,571,494	13,821,653	22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
				332,571,494	13,821,653	33

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	/ /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 13 Column: a

In December 2011, the 2008 Series A Pollution Control bonds were refinanced. There was no change to the principal amount of debt issued or amortization period as a result of refinancing these Bonds. The interest rate varies on this pollution control bond. Additional debt expenses were incurred and are being amortized over the remaining life of the bond.

Schedule Page: 256 Line No.: 15 Column: a

The interest rate varies on this pollution control bond.

Schedule Page: 256 Line No.: 26 Column: a

On November 10, 2010 the Kentucky PSC approved Case No. 2010-00369 authorizing the issuance of up to \$100M of secured and/or unsecured notes. The authorization expires on December 31, 2012.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	24,309,618
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	See Footnote For Details	38,090,262
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	Allowance For Funds Used During Construction	809,081
16	Amortization Of Investment Tax Credits	575,598
17	Contributions In Aid Of Construction	293,227
18		
19	Deductions on Return Not Charged Against Book Income	
20	See Footnote For Details	53,603,466
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	7,118,508
28	Show Computation of Tax:	
29		
30	Tax At 35% Of Federal Tax Net Income Of 7,118,508	2,491,478
31		
32	Plus: Prior Period Adjustments - FIT	3,489,547
33	Plus: Known Tax Reserve Adjustments	137,980
34	Less: Adjustments Of Current Year Tax Credit - FIT	72,290
35		
36	Tax Of Respondent	6,046,715
37		
38		
39		
40		
41		
42		
43		
44		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 10 Column: b

Deductions Recorded On Books - Not Deducted For Return:

Federal Income Tax Expense	19,305,766
State Income Tax Expense	2,135,643
Demand Side Management Costs	3,319,197
Loss On Disposition Of ACRS/MACRS Property	2,411,049
Joint Owner Pension Receivable	2,060,547
Unbilled Revenue - Fuel	1,889,653
Non-Cash Overhead Basis Adjustment	1,473,992
Emission Allowance Expense	1,026,805
Impairment Of Plant Assets	927,732
Regulatory Asset - Accrued Pension FAS 158 & FAS 106	611,445
Tax Interest Capitalized	551,301
Asset Retirement Obligation	466,325
481(a) Fixed Asset Retirement	351,496
Amortization Of Loss On Reacquired Debt	283,143
Tax Interest Accrual	256,939
Duke Merger - Timing	219,723
Regulatory Asset - Vacation Pay Accrual	210,833
Offsite Gas Storage Costs	119,614
Rate Case - Deferred Costs	103,375
Other	365,684
Total	<u>38,060,262</u>

Schedule Page: 261 Line No.: 20 Column: b

Deductions On Return - Not Charged Against Book Income:

Depreciation Deducted In Excess Of Amount Booked	24,071,342
Equipment Repairs	8,356,020
Regulatory Asset/Liability - Deferred Revenue	4,965,217
Regulatory Asset/Liability - Cash Flow Hedge	3,856,566
Retirement Plan	3,483,109
Regulatory Asset - Accrued Pension - Post-Retirement Benefits - FAS 158	3,110,422
Property Tax Reserves	2,185,450
Leased Meters - Electric & Gas	1,914,593
Manufacturing Deduction	642,091
Regulatory Asset - Asset Retirement Obligation	466,325
Regulatory Asset - Carbon Management	200,000
Self-Developed Software	129,152
Other	223,179
Total	<u>53,603,466</u>

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1						
2	FEDERAL TAXES:					
3						
4	INCOME	-2,967,743		6,046,715	4,755,506	2,911,104
5	FUEL TAXES			4,667	4,667	
6	FEDERAL INSURANCE	1,523		2,440,762	2,398,158	
7	UNEMPLOYMENT			20,984	11,646	
8						
9						
10	STATE TAXES:					
11						
12	INCOME	2,349,809		1,783,153	2,942,209	429,036
13	UNEMPLOYMENT			23,861	27,308	
14	PROPERTY	874,043		1,729,097	1,665,391	
15	SALES & USE TAXES	255,995		148,354	31,737	
16	PUBLIC UTILITIES		482,915			99,625
17	FRANCHISE			11,437	11,437	
18						
19						
20	OTHER:					
21						
22	PROPERTY	7,759,510		7,785,053	7,503,841	
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	8,273,137	482,915	19,994,083	19,351,900	3,439,765

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
						2
						3
-2,773,124	1,814,514	3,625,970			2,420,745	4
		3,472			1,195	5
44,127		1,794,174			646,588	6
9,338		15,474			5,510	7
						8
						9
						10
						11
761,717		998,335			784,818	12
-3,447		17,594			6,267	13
937,749		1,123,919			605,178	14
372,612		16,335			132,019	15
	383,290					16
		8,509			2,928	17
						18
						19
						20
						21
8,040,722		4,967,326			2,817,727	22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
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						39
						40
7,389,694	2,197,804	12,571,108			7,422,975	41

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 4 Column: f

Known Tax Reserve Adjustments 2,911,104

Schedule Page: 262 Line No.: 12 Column: f

Known Tax Reserve Adjustments 429,036

Schedule Page: 262 Line No.: 16 Column: f

Adjustments Recorded To Account 928006 - State Regulatory Commission Proceedings 99,625

Schedule Page: 262 Line No.: 40 Column: l

Kind of Tax - Column (a)

	Other (1)	Gas Accounts 408.1-409.1	Other Accounts 408.2-409.2
Federal Taxes			
Income	2,420,745	107,818	2,312,927
Fuel Taxes	1,195	1,195	0
Federal Insurance	646,588	646,588	0
Unemployment Taxes	5,510	5,510	0
State Taxes			
Income	784,818	417,458	367,360
Unemployment Taxes	6,267	6,267	0
Property Taxes	605,178	605,178	0
Sales & Use Taxes	132,019	28	131,991
Franchise Taxes	2,928	2,928	0
Other Taxes			
Property Taxes	2,817,727	2,655,138	162,589
Total	7,422,975	4,448,108	2,974,867

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%	11			411.4	10	
4	7%						
5	10%	269,194			411.4	70,551	
6							
7							
8	TOTAL	269,205				70,561	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	Gas - 3%	6,911			411.4	2,866	
11	Gas - 4%	42,421			411.4	5,204	
12	Gas - 10%	1,011,691			411.4	63,926	
13							
14	Total - Gas	1,061,023				71,996	
15							
16	Other - 4%	21			411.5	21	
17	Other - 10%	1,224,542			411.5	433,020	-202,739
18							
19	Total - Other	1,224,563				433,041	-202,739
20							
21							
22							
23							
24							
25							
26							
27							
28							
30							
31							
32							
33							
34							
35							
36							
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38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
1	30 Years		3
			4
198,643	30 Years		5
			6
			7
198,644			8
			9
4,045	43 Years		10
37,217	46 Years		11
947,765	45 Years		12
			13
989,027			14
			15
	33 Years		16
588,783	33 Years		17
			18
588,783			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			30
			31
			32
			33
			34
			35
			36
			37
			38
			39
			40
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			44
			45
			46
			47
			48

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 266 Line No.: 17 Column: g

The adjustment affects the account group 190.

Name of Respondent Duke Energy Kentucky, Inc	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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OTHER DEFERRED CREDITS (Account 253)

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Gas Refunds	111,648	various	230,331	165,452	46,769
2						
3	Pension Cost Adj. - DPL Share	5,280,726	143,186	3,774,326	2,157,013	3,663,413
4						
5	Post Retirement Benefits					
6	- Health DPL	-255,156	143,186	146,549	174,547	-227,158
7						
8	Pension Cost Adj. FAS 106	3,194,011	various	591,771	909,552	3,511,792
9						
10	Misc. Deferred Credits and Other	-23,110	various	17,900	23,110	-17,900
11						
12	Miso Exit Fees		232,565		15,472,893	15,472,893
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	8,308,119		4,760,877	18,902,567	22,449,809

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

- Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
- For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities	197,747	197,516	767
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)	197,747	197,516	767
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	197,747	197,516	767
18	Classification of TOTAL			
19	Federal Income Tax	169,576	170,113	
20	State Income Tax	28,171	27,403	767
21	Local Income Tax			

NOTES

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						394,496	4
							5
							6
							7
						394,496	8
							9
							10
							11
							12
							13
							14
							15
							16
						394,496	17
							18
						339,689	19
						54,807	20
							21

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	167,140,589	23,316,748	16,796,885
3	Gas	54,833,348	13,000,080	4,965,579
4				
5	TOTAL (Enter Total of lines 2 thru 4)	221,973,937	36,316,828	21,762,464
6	Other - Non-Utility Depreciati	-6,262,687		
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	215,711,250	36,316,828	21,762,464
10	Classification of TOTAL			
11	Federal Income Tax	189,610,869	31,407,050	18,351,707
12	State Income Tax	26,100,381	4,909,778	3,410,757
13	Local Income Tax			

NOTES

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
242,982	3,592,125	182	569,527	182	18,072,723	187,814,505	2
894	252,778	182 410 411	7,316,322			55,299,643	3
							4
243,876	3,844,903		7,885,849		18,072,723	243,114,148	5
		410 411	4,231,181			-10,493,868	6
							7
							8
243,876	3,844,903		12,117,030		18,072,723	232,620,280	9
							10
234,881	3,336,571		10,649,204		15,885,981	204,801,299	11
8,995	508,332		1,467,826		2,186,742	27,818,981	12
							13

NOTES (Continued)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 2 Column: b

1. Pursuant to an agreement reached in a Federal Energy Regulatory Commission Audit for the years of 1982 through 1985, the Respondent agreed to transfer the balance as of December 31, 1985 for certain property related items (Payroll Taxes Capitalized and Allowance For Funds Used During Construction) from Account 283 - Accumulated Deferred Income Taxes - Other to Account 282 - Accumulated Deferred Income Taxes - Other Property and to continue to reflect such activity in Account 282.
2. Beginning in January 1987, the Respondent, in accordance with the Tax Reform Act of 1986, began to capitalize interest for tax purposes on required projects. The Respondent deferred the Federal and State income tax effects of this timing difference in Account 282.

Schedule Page: 274 Line No.: 3 Column: b

1. Beginning in 1987, in accordance with the Tax Reform Act of 1986, the Respondent included in Taxable Income and Tax Depreciable Plant, amounts received as Contributions In Aid Of Construction and included in Gas Taxable Income and Gas Tax Depreciable Plant, amounts as Customer Advances For Construction. Pursuant to a Kentucky Public Service Commission order dated April 15, 1988 in Case No. 316, the Respondent began to include in Gas and Electric Taxable Income and Tax Depreciable Plant, amounts received as Contributions In Aid Of Construction for Gas and Electric Operations. These amounts were previously recognized in Non-Utility Operations. This Non-Utility balance was transferred to the Gas and Electric Account 282 balances in September 1988. None of the above amounts are recognized as income for financial reporting purposes. The Respondent deferred the Federal and State Income Tax effect of this timing difference in Account 282.
2. Beginning in 1993, the Respondent began to defer the Federal and State Income Tax effect of FAS 109 in Account 282 with offsetting entries to Regulatory Asset and Regulatory Liability accounts.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
869	57,674	190	994,670			5,889,338	3
							4
							5
							6
							7
							8
869	57,674		994,670			5,889,338	9
							10
-4,589	-1,606			190	2,903,107	3,842,802	11
							12
							13
							14
							15
							16
-4,589	-1,606				2,903,107	3,842,802	17
		410 411	36,061			-40,727	18
-3,720	56,068		1,030,731		2,903,107	9,691,413	19
							20
-4,589	48,114		701,866		2,903,107	8,344,996	21
869	7,954		328,865			1,346,417	22
							23

NOTES (Continued)

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	INCOME TAXES	862,234	Various	5,193,301	5,100,589	769,522
2						
3	DSM ENERGY EFFICIENCY	2,734,658	Various	3,517,084	6,836,280	6,053,854
4						
5						
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27						
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30						
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32						
33						
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35						
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37						
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39						
40						
41	TOTAL	3,596,892		8,710,385	11,936,869	6,823,376

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- 1 The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages
- 2 Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- 3 Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- 4 If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- 5 Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	125,417,440	128,406,617
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	110,313,927	109,285,720
5	Large (or Ind.) (See Instr. 4)	52,612,717	51,450,946
6	(444) Public Street and Highway Lighting	1,458,272	1,662,477
7	(445) Other Sales to Public Authorities	22,607,569	22,809,140
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	52,567	60,748
10	TOTAL Sales to Ultimate Consumers	312,462,492	313,675,648
11	(447) Sales for Resale	23,334,960	19,619,496
12	TOTAL Sales of Electricity	335,797,452	333,295,144
13	(Less) (449.1) Provision for Rate Refunds	60,678	-368,485
14	TOTAL Revenues Net of Prov. for Refunds	335,736,774	333,663,629
15	Other Operating Revenues		
16	(450) Forfeited Discounts		3,537
17	(451) Miscellaneous Service Revenues	297,431	386,302
18	(453) Sales of Water and Water Power	56,250	50,000
19	(454) Rent from Electric Property	797,214	672,339
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	5,881,746	12,040,815
22	(456.1) Revenues from Transmission of Electricity of Others	701,713	591,786
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	7,734,354	13,744,779
27	TOTAL Electric Operating Revenues	343,471,128	347,408,408

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

6 Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts Explain basis of classification in a footnote)

7 See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases

8 For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts

9 Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
1,494,371	1,555,035	120,423	120,099	2
				3
1,427,248	1,451,651	13,396	13,355	4
785,033	782,056	379	382	5
15,226	15,167	408	400	6
300,085	311,806	968	977	7
				8
714	885			9
4,022,677	4,116,600	135,574	135,213	10
662,841	571,685	1	1	11
4,685,518	4,688,285	135,575	135,214	12
				13
4,685,518	4,688,285	135,575	135,214	14

Line 12, column (b) includes \$ 15,000 of unbilled revenues.
Line 12, column (d) includes -15,612 MWH relating to unbilled revenues

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 17 Column: b

Non Utility Miscellaneous Revenue	\$ 128,603
Contribution in Aid of Construction (CIAC)	7,397
Disconnecting for Non-pay	161,431
	\$ 297,431

Schedule Page: 300 Line No.: 17 Column: c

Contract Work	\$ 81,503
Non Utility Miscellaneous Revenue	140,238
Contribution in Aid of Construction (CIAC)	15,978
Disconnecting for Non-pay	148,583
	\$ 386,302

Schedule Page: 300 Line No.: 21 Column: b

RSG Rev - MISO Make Whole	\$ 5,851,264
Sales Use Tax Coll Fee	18,000
Profit Or Loss On Sale Of M&S	7,246
Other Electric Revenues	5,236
	\$ 5,881,746

Schedule Page: 300 Line No.: 21 Column: c

RSG Rev - MISO Make Whole	\$ 12,017,499
Sales Use Tax Coll Fee	18,000
Profit Or Loss On Sale Of M&S	5,316
	\$ 12,040,815

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440) RESIDENTIAL OR					
2	DOMESTIC SALES					
3						
4						
5	RESIDENTIAL SERVICE					
6	SHEET 30 (1)	1,501,224	125,397,554	120,423	12,466	0.0835
7	SHEET 32 (2)					
8	SHEET 40 (3)					
9	SHEET 41 (4)					
10						
11	OUTDOOR LIGHTING SERVICE					
12	SHEET 65 (5)	809	123,243			0.1523
13	SHEET 67 (6)	88	17,643			0.2005
14						
15	UNBILLED REVENUE	-7,750	-121,000			0.0156
16						
17	TOTAL (440) RESIDENTIAL	1,494,371	125,417,440	120,423	12,409	0.0839
18						
19						
20						
21						
22						
23						
24						
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31						
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36						
37						
38						
39						
40						
41	TOTAL Billed	4,038,289	312,447,492	135,574	29,787	0.0774
42	Total Unbilled Rev.(See Instr. 6)	-15,612	15,000	0	0	-0.0010
43	TOTAL	4,022,677	312,462,492	135,574	29,671	0.0777

Name of Respondent Duke Energy Kentucky, Inc	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	COMMERCIAL AND INDUSTRIAL					
3						
4	RESIDENTIAL SERVICE					
5	SHEET 30 (7)	14,261	1,239,803	1,891	7,542	0.0869
6						
7	DISTRIBUTION SERVICE					
8	SHEET 40 (8)	918,749	76,112,549	11,290	81,377	0.0828
9	SHEET 42 (9)	4,051	275,006	84	48,226	0.0679
10	SHEET 43 (10)	43	3,421	1	43,000	0.0796
11	SHEET 44 (11)	6,043	509,235	121	49,942	0.0843
12						
13	PRIMARY SERVICE					
14	SHEET 45 (12)	8,511	577,477	6	1,418,500	0.0679
15						
16	TIME OF DAY DISTRIBUTION					
17	SERVICES					
18	SHEET 41 (13)	1,044,764	69,520,476	190	5,498,758	0.0665
19						
20	TIME OF DAY TRANSMISSION					
21	SERVICE					
22	SHEET 51 (14)	185,765	11,191,338	4	46,441,250	0.0602
23						
24	OUTDOOR LIGHTING SERVICE					
25	SHEET 65(15)	3,353	495,421			0.1478
26	SHEET 67 (16)	137	28,097			0.2051
27						
28	TRAFFIC LIGHTING SERVICE					
29	SHEET 61 (17)	1	13	2	500	0.0130
30						
31	STREET LIGHTING SERVICE					
32	SHEET 60 (18)	114	41,425	39	2,923	0.3634
33	SHEET 69 (19)	210	29,780	34	6,176	0.1418
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	4,038,289	312,447,492	135,574	29,787	0.0774
42	Total Unbilled Rev.(See Instr. 6)	-15,612	15,000	0	0	-0.0010
43	TOTAL	4,022,677	312,462,492	135,574	29,671	0.0777

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3						
4	SPECIAL CONTRACTS					
5	METERED (20)					
6	UNMETERED (21)					
7						
8	LOAD MANAGEMENT RIDERS					
9	SHEET 73(22)	32,913	2,779,603	113	291,265	0.0845
10	SHEET 74 (23)					
11						
12	UNBILLED REVENUE	-6,634	123,000			-0.0185
13						
14	TOTAL (442) COMMERCIAL	2,212,281	162,926,644	13,775	160,601	0.0736
15						
16						
17						
18						
19						
20						
21						
22						
23						
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27						
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30						
31						
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33						
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35						
36						
37						
38						
39						
40						
41	TOTAL Billed	4,038,289	312,447,492	135,574	29,787	0.0774
42	Total Unbilled Rev.(See Instr. 6)	-15,612	15,000	0	0	-0.0010
43	TOTAL	4,022,677	312,462,492	135,574	29,671	0.0777

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	(444) PUBLIC STREET AND					
3	HIGHWAY LIGHTING					
4						
5	DISTRIBUTION SERVICE					
6	SHEET 40 (24)	1,148	98,623	18	63,778	0.0859
7						
8	STREET LIGHTING SERVICE					
9	SHEET 60(25)	11,690	1,420,556	248	47,137	0.1215
10	SHEET 66(26)	411	65,505			0.1594
11	SHEET 68 (27)					
12	SHEET 69(28)					
13						
14	TRAFFIC LIGHTING SERVICE					
15	SHEET 61 (29)	1,977	-126,412	142	13,923	-0.0639
16						
17	UNBILLED REVENUE					
18						
19	TOTAL (444) PUBLIC STREET	15,226	1,458,272	408	37,319	0.0958
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
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40						
41	TOTAL Billed	4,038,289	312,447,492	135,574	29,787	0.0774
42	Total Unbilled Rev.(See Instr. 6)	-15,612	15,000	0	0	-0.0010
43	TOTAL	4,022,677	312,462,492	135,574	29,671	0.0777

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading
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- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	(445) SALES TO OTHER PUBLIC					
3	AUTHORITIES					
4						
5	RESIDENTIAL SERVICE					
6	SHEET 30 (30)	5	481	3	1,667	0.0962
7						
8	DISTRIBUTION SERVICE					
9	SHEET 40(31)	115,131	10,143,407	825	139,553	0.0881
10	SHEET 42(32)	12,443	823,079	29	429,069	0.0661
11	SHEET 43 (33)	291	32,112	21	13,857	0.1104
12	SHEET 44 (34)	189	17,337	46	4,109	0.0917
13						
14	PRIMARY SERVICE					
15	SHEET 45 (35)	9,664	703,887	10	966,400	0.0728
16						
17	TIME OF DAY DISTRIBUTION					
18	SERVICE					
19	SHEET 41 (36)	120,318	8,234,919	22	5,469,000	0.0684
20						
21	TIME OF DAY TRANSMISSION					
22	SERVICE					
23	SHEET 51 (37)	40,512	2,387,096	6	6,752,000	0.0589
24						
25	OUTDOOR LIGHTING SERVICE					
26	SHEET 65 (38)	641	68,600			0.1070
27	SHEET 67 (39)	44	5,240			0.1191
28						
29	SPECIAL CONTRACTS					
30	METERED (40)					
31						
32	LOAD MANAGEMENT RIDERS					
33	SHEET 73 (41)	1,564	158,484	6	260,667	0.1013
34	SHEET 74 (42)					
35	SHEET 61 (43)	511	19,927			0.0390
36						
37	UNBILLED REVENUE	-1,228	13,000			-0.0106
38						
39	TOTAL (445) SALES TO OTHER	300,085	22,607,569	968	310,005	0.0753
40	PUBLIC AUTHORITIES					
41	TOTAL Billed	4,038,289	312,447,492	135,574	29,787	0.0774
42	Total Unbilled Rev. (See Instr. 6)	-15,612	15,000	0	0	-0.0010
43	TOTAL	4,022,677	312,462,492	135,574	29,671	0.0777

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
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- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	(448) INTERDEPARTMENTAL					
3	SALES (44)	714	52,567			0.0736
4						
5	TOTAL (448) INTER-DEPART	714	52,567			0.0736
6						
7						
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31						
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37						
38						
39						
40						
41	TOTAL Billed	4,038,289	312,447,492	135,574	29,787	0.0774
42	Total Unbilled Rev.(See Instr. 6)	-15,612	15,000	0	0	-0.0010
43	TOTAL	4,022,677	312,462,492	135,574	29,671	0.0777

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
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FOOTNOTE DATA

Schedule Page: 304 Line No.: 6 Column: c

ALL REFERENCES REPRESENT THE DETAIL OF ADDITIONAL REVENUE NOT INCLUDED IN THE BASE RATES FROM FUEL ADJUSTMENT CLAUSE:

-5,107,742

Schedule Page: 304 Line No.: 12 Column: c

-2,519

Schedule Page: 304 Line No.: 13 Column: c

- 275

Schedule Page: 304.1 Line No.: 5 Column: c

-46,357

Schedule Page: 304.1 Line No.: 8 Column: c

-2,893,481

Schedule Page: 304.1 Line No.: 9 Column: c

-15,198

Schedule Page: 304.1 Line No.: 10 Column: c

-147

Schedule Page: 304.1 Line No.: 11 Column: c

-18,464

Schedule Page: 304.1 Line No.: 14 Column: c

-26,912

Schedule Page: 304.1 Line No.: 18 Column: c

-3,165,896

Schedule Page: 304.1 Line No.: 22 Column: c

-525,695

Schedule Page: 304.1 Line No.: 25 Column: c

-10,350

Schedule Page: 304.1 Line No.: 26 Column: c

-425

Schedule Page: 304.1 Line No.: 29 Column: c

-1

Schedule Page: 304.1 Line No.: 32 Column: c

-350

Schedule Page: 304.1 Line No.: 33 Column: c

-644

Schedule Page: 304.2 Line No.: 9 Column: c

-105,128

Schedule Page: 304.3 Line No.: 6 Column: c

-3,261

Schedule Page: 304.3 Line No.: 9 Column: c

-35,794

Schedule Page: 304.3 Line No.: 10 Column: c

-1,259

Schedule Page: 304.3 Line No.: 15 Column: c

-6,129

Schedule Page: 304.4 Line No.: 6 Column: c

-24

Schedule Page: 304.4 Line No.: 9 Column: c

-361,091

Schedule Page: 304.4 Line No.: 10 Column: c

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

-36,311

Schedule Page: 304.4 Line No.: 11 Column: c

-717

Schedule Page: 304.4 Line No.: 12 Column: c

-581

Schedule Page: 304.4 Line No.: 15 Column: c

-29,902

Schedule Page: 304.4 Line No.: 19 Column: c

-366,787

Schedule Page: 304.4 Line No.: 23 Column: c

-130,011

Schedule Page: 304.4 Line No.: 26 Column: c

-1,978

Schedule Page: 304.4 Line No.: 27 Column: c

-135

Schedule Page: 304.4 Line No.: 33 Column: c

-4,916

Schedule Page: 304.4 Line No.: 35 Column: c

-3,028

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Ameren Energy Marketing Company	OS	MBRT1			
2	Cargill Power Markets, LLC	OS	MBRT1			
3	DTE Energy Trading, Inc	OS	MBRT1			
4	East Kentucky Power Cooperative, Inc	OS	MBRT1			
5	Midwest Independent System Operator, Inc	OS	MBRT1			
6	Midwest Independent System Operator, Inc	AD	MBRT1			
7	FirstEnergy Solutions Corp.	OS	MBRT1			
8	American Electric Power Service					
9	Corporation as agent for the AEP					
10	Operating Companies	OS	MBRT1			
11	Jefferies Bache, LLC	OS	NJ			
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
		13,601		13,601	1
		9,368		9,368	2
		-25,621	5,000	-20,621	3
-178		-5,953		-5,953	4
663,788		23,375,131	367	23,375,498	5
-769		-42,117		-42,117	6
		-14,271		-14,271	7
					8
					9
		-914		-914	10
		20,369		20,369	11
					12
					13
					14
0	0	0	0	0	
662,841	0	23,329,593	5,367	23,334,960	
662,841	0	23,329,593	5,367	23,334,960	

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: c

Market Based Rate Tariff No. 1

Schedule Page: 310 Line No.: 3 Column: j

Capacity Sales

Schedule Page: 310 Line No.: 5 Column: j

Capacity Sales

Schedule Page: 310 Line No.: 11 Column: c

NJ - Non-Jurisdictional Agreement

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	2,759,785	1,807,620
5	(501) Fuel	107,118,468	102,171,718
6	(502) Steam Expenses	11,194,857	10,799,818
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	506,898	608,549
10	(506) Miscellaneous Steam Power Expenses	1,388,122	1,141,559
11	(507) Rents	1,105,489	1,578,608
12	(509) Allowances	1,105,805	1,219,324
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	125,179,424	119,327,196
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	1,714,811	1,880,235
16	(511) Maintenance of Structures	2,061,243	2,019,742
17	(512) Maintenance of Boiler Plant	7,553,291	10,517,922
18	(513) Maintenance of Electric Plant	923,920	3,173,345
19	(514) Maintenance of Miscellaneous Steam Plant	1,826,136	1,170,853
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	14,079,401	18,762,097
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	139,258,825	138,089,293
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	End of 2011/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	343,486	268,525	
63	(547) Fuel	6,524,424	8,558,296	
64	(548) Generation Expenses	361,102	445,288	
65	(549) Miscellaneous Other Power Generation Expenses	864,909	763,686	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	8,093,921	10,035,795	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	26,788	32,476	
70	(552) Maintenance of Structures	499,009	499,798	
71	(553) Maintenance of Generating and Electric Plant	5,349,289	4,625,132	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	122,360	135,604	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	5,997,446	5,293,010	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	14,091,367	15,328,805	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	31,481,422	34,126,610	
77	(556) System Control and Load Dispatching			
78	(557) Other Expenses	-4,970,557	-3,136,806	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	26,510,865	30,989,804	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	179,861,057	184,407,902	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	6,202	6,230	
84	(561) Load Dispatching			
85	(561.1) Load Dispatch-Reliability	77,204	80,357	
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	353,009	194,813	
87	(561.3) Load Dispatch-Transmission Service and Scheduling	15,661	15,860	
88	(561.4) Scheduling, System Control and Dispatch Services	882,082	727,013	
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services	46,980	42,674	
93	(562) Station Expenses	106,518	116,667	
94	(563) Overhead Lines Expenses	88,323	81,675	
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	27,082,235	17,241,235	
97	(566) Miscellaneous Transmission Expenses	2,628,943	68	
98	(567) Rents	1,934,161	1,934,700	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	33,221,318	20,441,292	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures	11,375	17,440	
103	(569.1) Maintenance of Computer Hardware	16,997	14,882	
104	(569.2) Maintenance of Computer Software	124,924	144,297	
105	(569.3) Maintenance of Communication Equipment	4,149	60	
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	280,257	562,193	
108	(571) Maintenance of Overhead Lines	134,549	295,352	
109	(572) Maintenance of Underground Lines	9,754	4,006	
110	(573) Maintenance of Miscellaneous Transmission Plant			
111	TOTAL Maintenance (Total of lines 101 thru 110)	582,005	1,038,230	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	33,803,323	21,479,522	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	908,830	937,155
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	908,830	937,155
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	908,830	937,155
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	6,612	
135	(581) Load Dispatching	476,768	638,351
136	(582) Station Expenses	179,599	188,606
137	(583) Overhead Line Expenses	165,064	252,740
138	(584) Underground Line Expenses	401,233	374,421
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	405,197	279,853
141	(587) Customer Installations Expenses	1,028,382	883,118
142	(588) Miscellaneous Expenses	1,569,929	912,956
143	(589) Rents	206,220	494,928
144	TOTAL Operation (Enter Total of lines 134 thru 143)	4,439,004	4,024,973
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures	49,055	220,745
148	(592) Maintenance of Station Equipment	358,112	349,791
149	(593) Maintenance of Overhead Lines	4,049,889	3,598,002
150	(594) Maintenance of Underground Lines	207,162	267,438
151	(595) Maintenance of Line Transformers	-24,075	-64,114
152	(596) Maintenance of Street Lighting and Signal Systems	146,457	134,879
153	(597) Maintenance of Meters	193,986	235,559
154	(598) Maintenance of Miscellaneous Distribution Plant		-27,755
155	TOTAL Maintenance (Total of lines 146 thru 154)	4,980,586	4,714,545
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	9,419,590	8,739,518
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	402	805
160	(902) Meter Reading Expenses	967,928	988,901
161	(903) Customer Records and Collection Expenses	5,385,435	5,309,327
162	(904) Uncollectible Accounts	2,539,854	2,760,671
163	(905) Miscellaneous Customer Accounts Expenses		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	8,893,619	9,059,704

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	5,571	4,085
169	(909) Informational and Instructional Expenses	1,744	2,099
170	(910) Miscellaneous Customer Service and Informational Expenses	1,824,492	248,546
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	1,831,807	254,730
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	3,262	1
175	(912) Demonstrating and Selling Expenses	79	255
176	(913) Advertising Expenses	71,461	80,361
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	74,802	80,617
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	5,492,737	9,213,278
182	(921) Office Supplies and Expenses	3,316,779	3,653,204
183	(Less) (922) Administrative Expenses Transferred-Credit	-320	-34
184	(923) Outside Services Employed	3,256,429	3,452,469
185	(924) Property Insurance	401,332	591,865
186	(925) Injuries and Damages	538,632	649,162
187	(926) Employee Pensions and Benefits	6,725,042	7,408,852
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	815,706	1,819,544
190	(929) (Less) Duplicate Charges-Cr.	744,225	991,095
191	(930.1) General Advertising Expenses	13,550	14,377
192	(930.2) Miscellaneous General Expenses	1,810,826	1,554,603
193	(931) Rents	1,393,457	1,142,121
194	TOTAL Operation (Enter Total of lines 181 thru 193)	23,020,585	28,508,414
195	Maintenance		
196	(935) Maintenance of General Plant	110,494	466,579
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	23,131,079	28,974,993
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	257,924,107	253,934,141

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FOOTNOTE DATA			

Schedule Page: 320 Line No.: 86 Column: b

For Duke Energy Kentucky the 561.BA costs are to remain in the appropriate 561 accounts for proper treatment under PJM.

Schedule Page: 320 Line No.: 86 Column: c

\$59,753.30 of Account 561 can be further classified into account number 561.BA for Balancing Authority costs, incurred by Control Area Operators as a result of implementing the Market and Services pursuant to Midwest-ISO's Schedule 24.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Cargill Power Markets, LLC	OS	(1)			
2	East Kentucky Power Cooperative, Inc.	OS	(1)			
3	Midwest Independent System Operator,					
4	Inc.	OS	(1)			
5	Midwest Independent System Operator,					
6	Inc.	AD	(1)			
7	Jefferies Bache, LLC	OS	NJ			
8	American Electric Power Service					
9	Corporation as agent for the AEP					
10	Operating Companies	OS	(1)			
11						
12						
13						
14						
	Total					

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$ (j))	Energy Charges (\$ (k))	Other Charges (\$ (l))	Total (j+k+l) of Settlement (\$ (m))	
				1,030		1,030	1
202				5,593		5,593	2
							3
760,139				31,324,156		31,324,156	4
							5
1,857				105,280		105,280	6
				45,661		45,661	7
							8
							9
				-298		-298	10
							11
							12
							13
							14
762,198				31,481,422		31,481,422	

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: c

The number "1" notation designates FERC approved Tariff and/or Rate Schedule as on file with the Commission.

Schedule Page: 326 Line No.: 7 Column: c

NJ - Non-Jurisdictional

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

- Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	City of Williamstown			OS
2	Midwest ISO			OS
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
			111			1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
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						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
			111	0	0	

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
13,149	24,432		37,581	1
		664,132	664,132	2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
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				25
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				27
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				34
13,149	24,432	664,132	701,713	

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 2 Column: m

Midwest ISO load balancing and other ancillaries	\$ 966
Midwest ISO Financial Transmission Rights (FTR)	663,166
Total Midwest ISO Other Charges	\$664,132

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Duke Energy Ohio, Inc.	OS	4,877,673	4,877,673	8,994,985		655,668	9,650,653
2	Midwest ISO	LFP					17,278,840	17,278,840
3	Transmission							
4	East Kentucky Power	OLF					152,742	152,742
5	Cooperative, Inc.							
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		4,877,673	4,877,673	8,994,985		18,087,250	27,082,235

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 2 Column: g

Includes a one-time adjustment to record fees incurred for leaving MISO of \$15,894,892

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	207
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	11,847
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Business and Service Company Support	1,510,949
7	Account Analysis Reconciliation Adjustments	99,553
8	ISO Conversion Costs	89,594
9	Director's Fees and Expenses	48,265
10	Shareholder's Communications/Systems	46,803
11	Dues and Subscriptions to Various Organizations	3,083
12	Corporate Sponsorships	507
13	Leased Circuit Charges	18
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
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45		
46	TOTAL	1,810,826

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for: (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			871,556		871,556
2	Steam Production Plant	12,099,423				12,099,423
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	6,089,084				6,089,084
7	Transmission Plant	657,112				657,112
8	Distribution Plant	9,173,292				9,173,292
9	Regional Transmission and Market Operation					
10	General Plant	164,260		291,832		456,092
11	Common Plant-Electric	657,857		1,815,319		2,473,176
12	TOTAL	28,841,028		2,978,707		31,819,735

B. Basis for Amortization Charges

The rate used to compute amortization charges for intangible electric plant is primarily 20%. There are some software projects, such as the EDSIP and Customer Management System, that have a 10% rate. No changes have been made in the types of items included in the base or in the rates used from the preceding reporting year.

The Respondent determines its monthly Provision for Depreciation by the application of rates to the previous month-end balance of property capitalized in each primary plant account plus property in Account 106 - Completed Construction Not Classified.

In 1997, the Respondent adopted vintage year accounting for General Plant accounts in accordance with FERC Accounting Release No. 15.

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Intangible Plant						
13	303	5,785					
14	Subtotal	5,785					
15							
16	Steam Production Plant						
17	311 - Miami Fort	3,294	100.00	-5.00	0.28	R2.5	14.20
18	311 - East Bend	39,280	100.00	-8.00	1.28	R2.5	33.30
19	312 -Miami Fort	46,521	45.00	-15.00	5.35	S1	12.50
20	312 - East Bend	282,325	45.00	-26.00	2.32	S1	23.00
21	312 - MF Retrofit Prec	11,773	50.00	-15.00	1.24	S1.5	13.80
22	312 - EB Catalyst	2,230	8.00		15.28	S2.5	4.00
23	314 - Miami Fort	11,936	52.00	-10.00	1.16	R2	13.70
24	314 - East Bend	67,922	52.00	-18.00	2.26	R2	25.50
25	315 - Miami Fort	4,196	55.00	-5.00	1.13	R2.5	13.90
26	315 - East Bend	26,455	55.00	-9.00	1.72	R2.5	26.00
27	316 - Miami Fort	1,092	55.00		5.53	S0.5	13.60
28	316 - East Bend	10,695	55.00		2.15	S0.5	26.30
29	Subtotal	507,719					
30							
31	Other Production Plant						
32	340 - R/W	652	40.00		3.63	SQ	26.50
33	341	33,797		-4.00	2.04	SQUARE	26.50
34	342	15,508		-4.00	1.75	SQUARE	26.50
35	344	202,262	70.00	-6.00	2.38	R2.5	24.80
36	345	18,253	55.00		1.80	S2	24.00
37	346	5,040	40.00		2.00	R2.5	21.30
38	Subtotal	275,512					
39							
40	Transmission Plant						
41	350 - R/W	1,092	65.00		1.48	R4	32.80
42	352	925	55.00	-5.00	0.41	R3	27.90
43	353 - Station Equip	10,696	50.00	-5.00	2.25	R1.5	31.00
44	353 - Major Equip	5,358	45.00	-10.00	2.27	R2.5	29.20
45	353 - Electronic Equip	29	15.00		9.55	R2	10.30
46	355	6,193	50.00	-25.00	2.10	R1.5	29.80
47	356	5,211	44.00	-10.00	2.31	R0.5	23.90
48	Subtotal	29,504					
49							
50	Distribution Plant						

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	360 - R/W	4,460	70.00		1.07	R3	45.40
13	361	424	55.00	-5.00	0.94	R3	35.40
14	362 - Station Equip	27,300	46.00	-10.00	2.91	R2	25.30
15	362 - Major Equip	21,320	45.00	-10.00	2.77	R2.5	26.90
16	363	90	15.00		9.65	R2	10.30
17	364	44,601	44.00	-15.00	3.29	R0.5	23.30
18	365	83,735	44.00	-30.00	2.46	R1	25.70
19	366	17,790	65.00	-20.00	2.00	R3	47.90
20	367	48,040	60.00	-40.00	2.29	R2	38.30
21	368 - Line Trans	63,397	35.00	-5.00	2.42	R1	19.50
22	368 - Cust Line Trans	274	50.00	-5.00	2.00	R1.5	29.00
23	369 - Services UG	440	55.00	-30.00	2.73	R2	35.60
24	369 - Services OH	13,109	47.00	-60.00	2.45	R1	27.30
25	370 - Meters	10,967	28.00		5.82	S0	12.90
26	370 - Leased Meters	3,345	28.00		5.61	S0	16.80
27	371	8					
28	372	10	25.00			L2	
29	373 - Street Lght OH	2,410	30.00	-5.00	0.92	L1	18.50
30	373 - Street Lght Blvd	3,373	30.00	-5.00	3.62	L1	16.60
31	373 - Street Lght Cust	1,735	30.00	-15.00	1.47	R1	17.80
32	373 - Lght Choice OLE	468					
33	Subtotal	347,296					
34							
35	General Plant						
36	390	206	35.00	-5.00	1.77	R2.5	25.90
37	391 - Office Furn	43	20.00		18.56	SQ	2.60
38	391 - Elec Data Proc	1,314	20.00		20.00	SQ	2.60
39	392	208	15.00			SQ	10.20
40	394	1,173	25.00		4.14	SQ	13.00
41	396	12	14.00			R3	
42	397 - Comm Equip	2,457	15.00		6.93	SQ	2.50
43	Subtotal	5,413					
44							
45	Total	1,171,229					
46							
47							
48							
49							
50							

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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REGULATORY COMMISSION EXPENSES

- Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
- Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Kentucky Public Service Commission Expense				
2	Gas Related	200,784		200,784	
3	Electric Related	534,714		534,714	
4					
5	Midwest Independent System Operator (MISO)				
6	FERC Annual Assessment	280,992		280,992	
7					
8	AMRP Rate Study Case No. 2001-092		32,040	32,040	34,710
9					
10	Kentucky Public Service Commission				
11	Case No. 2009-00202				
12	Request for Rate Increase - Gas		51,798	51,798	103,597
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
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31					
32					
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35					
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37					
38					
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40					
41					
42					
43					
44					
45					
46	TOTAL	1,016,490	83,838	1,100,328	138,307

Name of Respondent Duke Energy Kentucky, Inc	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No (g)	Amount (h)					
							1
Gas	928	200,784					2
Electric	928	534,714					3
							4
							5
Electric	928	280,992					6
							7
Gas	928	32,040			32,040	2,670	8
							9
							10
							11
Gas	928	51,798			51,798	51,799	12
							13
							14
							15
							16
							17
							18
							19
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		1,100,328			83,838	54,469	46

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

- Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
- Indicate in column (a) the applicable classification, as shown below:

Classifications:

- A. Electric R, D & D Performed Internally:
- (1) Generation
 - a. hydroelectric
 - i. Recreation fish and wildlife
 - ii Other hydroelectric
 - b. Fossil-fuel steam
 - c. Internal combustion or gas turbine
 - d. Nuclear
 - e. Unconventional generation
 - f. Siting and heat rejection
 - (2) Transmission
 - a. Overhead
 - b. Underground
 - (3) Distribution
 - (4) Regional Transmission and Market Operation
 - (5) Environment (other than equipment)
 - (6) Other (Classify and include items in excess of \$50,000.)
 - (7) Total Cost Incurred
- B. Electric, R, D & D Performed Externally:
- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	B. ELECTRIC R, D & D PERFORMED EXTERNALLY	
2		
3	(1) RESEARCH SUPPORT TO THE ELECTRIC	
4	POWER RESEARCH INSTITUTE	
5		Electric Power Research Institute Memberships
6		Others (less than \$50K each)
7		
8	TOTAL	
9		
10		
11		
12		
13		
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
- (3) Research Support to Nuclear Power Groups
- (4) Research Support to Others (Classify)
- (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
					2
					3
					4
	464,239	930.2	464,239		5
	121,746	930.2	121,746		6
					7
	585,985		585,985		8
					9
					10
					11
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Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 352 Line No.: 8 Column: d

Research, development and demonstration costs do not reflect reimbursements of \$73,491 from the other joint owners of EastBend Unit 2 Plant.

Schedule Page: 352 Line No.: 8 Column: f

Research, development and demonstration costs do not reflect reimbursements of \$73,491 from the other joint owners of EastBend Unit 2 Plant.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution	546,268		
49	Administrative and General	2,455		
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	817,857		
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)	426,134		
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)	318,687		
55	Storage, LNG Terminating and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)	3,472,611		
58	Customer Accounts (Line 37)	1,983,282		
59	Customer Service and Informational (Line 38)	565,937		
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)	1,629,368		
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	8,396,019	7,695	8,403,714
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	34,477,756	279,054	34,756,810
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	6,664,531	682,030	7,346,561
69	Gas Plant	2,239,825	115,169	2,354,994
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	8,904,356	797,199	9,701,555
72	Plant Removal (By Utility Departments)			
73	Electric Plant	531,085		531,085
74	Gas Plant	81,322		81,322
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	612,407		612,407
77	Other Accounts (Specify, provide details in footnote):	879,603		879,603
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	879,603		879,603
96	TOTAL SALARIES AND WAGES	44,874,122	1,076,253	45,950,375

Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 77 Column: b

Projects For Duke's Subsidiaries & Merchandising	\$ 4,605
Other Work in Progress	82,591
Other Accounts	<u>792,407</u>
Total	\$ 879,603

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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COMMON UTILITY PLANT AND EXPENSES

- Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
- Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
- Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
- Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

1. COMMON UTILITY PLANT
COMMON PLANT IN SERVICE:

ACCOUNT TITLE	BALANCE			TRANSFER (1)	BALANCE
	BEGINNING	ADDITIONS	RETIREMENTS		END
	OF YEAR				OF YEAR
Misc. Intangible Plant	25,891,244	(1,066,737)			24,824,507
Leased Meters	601,513				601,513
Non-depr Land & Land Rights	154,249				154,249
Structures and Improvements	8,453,481	385,341	3,604		8,835,218
Office Furniture and Equip.	230,240	(6,170)	144,258		79,812
Electronic Data Processing	5,177	8,896			14,073
Stores Equipment	5,563				5,563
Tools, Shop & Garage Equip.	186,764		11,137		175,627
Laboratory Equipment		1,150			1,150
Communication Equipment	5,591,119	857,204			6,448,323
Miscellaneous Equipment		3,562			3,562
Total Common Plant in Service	41,119,350	183,246	158,999	-	41,143,597
Construction Work in Progress	887,191	539,593			1,426,784
Total Common Utility Plant	42,006,541	722,839	158,999	-	42,570,381

ALLOCATION OF COMMON PLANT TO UTILITY DEPARTMENTS (2)
Summary by Account Estimated as of 12/31/2011

Electric Department	71.26%	30,335,654
Gas Department	28.74%	12,234,727
	-----	-----
	100.00%	42,570,381

- (1) Represents reclassification between common utility/nonutility departments and primary plant accounts.
(2) The percentages used to allocate Common Plant to utility departments are the weighted average resulting from the application of allocation factors to the investment based on Net Plant as of 12/31/2011.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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COMMON UTILITY PLANT AND EXPENSES

- Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
- Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
- Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
- Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

2. ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF COMMON UTILITY PLANT
Summary by Account Estimated as of 12/31/2010 25,105,885

Depreciation provision for the year charged to:

(403) Depreciation expense (1)	981,638	
(404) Amortization - Limited Term Plant	2,659,508	
Transportation expense - Clearing	0	

		3,641,146

Net Charges for Plant Retired:

Book Cost of Plant Retired	(158,998)	
Cost of Removal	(50,000)	
Salvage (Credit)		
Transfers / Adjustments	(754)	

		(209,752)

Balance - End of the Year 28,537,279

ALLOCATION OF ACCUMULATED PROVISION FOR DEPRECIATION TO UTILITY DEPARTMENTS (3)

Electric Department	71.26%	20,335,665
Gas Department	28.74%	8,201,614
	-----	-----
	100.00%	28,537,279

METHOD OF DETERMINATION OF DEPRECIATION & AMORTIZATION

Common Plant in Service	Rate(4)
-----	-----
Miscellaneous Intangible Plant	Note (2)
Leased Meters	5.61%
Structures and Improvements	5.94%
Office Furniture and Equipment	12.36%
Electronic Data Processing Equip.	20.0%
Stores Equipment	48.47%
Tools, Shop & Garage Equipment	6.27%
Laboratory Equipment	Note (4)
Communication Equipment	13.62%

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				31,429,436
3	Net Sales (Account 447)				22,692,648
4	Transmission Rights				663,166
5	Ancillary Services				
6	Other Items (list separately)				
7	Ancillary Services (account 447)				640,734
8					
9					
10					
11					
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46	TOTAL				55,425,984

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	4,022,677
3	Steam	4,077,997	23	Requirements Sales for Resale (See instruction 4, page 311)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	662,841
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	451
7	Other	37,478	27	Total Energy Losses	191,704
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	4,877,673
9	Net Generation (Enter Total of lines 3 through 8)	4,115,475			
10	Purchases	762,198			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	4,877,673			

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MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr 4) (d)	Day of Month (e)	Hour (f)
29	January	408,957	25,908	669	12	1900
30	February	363,472	40,500	689	10	0800
31	March	433,658	99,800	586	10	2000
32	April	374,195	79,136	535	1	0700
33	May	396,631	58,134	793	31	1500
34	June	463,072	91,251	818	7	1700
35	July	471,095	4,113	894	21	1800
36	August	423,449	3,914	862	2	1600
37	September	424,557	99,288	857	2	1600
38	October	350,708	45,542	541	10	1600
39	November	339,563	33,055	580	30	2000
40	December	428,316	82,200	615	7	1900
41	TOTAL	4,877,673	662,841			

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FOOTNOTE DATA			

Schedule Page: 401 Line No.: 29 Column: d

MISO Attachment O requires the use of hourly load coincident with the monthly peak of the pricing zone as follows:

2010 average of 12 coincident system peaks for requirements (RQ) service 692,417

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: EAST BEND (b)	Plant Name: MIAMI FORT 6 (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	STEAM	STEAM
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	CONVENTIONAL	CONVENTIONAL
3	Year Originally Constructed	1981	1960
4	Year Last Unit was Installed	1981	1960
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	447.00	168.00
6	Net Peak Demand on Plant - MW (60 minutes)	420	166
7	Plant Hours Connected to Load	7927	8468
8	Net Continuous Plant Capability (Megawatts)	414	163
9	When Not Limited by Condenser Water	414	163
10	When Limited by Condenser Water	0	0
11	Average Number of Employees	95	0
12	Net Generation, Exclusive of Plant Use - KWh	2856381000	1221616000
13	Cost of Plant Land and Land Rights	1686453	95
14	Structures and Improvements	39280216	3293525
15	Equipment Costs	389627076	75517435
16	Asset Retirement Costs	563352	-78733
17	Total Cost	431157097	78732322
18	Cost per KW of Installed Capacity (line 17/5) Including	964 5573	468 6448
19	Production Expenses: Oper, Supv, & Engr	1466057	1182283
20	Fuel	71459483	33017002
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	10974313	220579
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	379371	128866
26	Misc Steam (or Nuclear) Power Expenses	894808	486560
27	Rents	133	1105356
28	Allowances	0	0
29	Maintenance Supervision and Engineering	1344299	326176
30	Maintenance of Structures	1469175	592068
31	Maintenance of Boiler (or reactor) Plant	6164759	1388542
32	Maintenance of Electric Plant	481121	441785
33	Maintenance of Misc Steam (or Nuclear) Plant	1244715	581418
34	Total Production Expenses	95878234	39470635
35	Expenses per Net KWh	0.0336	0.0323
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal	Oil
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Tons	Barrels
38	Quantity (Units) of Fuel Burned	1378381	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	11343	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	51.012	0.000
41	Average Cost of Fuel per Unit Burned	50.914	0.000
42	Average Cost of Fuel Burned per Million BTU	2.244	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.025	0.000
44	Average BTU per KWh Net Generation	10948.000	0.000

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Kentucky, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: 1 Column: b

East Bend is commonly owned by the respondent and the Dayton Power and Light Company with undivided interest of 69% and 31% respectively. Fuel expenses are shared on the basis of energy usage and other expenses are shared on an ownership basis.

Schedule Page: 402 Line No.: 11 Column: c

Miami Fort Unit 6 number of employees is included in the average number of employees for the total station under Duke Energy Ohio as station operator.

Schedule Page: 402 Line No.: 20 Column: b

Excludes coal handling, sale of fly ash and other miscellaneous cost of \$2,641,983.

Schedule Page: 402 Line No.: 20 Column: d

Excludes fuel handling and testing costs charged to fuel expense Account 547 of \$1,854

Schedule Page: 402 Line No.: 28 Column: b

In accordance with FERC's Order No. 552, Duke Energy Kentucky, Inc. is not required to report emission allowance charges to Account 509 on a per station basis. The Ferc states the following on Page 22 of the Final Order dated March 31, 1993:

"The Commission does not perceive the merits of classifying allowances by affected generating unit and decline to require this approach."

Duke Energy Kentucky, Inc. interprets this ruling to not only apply to the asset classification of allowances but to the associated expense classification for allowances charged to Account 509. Duke Energy Kentucky, Inc.'s charges to Account 509 for the year were \$1,105,805.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	69KV TRANSMISSION POOL		69.00	69.00	POLE	102.14	3.04	
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
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22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	102.14	3.04	

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
	1,094,542	11,416,574	12,511,116	88,323	144,303	1,934,161	2,166,787	1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
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								29
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								31
								32
								33
								34
								35
	1,094,542	11,416,574	12,511,116	88,323	144,303	1,934,161	2,166,787	36

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	ALEXANDRIA SOUTH-CAMPBELL CO	UNATTENDED - D	69.00	13.20	
2	AUGUSTINE-COVINGTON, KY	UNATTENDED - D	138.00	13.20	
3	BEAVER-BOONE CO.	UNATTENDED - D	69.00	13.20	
4	BELLEVUE-CAMPBELL CO.	UNATTENDED - D	138.00	13.20	
5	BLACKWELL-GRANT CO	UNATTENDED - T	138.00	69.00	
6	BUFFINGTON-KENTON CO.	UNATTENDED - T&D	138.00	69.00	13.20
7	CLARYVILLE-CAMBELL CO.	UNATTENDED - D	69.00	13.20	
8	COLD SPRING-KENTON CO.	UNATTENDED - D	138.00	13.20	
9	CONSTANCE-KENTON CO.	UNATTENDED - D	138.00	13.20	
10	COVINGTON - KENTON CO	UNATTENDED - D	69.00	13.20	
11	CRESCENT-KENTON CO.	UNATTENDED - D	138.00	13.20	
12	CRITTENDEN-GRANT CO.	UNATTENDED - D	69.00	13.20	
13	DAYTON - CAMPBELL CO	UNATTENDED - D	138.00	13.20	
14	DECOURSEY-KENTON CO.	UNATTENDED - D	69.00	13.20	
15	DIXIE-BOONE CO.	UNATTENDED - D	69.00	13.20	
16	DONALDSON-KENTON CO.	UNATTENDED - D	138.00	13.20	
17	DRY RIDGE-GRANT CO.	UNATTENDED - D	69.00	13.20	
18	EMPIRE - BOONE CO	UNATTENDED - D	69.00	13.20	
19	FLORENCE-BOONE CO.	UNATTENDED - D	138.00	13.20	
20	GRANT-GRANT CO.	UNATTENDED - D	69.00	13.20	
21	HANDS-KENTON CO.	UNATTENDED - D	138.00	13.20	
22	HEBRON- BOONE CO	UNATTENDED - D	138.00	13.20	
23	KENTON-KENTON CO.	UNATTENDED - T&D	138.00	13.20	
24	KY. UNIVERSITY-CAMP. CO.	UNATTENDED - D	138.00	13.20	
25	LIMABURG-BOONE CO.	UNATTENDED - D	69.00	13.20	
26	LONGBRANCH- BOONE CO.	UNATTENDED - D	138.00	13.20	
27	MARSHALL-CAMPBELL CO.	UNATTENDED - D	69.00	13.20	
28	MT ZION - BOONE CO.	UNATTENDED - D	138.00	13.20	
29	OAKBROOK - BOONE CO	UNATTENDED - D	69.00	13.20	
30	RICHWOOD-BOONE CO.	UNATTENDED - D	69.00	13.20	
31	THOMAS MORE - KENTON CO.	UNATTENDED - D	69.00	13.20	
32	VERONA - KENTON CO.	UNATTENDED - D	69.00	13.20	
33	VILLA-CRESTVIEW HLS., KY	UNATTENDED - D	69.00	13.20	
34	WHITE TOWER-KENTON CO.	UNATTENDED - D	69.00	13.20	
35	WILDER-WILDER, KY.	UNATTENDED - T&D	138.00	69.00	13.20
36	YORK-NEWPORT, KY.	UNATTENDED - D	138.00	13.20	
37	1 STATION UNDER 10 MVA	UNATTENDED - D	13.20	4.30	
38					
39					
40	Summary of Listed Stations Above				

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
11	1					1
72	2					2
21	2					3
45	2					4
150	1					5
328	5					6
32	3					7
33	2					8
45	2					9
22	1					10
45	2					11
21	2					12
22	1					13
11	1					14
42	2					15
45	2					16
11	1					17
25	2					18
67	3					19
21	2					20
45	2					21
45	2					22
165	3					23
45	2					24
31	3					25
22	1					26
11	1					27
22	1					28
22	1					29
32	3					30
22	1					31
11	1					32
45	2					33
21	2					34
167	3					35
22	1					36
4	1					37
						38
						39
						40

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	(By Function) not including Commonly Owned				
2	Substations				
3					
4	UNATTENDED - T&D				
5	UNATTENDED - D				
6	UNATTENDED - T				
7	ATTENDED - T&D				
8	ATTENDED - D				
9	ATTENDED - T				
10					
11					
12	Note				
13					
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Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
						2
						3
660						4
989						5
150						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
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Name of Respondent Duke Energy Kentucky, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 426.1 Line No.: 12 Column: a

Note: The voltages reported in column (c), (d) and (e) are the highest and lowest in the substation by not necessarily on the same transformer. Column (g) represents the number of three phase transformers and/or transformer banks rather than the number of individual transformers.

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Services provided by Duke Energy Business Services	Duke Energy Business Services, LLC	various	81,570,068
3	- (Service Company transactions)			
4	DE Ohio employees provide services for Miami Fort Unit 6 & Woodsdale generating stations	Duke Energy Ohio, Inc	various	5,751,128
5				
6	DE Ohio employees provide O&M and capital services for electric transmission & distribution systems	Duke Energy Ohio, Inc	various	6,674,332
7				
8	DE Ohio employees provide O&M and capital services for the gas distribution system	Duke Energy Ohio, Inc	various	2,087,058
9				
10	Other goods or services provided by DE Ohio	Duke Energy Ohio, Inc	various	44,843
11	DE Indiana employees provide O&M and capital services for generation stations	Duke Energy Indiana, Inc	various	517,159
12				
13	DE Indiana employees provide O&M and capital services for electric T&D systems	Duke Energy Indiana, Inc	various	103,635
14				
15	Other goods or services provided by DE Indiana	Duke Energy Indiana, Inc	various	2,834
16	Services provided by DE Commercial Enterprises for generation stations	Duke Energy Commercial Enterprises, Inc	various	712,690
17				
18	Other goods or services provided by DE Carolinas	Duke Energy Carolinas, LLC	various	22,548
19				
20	Non-power Goods or Services Provided for Affiliate			
21	DE Kentucky employees provide services to Duke Energy Business Services (Service Company)	Duke Energy Business Services, LLC	various	94,507
22				
23	Other goods or services provided by DE Kentucky to Duke Energy One	Duke Energy One, Inc	various	42,982
24				
25	DE Kentucky employees provide services to DE Indiana for admin, training and support services at various combustion turbine sites	Duke Energy Indiana, Inc	various	875,418
26				
27				
28	DE Kentucky employees provide O&M and capital services to DE Indiana for the electric T&D syst	Duke Energy Indiana, Inc	various	56,877
29				
30	Other goods or services provided by DE Kentucky to Duke Energy Indiana	Duke Energy Indiana, Inc	various	16,516
31				
32	DE Kentucky employees provide O&M and capital services to DE Ohio for the electric T&D systems	Duke Energy Ohio, Inc	various	710,939
33				
34	DE Kentucky employees provide O&M and capital services to DE Ohio for the gas distribution syst	Duke Energy Ohio, Inc	various	2,450,685
35				
36	Other goods or services provided by DE Kentucky to Duke Energy Ohio	Duke Energy Ohio, Inc	various	56,870
37				
38	Other goods or services provided by DE Kentucky to Duke Energy Carolinas	Duke Energy Carolinas, LLC	various	4,844
39				
40	DE Kentucky employees provide gas transmission services to KO Transmission	KO Transmission Co	various	137,653
41				
42	Total			4,447,291

Name of Respondent Duke Energy Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Total			97,486,295
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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14				
15				
16				
17				
18				
19				
20	Non-power Goods or Services Provided for Affiliate			
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FOOTNOTE DATA			

Schedule Page: 429 Line No.: 2 Column: a

When an employee of the Service Company performs services for a Client Company, costs will be directly assigned or distributed or allocated. For allocated services, the allocation method will be on a basis reasonably related to the service performed. The Service Company Utility Service Agreement prescribes 23 Service Company functions and approximately 20 allocation methods.

Functions and Allocation Methods:

Information Systems

- Number of Central Processing Unit Seconds Ratio
- Number of Personal Computer Workstations Ratio
- Number of Information Systems Servers Ratio
- Number of Employees Ratio
- Three Factor Formula

Meters

- Number of Customers Ratio

Transportation

- Number of Employees Ratio
- Three Factor Formula

Electric System Maintenance

- Circuit Miles of Electric Transmission Lines Ratio
- Circuit Miles of Electric Distribution Lines Ratio

Marketing and Customer Relations

- Sales Ratio
- Number of Customers Ratio

Electric Transmission & Distribution Engineering & Construction

- Electric Transmission Plant's Construction - Expenditures Ratio
- Electric Distribution Plant's Construction - Expenditures Ratio

Power Engineering & Construction

- Electric Production Plant's Construction - Expenditures Ratio

Human Resources

- Number of Employees Ratio

Materials Management

- Procurement Spending Ratio
- Inventory Ratio

Facilities

- Square Footage Ratio

Accounting

- Three Factor Formula

Power Planning and Operations

- Electric Peak Load Ratio
- Weighted Avg of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio
- Sales Ratio
- Weighted Avg of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio
- Generating Unit MW Capability Ratio

Public Affairs

- Three Factor Formula
- Weighted Avg of the Number of Customers Ratio and Number of Employees Ratio

Legal

- Three Factor Formula

Rates

- Sales Ratio

Finance

- Three Factor Formula

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FOOTNOTE DATA			

Rights of Way

- Circuit Miles of Electric Transmission Lines Ratio
- Circuit Miles of Electric Distribution Lines Ratio

Internal Auditing

- Three Factor Formula

Environmental, Health and Safety

- Three Factor Formula
- Sales Ratio

Fuels

- Sales Ratio

Investor Relations

- Three Factor Formula

Planning

- Three Factor Formula

Executive

- Three Factor Formula



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

March 6, 2012

Rocco D'Ascenzo
Associate General Counsel
Duke Energy Kentucky, Inc.
P. O. Box 960
Cincinnati, OH 45201-0960

Dear Mr. D'Ascenzo:

This letter has been issued in response to your correspondence requesting an extension of time for filing of the 2011 Annual Financial and Statistical Reports for Duke Energy Kentucky, Inc. Please be advised that you now have until April 30, 2012 for submissions, with the understanding that every effort will be made to complete and file the Annual Reports at an earlier date. **As a reminder, the Reports of Gross Operating Revenues are still required to be filed by March 31, 2012.**

Should you have any questions regarding this matter, please do not hesitate to contact me by email at JeffD.Cline@ky.gov or telephone at (502) 564-3940, extension 218.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff D. Cline".

Jeff D. Cline
Annual Report Branch Manager



139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-287-4320
Fax: 513-287-4385
Rocco.d'ascenzo@duke-energy.com

Rocco D'Ascenzo
Associate General Counsel

January 4, 2012

RECEIVED

JAN 05 2012

PUBLIC SERVICE
COMMISSION

Mr. Jeff D. Cline
Mr. Jeff Derouen
Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Cline:

This letter is to request an extension of time until April 30, 2012 to submit the 2011 Duke Energy Kentucky, Inc. Annual Financial and Statistical Reports (i.e. Federal Energy Regulatory Commission (FERC) Form 1 and Form 2 as well as the Kentucky Public Service Commission (KyPSC) supplemental reports). The FERC reporting deadline is April 18th so the extension would allow us time to complete that process and subsequently finalize the KyPSC electronic forms and hard copies submission.

In accordance with the KyPSC instructions, the gross operating report and assessable revenues report will be filed by the March 31st deadline.

Sincerely,

Rocco D'Ascenzo
Associate General Counsel

cc: Sharon Hood