STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NCUC Docket No. E-7, Sub 909

In the Matter of	)	DIRECT TESTIMONY OF
Application of Duke Energy Carolinas, LLC	)	GLENN A. WATKINS
For Adjustment of Rates and Charges Applicable	)	ON BEHALF OF THE
to Electric Service in North Carolina	)	ATTORNEY GENERAL'S OFFICE

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DIRECT TESTIMONY OF
GLENN A. WATKINS
IN THE MATTER OF THE APPLICATION OF
DUKE ENERGY CAROLINAS
DOCKET NO. E-7, SUB 909

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Glenn A. Watkins. My business address is James Center III, 1051 East Cary Street, Suite 601, Richmond, VA 23219.

Q. WHAT IS YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND?

A. I am a Principal and Senior Economist with Technical Associates, Inc., which is an economics and financial consulting firm with an office in Richmond, Virginia. Except for a six month period during 1987 in which I was employed by Old Dominion Electric Cooperative, as its forecasting and rate economist, I have been employed by Technical Associates continuously since 1980.

During my career at Technical Associates, I have conducted marginal and embedded cost of service, rate design, cost of capital, and load forecasting studies involving numerous electric, gas, water/wastewater, and telephone utilities, and have provided expert testimony in Alabama, Arizona, Georgia, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Jersey, Ohio, Illinois, Pennsylvania, Vermont, Virginia, South Carolina, Washington, and West Virginia. A more complete description of my education and experience is provided in Watkins Exhibit 1.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. Technical Associates has been retained by the North Carolina Office of Attorney General ("OAG") to evaluate the accuracy and reasonableness of Duke Energy Carolinas ("Duke" or "Company") jurisdictional retail class cost of service study ("CCOSS"), proposed distribution of revenues by class, and residential rate design. The purpose of my testimony, therefore, is to comment on Duke's proposals on these issues and to present my findings and recommendations based on the results of the studies I have undertaken on behalf of the OAG.

Q. DOES YOUR TESTIMONY INCLUDE ANY EXHIBITS?

A. Yes. I have prepared seven exhibits. Watkins Exhibit 1 provides my background and experience profile. Watkins Exhibit 2 evaluates specific generation units within Duke Energy Carolina's portfolio of generation assets as to their purposes and utilizations within the overall portfolio of assets. Watkins Exhibit 3 provides the results of my class cost of service study for Duke's North Carolina retail customers under current rates using my recommended "Base Intermediate Peak" method to assign generation investment to individual classes. Watkins Exhibit 4 provides the results of an alternative class cost of service study using the "Summer Peak & Average" method, which is also an acceptable approach for allocating of Duke's production investment. Watkins Exhibit 5 provides the details of Duke's customer-related costs for Residential customers. Watkins Exhibit 6 provides a sample bill rendered to Duke's North Carolina customers, while Watkins Exhibit 7 provides a much better and more detailed sample bill provided to customers in Kentucky.

1 **Q. PLEASE PROVIDE A SUMMARY OF YOUR TESTIMONY.**

2 A. First, I will provide an explanation of cost of service study concepts.

3 Second, I will discuss the strengths and weaknesses of the summer CP method
4 advocated by Duke for allocation of production costs and the alternative study that Duke
5 prepared using the Summer Winter Peak & Average method. I will recommend two
6 other methods that allocate production costs based on factors that drive those costs; the
7 Base Intermediate Peak method or the Summer Peak and average method.

8 Third, I will describe Duke's proposal for allocation of the proposed revenue
9 increase among rate classes, and my alternative recommendations based on the results of
10 my analysis of class cost of service studies and other ratemaking considerations.

11 Fourth, I will discuss Duke's proposed rate design and recommend a reduction of
12 the Basic Facilities Charge applicable to residential customers from $7.87 per month to
13 $7.00 per month, or maintenance of the same rate, depending on whether an overall
14 percentage increase in rates is approved. In addition, I will recommend that Duke
15 conduct a study of the potential benefits and impacts of adopting an inverted block rate
16 structure designed to send a price signal to residential customers to conserve energy and
17 reduce incremental usage in peak months, and present its findings in advance of its next
18 rate case.

19 Fifth, I will discuss the lack of information currently provided in Duke's bills
20 rendered to its North Carolina customers and recommend that more detailed information
21 be provided in customer's bills as is the practice in some other Duke jurisdictions.

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II. CLASS COST OF SERVICE

Q. PLEASE EXPLAIN THE CONCEPTS OF COST OF SERVICE STUDIES.

A. First, I note that there are two types of cost of service studies used for public utility ratemaking: marginal cost studies; and embedded, fully allocated cost studies. Duke has utilized a traditional embedded cost of service concept in this case for purposes of establishing its overall retail revenue requirement, as well as for its class cost of service study. As such, I will limit my explanation to embedded class cost of service studies.

Embedded cost of service studies are often referred to as fully allocated cost studies. This is because the vast majority of an electric utility's plant investment serves all customers, and the majority of expenses are incurred in a joint manner such that these costs cannot be specifically attributed to any individual customer or group of customers. To the extent that certain costs can be specifically attributable to a particular customer (or group of customers), these costs are directly assigned in a cost of service study. However, the vast majority of a utility's Production, Transmission, and Distribution plant and expenses are incurred jointly to serve all (or most) customers. These joint costs are then allocated to jurisdictions and/or rate classes. It is generally recognized that to the extent possible, joint costs should be allocated to classes based on the concept of cost causation; i.e., costs are allocated based on specific factors that cause costs to be incurred by the utility. Although cost analysts generally strive to abide by the concept of cost causation to the greatest extent practical, some costs (particularly overhead costs), cannot be attributed to specific exogenous factors and must be subjectively assigned or allocated

to rate classes. With regard to those costs in which cost causation can be attributed, cost of service experts often disagree as to what is the most cost causative factor; e.g., peak demand, energy usage, number of customers, etc.

Q. PLEASE IDENTIFY AND EXPLAIN THE PURPOSES AND USE OF COST OF SERVICE STUDIES IN THIS PROCEEDING.

A. Duke utilizes its embedded cost of service studies for two purposes in this case. First, Duke's cost of service model is used to allocate joint Company-wide costs to its various jurisdictions and types of business (e.g., North Carolina retail, wholesale, etc.) for purposes of determining its jurisdiction's overall revenue requirement. Second, the Company's model assigns the previously assigned (allocated) North Carolina retail costs to individual retail classes in order to assess the relative contributions to operating income each class is making under current rates which then serves as a guide in establishing class revenue responsibility.

My investigation and analyses have focused on the latter purpose; i.e., the assignment of cost responsibility to North Carolina retail classes. I have utilized the same jurisdictional costs throughout my investigation. In this way, the Commission and parties will have a consistent apples to apples comparison of the effects and impacts on North Carolina retail classes under various class cost of service methodologies and results.

Q. PLEASE EXPLAIN HOW YOU PROCEEDED WITH YOUR ANALYSIS OF DUKE'S CCOSS.

A. The process in which I conducted my analysis in this case was identical to how I evaluate all CCOSSs. First, I reviewed the structure and organization of the Company's CCOSS sponsored by witness Phillip Stillman. Once the basic structure was understood, I reviewed the accuracy and completeness of the primary drivers (allocators) used to assign costs to rate schedules and classes. Next, I reviewed Duke's selection of allocators to specific rate base, revenue and expense accounts. I then verified the accuracy of the Company's CCOSS model by replicating its results using my own computer model. Finally, I adjusted certain aspects of the Company's study to better reflect cost causation and cost incidence by rate schedule and customer class.

Q. ONCE YOU UNDERSTOOD THE STRUCTURE AND ORGANIZATION OF DUKE'S MODEL, DID YOU FIND IT TO BE MATHEMATICALLY ACCURATE?

A. Yes. With the exception of one inconsequential item, I found Duke's CCOSS to be mathematically accurate and I was able to replicate the results.[1]

Q. DID YOUR INVESTIGATION RESULT IN ANY DISAGREEMENTS WITH THE ASSUMPTIONS OR METHODOLOGIES USED BY MR. STILLMAN?

A. Yes. The substantial disagreement that I have with Mr. Stillman is his use and reliance on the single coincident peak (1-CP) method to allocate generation costs. My recommendation concerning allocation of generation costs has a material impact on CCOSS results. I do not pursue changes to the study relating to Duke's transmission and

[1] This exception relates to the allocation of a single account (Adjustment Merger Condition #23). The allocator used for this account was not properly calculated such that the amount assigned to the General Service class served as a residual to ensure the sum of the classes equal the total North Carolina retail amount.

distribution plant costs because, although I do not agree with the methods used by Mr. Stillman in some respects, the impact of any changes I would make on the CCOSS would not appear to make a substantial enough difference to pursue in this case.

Q. YOU INDICATE THAT YOU DISAGREE WITH MR. STILLMAN'S RELIANCE ON THE 1-CP METHOD TO ALLOCATE GENERATION COSTS. ARE THERE OTHER RECOGNIZED METHODOLOGIES WHICH MAY BE USED TO ALLOCATE GENERATION-RELATED PLANT AND EXPENSES?

A. Yes. Although not supported by Mr. Stillman, he also conducted another CCOSS using an alternative methodology known generically as the Peak and Average method. In addition to the 1-CP and Peak and Average methods, there are several other allocation methods utilized in the electric industry to assign generation-related costs. The current National Association of Regulatory Utility Commissioners ("NARUC") Electric Utility Cost Allocation Manual discusses at least thirteen embedded demand allocation methods, while Dr. James Bonbright notes the existence of at least 29 demand allocation methods in his treatise, Principles of Public Utilities Rates.

Q. WHY DO SO MANY GENERATION ALLOCATION METHODS EXIST FOR THE ELECTRIC INDUSTRY?

A. Utilities design and build generation facilities to meet both the energy and demand requirements of their customers on a collective basis. Because of this, and the physical laws of electricity, it is impossible to determine which customers are being served by which facilities. As such, production facilities are joint costs; i.e., used by all

customers. Because of this commonality, production-related costs are not directly known for any customer or customer group and must somehow be allocated.

If all customer classes used electricity at a constant rate throughout the year, there would be no disagreement as to the proper assignment of generation-related costs: all analysts would agree that energy usage in terms of KWH would be the proper approach to reflect cost causation and cost incidence. However, such is not the case in that Duke experiences periods (hours) of much higher demand during certain times of the year and across various hours of the day. Moreover, all customer classes do not contribute in equal proportions to these varying demands placed on the generation system. To complicate matters, the electric utility industry is somewhat unique in that there is a distinct energy/capacity trade-off relating to generation costs. That is, utilities design their mix of production facilities (generation and power supply) to minimize the total costs of energy, while also ensuring there is enough available capacity to meet peak demands. The trade-off occurs between the level of fixed investment per unit of capacity (KW) and the variable cost of producing a unit of output (KWH). Coal and nuclear units require high capital expenditures resulting in large investments per KW, whereas smaller units with higher variable production costs generally require significantly less investment per KW of capacity. Due to varying levels of demand placed on the system over the course of each day, month, and year, there is a unique optimal mix of production facilities for each utility that minimizes the total cost of capacity and energy; i.e., its cost of service.

Therefore, as a result of the energy/capacity cost trade-off, and the fact that the service requirements of each utility are unique, many different allocation methodologies

have evolved in an attempt to equitably allocate joint production costs to individual classes.

Q. PLEASE EXPLAIN.

A. Total production costs vary each hour of the year. Theoretically, energy and capacity costs should be allocated to classes each and every hour of the year. This would result in 8,760 hourly allocations during non-leap years. Although such an analysis is certainly possible with today's technology, the time and cost necessary for such an undertaking would likely exceed the additional benefits obtained over simpler methods. This is because the analyst does not know actual class loads each and every hour, and subjective decisions must still be made regarding the assignment of fixed investment (capacity costs) to individual hours. With this practical constraint in mind, each method has its strengths and weaknesses regarding its reasonableness in reflecting cost causation as well as the cost and effort required to produce a study.

Q. PLEASE DISCUSS THE SINGLE COINCIDENT PEAK METHOD ADVOCATED BY DUKE.

A. The basic concept underlying the Single Coincident Peak ("1-CP") method is that an electric utility must have enough capacity available to meet its customers' peak coincident demand. As such, advocates of the 1-CP method reason that customers (or classes) should be responsible for fixed capacity costs based on their respective contributions to this peak system load. The major advantages to the 1-CP method are that the concepts are easy to understand, the analyses required to conduct a CCOSS are

relatively simple, and the data requirements are significantly smaller than some of the more complex methods.

The 1-CP method has several shortcomings, however. First, and foremost, is the fact that the 1-CP method totally ignores the capacity/energy trade-off inherent in the electric utility industry. That is, the sole criterion for assigning one hundred percent of fixed capacity costs is the classes' relative contributions to load during a single hour of the year. This method ignores and does not consider, in any way, the extent to which customers use these facilities during the other 8,759 hours of the year, nor does it consider the bases or reasons that the plant investment was incurred; i.e., why the generation mix of plants were placed into service. This may have severe consequences because a utility's planning decisions regarding the amount and type of generation capacity to build and install is predicated not only on the maximum system load, but also on how customers demand electricity throughout the year, i.e., load duration. To illustrate, if a utility such as Duke, had a peak load of 20,000 MW and its actual optimal generation mix included an assortment of nuclear, coal, hydro, combined cycle and combustion turbine units, the total actual cost of capacity would be significantly higher than if the utility only had to consider meeting 20,000 MW for 1 hour of the year. This is because the utility would install the cheapest type of plant, (i.e., peaker units) if it only had to consider one hour a year.

There are two other major shortcomings of the 1-CP method, First, the results produced with this method can be unstable from year to year. This is because the hour in which a utility peaks annually is largely a function of weather. Therefore, annual peak load depends on when severe weather occurs. If this occurs on a weekend or holiday,

relative class contributions to the peak load will likely be significantly different than if the peak occurs during a weekday. The other major shortcoming of the 1-CP method is often referred to as the "free ride" problem. This problem can easily be seen with a summer peaking utility that peaks about 5:00 p.m. in a Summer month. Because outdoor lights are not illuminated at this time of day, this class is not assigned any capacity costs at all and will enjoy a free ride in terms of the assignment of generation costs.

Indeed, all of the shortcomings of the 1-CP methodology are present in Duke's CCOSS. As will be discussed in more detail later, the majority of Duke's generation portfolio (in terms of capacity) is comprised of base load nuclear and coal units that were very expensive per KW of capacity to install, but produce inexpensive energy throughout the year. As such, because the base load units operate almost constantly throughout the year, these high fixed costs are spread over many units of energy (KWH) output. However, the 1-CP method advocated by Duke does not reflect this reality in that all production (generation) rate base is assigned based on the load at an instantaneous (one hour) point in time.

Q. PLEASE DISCUSS AND EXPLAIN THE BASE INTERMEDIATE PEAK METHOD THAT YOU RECOMMEND.

A. The Base/Intermediate/Peak ("BIP") method, also known as a production stacking method, explicitly recognizes the capacity and energy tradeoff inherent with generating facilities in general, and specifically recognizes the mix of a particular utility's resources used to serve the varying demands throughout the year. The BIP method classifies and

assigns individual generating resources based on their specific purpose and role within the utility's actual portfolio of production resources.

The basic premise of the BIP method is that individual generating units are placed into service to meet various needs of the system. Expensive base load units, with high capacity factors run constantly throughout the year to meet the energy needs of all customers. These units operate during all periods of demand including low system load as well as during peak use periods. Base load units are, therefore, classified and allocated based on their roles within the utility's portfolio of resource; i.e., energy requirements. At the other extreme are the utility's peaker units that are designed, built, and operated only to run a few hours of the year during peak system requirements. These peaker units serve only peak loads and are, therefore, classified and allocated on peak demand. Situated between the high capacity cost/low energy cost baseload units and low capacity cost/high energy cost peaker units are intermediate generating resources. These units may not be dispatched during the lowest periods of system load but, due to their relatively efficient energy costs, are operated during many hours of the year. Intermediate resources are classified and allocated based on their relative usage to peak capability ratios; i.e., their capacity factor. Finally, hydro units are evaluated on a case by case basis. This is because there are several types of hydro generating facilities including run of the river units that run most of the time with no fuel costs, and units powered by stored water in reservoirs that operate under several environmental and hydrological constraints including flood control, downstream flow requirements, management of fisheries, and watershed replenishment. Within the constraint just noted and due to their ability to store potential energy, these units are generally dispatched on a seasonal or

diurnal basis to minimize short-term energy costs and also assist with peak load requirements. Pumped storage units are unique in that water is pumped up to a reservoir during off-peak hours (with low energy costs) and released during peak hours of the day. Depending on the characteristics of a unit, hydro facilities may be classified as energy-related (e.g., run of the river), peak-related (e.g., pumped storage) or a combination of energy and demand-related (traditional reservoir storage).

Q. PLEASE DISCUSS THE PEAK AND AVERAGE METHOD USED IN DUKE'S ALTERNATIVE COST STUDY AND IN YOUR ALTERNATIVE COST STUDY.

A. There are various Peak and Average ("P&A") methodologies that rest on the premise that a utility's actual generation facilities are placed into service to meet peak load and to serve consumers' loads throughout the entire year. Hence, the P&A method assigns capacity costs partially on the basis of contributions to peak load and partially on the basis of consumption throughout the year. Although there is not universal agreement on how peak demands should be measured or how the weighting between Peak and Average demands should be performed, most P&A studies use class contributions to coincident-peak demand for the "peak" portion, and weight the Peak and Average loads based on the system coincident load factor, e.g., the load factor represents the portion assigned based on consumption (average demand).

A major strength of the P&A method is that an attempt is made to recognize the capacity/energy trade-off in the assignment of fixed capacity costs. Another strength is that data requirements are minimal. However, recognition of the capacity/energy trade-off is not based on a detailed analysis of operational and design factors.

As mentioned by Mr. Stillman, a potential weakness of the P&A method is that a significant amount of fixed capacity investment is allocated to classes based on energy consumption, with no recognition given to lower variable fuel costs that occur during off-peak periods. This can result in an overburdening of costs if fuel costs vary significantly by hour. However, depending on consumption patterns of the utility's various classes , the impact may be insubstantial on an overall annual basis, and the P&A method can produce fair and reasonable results. I will explain the significance of this potential weakness as it specifically applies to Duke later in my testimony.

Q. MR. WATKINS, YOU HAVE DISCUSSED THE STRENGTHS AND WEAKNESSES OF VARIOUS GENERATION ALLOCATION METHODOLOGIES. ARE ANY OF THESE METHODS CLEARLY INFERIOR IN YOUR VIEW?

A. Yes. In my opinion the 1-CP method does not reasonably reflect cost causation for integrated electric utilities because it ignores how a utility's facilities are used. If a utility were only concerned with being able to meet peak load with no regard to running costs, it would simply install inexpensive peakers. Under such an unrealistic system design, plant investment costs would be much lower but variable fuel costs would be extremely high and would result in a higher overall cost to serve customers. This is because generation investment costs vary from a low of a few hundred dollars per KW of capacity for high running cost (energy cost) peakers to several thousand dollars per KW for base load nuclear facilities with low running costs. The 1-CP and seasonal CP methods ignore this very important fact.

Q. WITH REGARD TO THE SPECIFIC CHARACTERISTICS OF THE DUKE SYSTEM, WHICH METHODS ARE MORE APPROPRIATE?

A. Recognition should be given to the actual utilization of Duke's generating resources. More than half of Duke's installed capacity (KW) consists of baseload units designed to serve energy use and load requirements throughout the year and about two-thirds of the gross investment in generation plant is comprised of base load units. Approximately 88% of Duke's total annual energy is generated from these baseload units. Thus, a cost allocation method that recognizes annual usage (energy) is most appropriate. In my opinion, the BIP method is best suited for Duke, followed by the Peak and Average method using Summer only demands.

Q. HOW DOES YOUR SUMMER ONLY PEAK AND AVERAGE STUDY DIFFER FROM THE PEAK AND AVERAGE STUDY CONDUCTED BY DUKE?

A. Duke's Peak and Average study assigns the Peak portion of generation costs based on the average of the Summer and Winter contributions to coincident peak demands. Mr. Stillman opines that this method is not appropriate (in part) because Duke is a Summer only peaking utility and that Winter demands should not be considered. I agree with Mr. Stillman, at least for purposes of conducting a Peak and Average study. The concepts behind the Peak and Average method are simply that generation costs should consider both energy (average demand) and Peak demand. Duke's peak demand clearly occurs in the Summer and Duke has not been a Summer/Winter peaking utility for many years. Therefore, it is appropriate to use the Summer only Peak and Average method.

Q. EARLIER YOU DISCUSSED A POTENTIAL WEAKNESS OF METHODS THAT ALLOCATE A SIGNIFICANT AMOUNT OF FIXED PLANT INVESTMENT BASED ON ANNUAL ENERGY CONSUMPTION WITHOUT RECOGNITION OF LOWER VARIABLE FUEL COSTS THAT OCCUR DURING OFF PEAK HOURS. IS THIS POTENTIAL WEAKNESS APPLICABLE TO DUKE?

A. For all intents and purposes, no.

Q. PLEASE EXPLAIN.

A. The potential weakness of not specifically recognizing time-differentiated fuel energy costs by customer class is generally present when there is a wide difference between off-peak and average annual fuel costs. In order to understand this relationship, one must consider the load duration curve of the utility in relation to its mix of generating resources. Duke's load duration curve is such that the vast majority of hours within the year are either low cost or intermediate cost hours. Although the fuel cost per KWH produced during peak periods is high, the total energy produced during high cost hours is small relative to total annual overall output. Similarly, because the vast majority of Duke's annual energy is produced from low-fuel-cost baseload units -- even during periods of peak demand -- the cost of off-peak energy is not considerably lower than the average energy cost over the entire year.

1 **Q. DID YOU ATTEMPT TO INVESTIGATE WHAT, IF ANY, SPECIFIC**
2 **DIFFERENCES EXIST IN DUKE'S ENERGY OR FUEL COSTS BY**
3 **CUSTOMER CLASS?**
4 A. Yes. In OAG Data Request 1-22, I requested that Duke provide time
5 differentiated fuel costs by classes. Duke was only able to provide average hourly costs
6 for the total Duke system, not class differentiated costs.
7
8 **Q. WERE YOU ABLE TO EVALUATE IF ANY SUCH DIFFERENCES EXIST?**
9 A. Yes. Duke's total annual energy output, and hence, average energy cost per
10 KWH is predominated by low cost base load generation. As shown on Page 1 of my
11 Watkins Schedule 2, Duke's base load units produce 88.7% of its generated electricity at
12 an average variable O&M cost of 2.659¢/KWH ($26.59/MWH). If we associate the base
13 load cost with the least expensive off-peak energy costs and compare it with the annual
14 average energy cost of 2.857¢/KWH (also presented in Watkins Schedule 2) the
15 difference in cost is about 2 mills per KWH (2.857¢ - 2.659¢). Considering that all but
16 perhaps street lighting customers also consume energy during periods of higher energy
17 costs (daylight hours), any difference in class energy costs is de minimus. Again, in
18 understanding this relationship, one must recognize two important factors: (1) high cost
19 peak hours represent a small percentage of the hours within a year; and, (2) the vast
20 majority of Duke's annual energy is produced from low cost units which operate during
21 the entire year. Furthermore, Duke has been able to significantly reduce peak period
22 energy costs with the operation of its pumped storage facilities. These pumped storage
23 units utilize cheap energy available at night in order to utilize this generation source

during high cost peak periods of the day, thereby significantly reducing the energy costs associated with peak periods.

Q. HAVE YOU STUDIED CLASS ENERGY COSTS FOR OTHER UTILITIES SIMILAR TO DUKE?

A. Yes. As an example, in a case before the Virginia State Corporation Commission, Dominion Power (known as Dominion North Carolina Power in this state) calculated fuel costs by retail rate class.[2] Dominion's portfolio of generating assets is similar to that of Duke's. Moreover, Dominion's load duration curve is very similar to Duke's profile. Dominion calculated fuel costs for each class and concluded that there were no material differences in non-lighting classes. The case in question involved an investigation as to whether fuel costs should be class- or time-differentiated. Dominion's analyses concluded that the differences were so small across classes that class differentiation was not warranted. Moreover, Dominion's study found the average fuel cost to the Large Commercial class was the same as the Residential class, and the Small Commercial class was about one-tenth of one mill ($0.0001) higher per KWH than that for the Residential and Large Commercial/Industrial classes. My own analysis in that case produced similar results to the study conducted by Dominion and only the street lighting class had an energy cost different than the other retail classes.[3]

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[2] Virginia State Corporation Commission Case No. PUE960296.

[3] The street lighting class' fuel cost was found to be about five-tenths ($0.0005) of one mill cheaper per KWH compared to the non-lighting classes.

Q. ON PAGE 15 OF HIS DIRECT TESTIMONY, DUKE WITNESS STILLMAN DISCUSSES WHAT HE PERCEIVES TO BE THE "ONE-SIDED" EFFECT OF USING A PEAK AND AVERAGE APPROACH. DO YOU AGREE WITH MR. STILLMAN'S ASSERTION?

A. No. Mr. Stillman skirts the issue that most of Duke's investment in generating facilities is attributable to plant designed and placed in-service to meet energy requirements at low cost throughout the year and not simply to meet peak load for a single hour. As I discussed earlier, Duke's generation portfolio is dominated by base load units that serve all customers throughout the year. It is one-sided to focus only on peak demand, and to ignore what drives most of Duke's generation investment. Moreover, there are no significant differences among class energy costs for Duke.

Q. MR. STILLMAN'S EXHIBIT 1 PROVIDES A COMPARISON OF GENERATION (PRODUCTION) PLANT ALLOCATED UNDER THE 1-CP AND SWPA METHODS. ON PAGE 15, MR. STILLMAN CLAIMS THAT THIS COMPARISON ILLUSTRATES THE INEQUITABLE IMPACT THE SUMMER/WINTER PEAK AND AVERAGE ("SWPA") METHOD WOULD HAVE ON HIGH LOAD FACTOR CUSTOMERS. DO YOU AGREE WITH MR. STILLMAN'S ASSESSMENT?

A. No. Mr. Stillman's Exhibit 1 is expressed in terms of coincident peak demand only. That is, Mr. Stillman calculates class allocated production plant amounts and then expresses the allocated amounts in terms of contribution to coincident peak demands, which he calls "Production Plant Cost Per KW." This calculation is meaningless in that

only one hour under the 1-CP method is considered and two hours under the SWPA method are considered. Mr. Stillman's calculations in no way show how, or why production costs are incurred, nor do they show how Duke's facilities are dispatched throughout the year to serve all customer loads.

Q. HAVE YOU CONDUCTED CCOSS ANALYSES USING THE METHODS YOU HAVE RECOMMENDED?

A. Yes. I have conducted CCOSS analyses using the BIP method and the Summer (only) Peak and Average method.

Q. OF THE TWO CCOSS METHODS YOU RECOMMEND, IS ONE SUPERIOR TO THE OTHER CONCEPTUALLY?

A. Yes. The BIP method best reflects the cost causation and incidence of generating plant utilization. This is so because individual units are evaluated as to the purpose, need, and use within Duke's portfolio of production assets. That is, some generation units are clearly installed with a cost structure trade-off (capital costs versus energy costs) to meet energy requirements throughout the year (baseload units), other units are installed to serve peak demands based on the opposite trade-off, and still some units are installed with both an energy and peak demand trade-off of costs to meet Duke's energy and peak demand requirements of its load duration curve. The latter represents the distribution of Duke's hourly customer loads over an annual period that needs to be met by its available power supply resources. The actual dollar investment in facilities serving energy requirements are allocated on energy usage (MWH) while the actual investment in

facilities serving peak load requirements are allocated on coincident peak demand. The Summer only Peak and Average method, while not as strong analytically as the BIP method, produces very similar results to those achieved under my BIP method.

Q. PLEASE PROVIDE A SUMMARY OF RESULTS UNDER THE COMPANY'S 1-CP METHOD AND UNDER YOUR RECOMMENDED BIP AND SUMMER PEAK AND AVERAGE METHODS.

A. The following is a summary of class rates of return on rate base as well as indexed class rates of return under current rates using the Company's 1-CP method, the BIP method and the Summer Peak and Average method to allocate generation plant:

	Rate of Return			Indexed Rate of Return		
	Company 1-CP	Watkins BIP	Watkins Peak & Avg.	Company 1-CP	Watkins BIP	Watkins Peak & Avg.
Rate RS (Residential)						
Rate RS	5.49%	7.16%	6.74%	92.58%	120.74%	113.66%
Rate RE	6.69%	6.39%	6.46%	112.82%	107.76%	108.94%
Total Rate RS	**5.97%**	**6.83%**	**6.62%**	**100.67%**	**115.18%**	**111.64%**
Rate GS (General Service)						
Rate SGS	6.12%	8.68%	7.96%	103.20%	146.37%	134.23%
Rate LGS	8.02%	9.13%	8.86%	135.24%	153.96%	149.41%
Rate NPL_SG	8.38%	9.60%	9.30%	141.32%	161.89%	156.83%
Rate NPL_LG	11.21%	8.93%	9.43%	189.04%	150.59%	159.02%
Total Rate GS	**6.95%**	**8.88%**	**8.36%**	**117.20%**	**149.75%**	**140.98%**
Rate LT (Lighting)						
Rate OL	10.09%	7.48%	8.04%	170.15%	126.14%	135.58%
Rate PL	10.38%	6.21%	7.05%	175.04%	104.72%	118.89%
Rate NPL_LT	7.70%	4.87%	5.45%	129.85%	82.12%	91.91%
Rate TS	1.22%	0.12%	0.36%	20.57%	2.02%	6.07%
Total Rate LT	**9.95%**	**7.04%**	**7.65%**	**167.79%**	**118.72%**	**129.01%**
Rate IND (Industrial)						
Rate I	4.56%	5.69%	5.41%	76.90%	95.95%	91.23%
Rate GA_IND	3.73%	6.12%	5.49%	62.90%	103.20%	92.58%
Rate NPL_IND	-3.40%	-0.79%	-1.58%	-57.34%	-13.32%	-26.64%
Total Rate IND	**4.22%**	**5.59%**	**5.24%**	**71.16%**	**94.27%**	**88.36%**
Rate OPT (Optional)						
Rate OPT_G	5.13%	3.92%	4.20%	86.51%	66.10%	70.83%
Rate OPT_GA	5.21%	4.08%	4.34%	87.86%	68.80%	73.19%
Rate OPT_I	4.43%	1.81%	2.35%	74.70%	30.52%	39.63%
Rate OPT_GA_I	3.58%	1.72%	2.12%	60.37%	29.01%	35.75%
Total Rate OPT	**4.82%**	**2.99%**	**3.39%**	**81.28%**	**50.42%**	**57.17%**
Rate HP (Hourly Pricing)	**17.66%**	**14.43%**	**15.13%**	**297.81%**	**243.34%**	**255.14%**
Total	**5.93%**	**5.93%**	**5.93%**	**100.00%**	**100.00%**	**100.00%**

1 **Q. DO YOU HAVE ANY SCHEDULES THAT PROVIDE THE DETAILS OF YOUR**
2 **ANALYSES?**
3 A. Yes. Watkins Exhibit 2 provides the details of the development of my Base
4 Intermediate Peak ("BIP") allocation factor in which each generation unit is evaluated to
5 determine whether it should be allocated based on energy, peak demand, or a
6 combination of energy and peak demand. Watkins Exhibit 3 provides the detailed output
7 of my CCOSS analyses (at current rates) using the BIP method, while Watkins Exhibit 4
8 provides the details of my Summer Peak and Average CCOSS. It should be noted that all
9 other aspects of my BIP and Summer Peak and Average studies are identical to Duke's 1-
10 CP study. Furthermore, as indicated earlier, my BIP and Summer Peak and Average
11 studies all use the same total North Carolina retail jurisdiction costs as used in Duke's 1-
12 CP study.
13
14 **Q. MR. WATKINS, WHAT IS YOUR RECOMMENDATION AS TO WHAT CCOSS**
15 **STUDY SHOULD BE USED FOR PURPOSES OF THIS PROCEEDING?**
16 A. My CCOSS utilizing the BIP method for allocation of generation plant costs
17 serves as the best measure for evaluating current contributions to Duke's profitability as
18 well as the best costing tool to use in evaluating class revenue responsibility. The
19 Summer Peak and Average study should be considered as a test of the reasonableness of
20 the BIP results. I accept Duke's methods of allocating other costs.
21

Q. ARE THERE MATERIAL DIFFERENCES IN THE RESULTS OBTAINED FROM YOUR RECOMMENDED BIP CCOSS AND THOSE SUPPORTED BY DUKE?

A. Yes. As is shown in the table on page 22, there are some material differences. Duke's 1-CP study finds that the Residential class is currently contributing about the same level of profitability as the system average as evidenced by its indexed rate of return (ROR) of 100.67%. In contrast, my study finds that current Residential rates are producing a relative, or indexed, ROR of 115% which is materially higher than the system average ROR.

With regard to the General Service class, my CCOSS indicates that this class is contributing substantially more to Duke's profits than under the 1-CP study method. Conversely, my recommended study finds that the Lighting class is contributing a lower indexed ROR than portrayed by Duke (119% v. 168%). Both studies conclude that the Lighting class is above the system average ROR.

My study indicates that the Industrial class is contributing at just under the system average ROR, while Duke's study shows that these customers' revenues produced an indexed ROR well below the system average.

With respect to the OPT rate schedule, my study concludes that these rates are producing an indexed ROR of only about half of the system average (50%), compared to the 80% indexed ROR resulting from the Company's 1-CP study. Finally, both my study and the Company's study finds that the Real Time Pricing class ("RTP") is producing an ROR well in excess of the system average ROR.

III. CLASS REVENUE INCREASES

Q. HOW DOES DUKE PROPOSE TO ALLOCATE ITS REQUESTED OVERALL REVENUE INCREASE AMONG THE RATE CLASSES?

A. The following table provides Mr. Bailey's proposed class revenue increases net of migrations:[4]

[4] Company witness Bailey presents a class revenue allocation in Bailey Exhibit 4 which totals $496.046 million and is consistent with the Company's overall revenue increase request. At the same time, Bailey Exhibit 2 presents class revenue increases that total $499.064 million. As discussed by Mr. Bailey, this difference of $3.018 million represents customer migrations within the general and industrial rates due to a proposed change in rate structure. As such, Mr. Bailey has designed rates to collect an increase of $499.064 million, but due to anticipated customer migrations, the net revenue increase is expected to be only $496.046 million. Mr. Bailey claims that the net loss due to these migrations is $6.037 million. However, Mr. Bailey opines that only 50% of this $6.037 migration will actually occur leading to the net adjustment of $3.018 million.

Customer Class	Current Revenue ($000)	Duke Proposed Net Revenue Increase[5] ($000)	Percent Increase
Residential			
Rate RS	$1,043,371	$133,440	12.79%
Rate RE	$731,121	$106,726	14.60%
Total	$1,774,493	$240,166	13.53%
General Service (GS)			
Rate SGS	$378,209	$49,862	13.18%
Rate LGS	$265,552	$39,522	14.88%
Rate NPL_SG	$17,947	$2,481	13.82%
Rate NPL_LG	$18,022	-$18,022	-100.00%
Total	$679,729	$73,843	10.86%
Lighting (LT)			
Rate OL	$74,457	$13,691	18.39%
Rate PL	$29,718	$3,675	12.37%
Rate NPL_LT	$1,209	$240	19.85%
Rate TS	$1,798	$334	18.57%
Total	$107,183	$17,940	16.74%
Industrial (IND)			
Rate I GA_IND	$128,021	$16,899	13.20%
Rate NPL_IND	$2,138	$518	24.22%
Total	$130,159	$17,417	13.38%
Optional (OPT)			
Rate OPT_G & OPT_GA	$701,509	$60,842	8.67%
Rate OPT_I & OPT GA_I	$543,947	$85,783	15.77%
Total	$1,245,457	$146,625	11.77%
Hourly Pricing (HP)			
Rate HP	$11,698	$52	0.44%
TOTAL	$3,948,719	$496,043	12.56%

[5] Per Bailey Exhibit 2 net of migrations per Duke Response to PS 19-25.

Q. BASED ON THE RESULTS OF YOUR CCOSS ANALYSES AND OTHER RATEMAKING CONSIDERATIONS, DO YOU RECOMMEND ALTERNATIVE CLASS REVENUE INCREASES?

A. Yes.

Q. PLEASE EXPLAIN.

A. As I indicated earlier in my testimony, CCOSS results should be used as one of many tools in establishing class revenue responsibility. Other considerations should include gradualism and fairness. In this regard, gradualism means that revenue should not be drastically increased over a single rate change, while fairness dictates that all customer classes should share at least somewhat when total jurisdictional revenues are incurred to a significant degree. As such, I have used my CCOSS results as a guiding light, but have constrained minimum and maximum class percentage increases to reflect gradualism and fairness. Specifically, all classes receive at least some increase in revenue responsibility, such that all classes receive an increase of at least 50% of the system average percentage increase, and no class receives more than 150% of the system average percentage increase.

The following are my proposed class increases at the Company's overall revenue increase of $496.046 million:

Customer Class	ROR @ Current Rates[6]	Indexed ROR @ Current Rates[8]	Current Revenue ($000)	Percent System Increase	Watkins Increase ($000) Percent	Watkins Increase ($000) Amount
Residential						
Rate RS	7.16%	121%	$1,043,371	**78%**	9.85%	$102,818
Rate RE	6.39%	108%	$731,121	**100%**	12.56%	$91,845
Total	6.83%	115%	$1,774,493	**87%**	10.97%	$194,663
General Service (GS)						
Rate SGS	8.68%	146%	$378,209	**70%**	8.79%	$33,258
Rate LGS	9.13%	154%	$265,552	**70%**	8.79%	$23,351
Rate NPL_SG	9.60%	162%	$17,947	**70%**	8.79%	$1,578
Rate NPL_LG	8.93%	151%	$18,022	**70%**	8.79%	$1,585
Total	8.88%	150%	$679,729	**70%**	8.79%	$59,772
Lighting (LT)						
Rate OL	7.48%	126%	$74,457	**80%**	10.05%	$7,483
Rate PL	6.21%	105%	$29,718	**100%**	12.56%	$3,733
Rate NPL_LT	4.87%	82%	$1,209	**120%**	15.07%	$182
Rate TS	0.12%	2%	$1,798	**150%**	18.84%	$339
Total	7.04%	119%	$107,183	**87%**	10.95%	$11,737
Industrial (IND)						
Rate I GA_IND	5.74%	97%	$128,021	**100%**	12.56%	$16,082
Rate NPL_IND	-0.79%	-13%	$2,138	**150%**	18.84%	$403
Total	5.59%	94%	$130,159	**101%**	12.67%	$16,485
Optional (OPT)						
Rate OPT_G & OPT_GA	3.95%	67%	$701,509	**125%**	15.70%	$110,156
Rate OPT_I & OPT GA_I	1.80%	30%	$543,947	**150%**	18.84%	$102,498
Total	2.99%	50%	$1,245,457	**136%**	17.07%	$212,654
Hourly Pricing (HP)						
Rate HP	14.43%	243%	$11,698	**50%**	6.28%	$735
TOTAL	5.93%	100%	$3,948,719	**100%**	12.56%	$496,046

[6] Rate of return and indexed rates of return for Rate I GA_IND were obtained by combining Rate I and Rate GA_IND. Rate of return for Rate OPT_G & OPT_GA were obtained by combining Rate OPT_G and Rate OPT_GA. Rate of return for Rate OPT_I & OPT GA_I were obtained by combining Rate OPT_I and Rate OPT GA_I.

As can be seen above, the Hourly Pricing ("HP") rate class is assigned an increase of 50% of the system average increase (50% of 12.56% or 6.28%) due to its very high current contributions to profits (ROR). The General Service rates are increased at 70% of the system average (8.79%) because of the somewhat higher RORs than the current system average. The Lighting OL rate is increased at 80% of the system average (10.05%); Rates RE and PL, and Industrial Rate I Ga_IND are increased at 100% of the system average (12.56%), while rate schedules with significantly deficient ROR's are increased more than the system average percentage increase. These higher than system increase rates include Rate NPL_LT, Rate TS, Rate NPL_IND, and the OPT rate schedules. Due to its size, Rate RS serves as the residual such that this rate schedule receives a 9.85% increase or 78% of the system average percentage increase.

Q. PLEASE PROVIDE A SUMMARY COMPARISON OF THE COMPANY'S AND YOUR PROPOSED INCREASE BY CLASS.

A. The following is a comparison of Mr. Bailey's and my proposed class and rate revenue increases at the Company's overall requested increase of $496.046 million:

Customer Class	Duke Allocation of Proposed Increase ($000)	Duke Allocation of Proposed Increase Percent	Watkins Allocation of Proposed Increase ($000)	Watkins Allocation of Proposed Increase Percent
Residential				
Rate RS	$133,440	12.79%	$102,818	9.85%
Rate RE	$106,726	14.60%	$91,845	12.56%
Total	$240,166	13.53%	$194,663	10.97%
General Service (GS)				
Rate SGS	$49,862	13.18%	$33,258	8.79%
Rate LGS	$39,522	14.88%	$23,351	8.79%
Rate NPL_SG	$2,481	13.82%	$1,578	8.79%
Rate NPL_LG	-$18,022	-100.00%	$1,585	8.79%
Total	$73,843	10.86%	$59,772	8.79%
Lighting (LT)				
Rate OL	$13,691	18.39%	$7,483	10.05%
Rate PL	$3,675	12.37%	$3,733	12.56%
Rate NPL_LT	$240	19.85%	$182	15.07%
Rate TS	$334	18.57%	$339	18.84%
Total	$17,940	16.74%	$11,737	10.95%
Industrial (IND)				
Rate I GA_IND	$16,899	13.20%	$16,082	12.56%
Rate NPL_IND	$518	24.22%	$403	18.84%
Total	$17,417	13.38%	$16,485	12.67%
Optional (OPT)				
Rate OPT_G & OPT_GA	$60,842	8.67%	$110,156	15.70%
Rate OPT_I & OPT GA_I	$85,783	15.77%	$102,498	18.84%
Total	$146,625	11.77%	$212,654	17.07%
Hourly Pricing (HP)				
Rate HP	$52	0.44%	$735	6.28%
TOTAL	$496,043	12.56%	$496,046	12.56%

Q. IF THE COMMISSION AUTHORIZES AN OVERALL INCREASE LESS THAN THE $496.046 MILLION REQUESTED BY DUKE, HOW SHOULD THE FINAL OVERALL INCREASE BE ALLOCATED TO RATE CLASSES?

A. My recommended relative percentage increases by class (percent of system average) should apply regardless of the overall dollar increase authorized by the Commission. In other words, if the Commission were to authorize an increase of $200.0 million (5.06%), the relative class percentage increases would remain the same; e.g., General Service at 70% of the system average, Rate OL at 80% of the system average, etc.

IV. RESIDENTIAL RATE DESIGN

Q. MR. WATKINS, PLEASE DESCRIBE DUKE'S CURRENT RATE SCHEDULES AND RATE STRUCTURE.

A. There are five (5) rate schedules available to residential customers: RS; RE; ES; WC; and RT. Rate Schedule RS is the basic Residential service rate schedule, Rate Schedule RE is for qualifying all electric home customers, and Rate Schedule ES is for customers with homes that qualify under the Energy Star Program. Rate Schedule WC is available to customers for submetered domestic water heating purposes with installed load control devices. Lastly, Schedule RT is a Residential Time of Use rate. The Company proposes to continue providing electric service under each of these schedules.

The specific structure of these rate schedules vary somewhat but all are comprised of a Basic Facilities Charge; i.e., fixed monthly customer charge, and energy (KWH) charge. The current monthly customer charge is $7.87 under each of the major Residential Rate Schedules (RS, RE and ES).

1 **Q. WHAT ARE DUKE'S PROPOSED INCREASES TO THE VARIOUS**
2 **RESIDENTIAL FIXED MONTHLY CUSTOMER CHARGES?**
3 A. The Company proposes to increase the customer charges for RS, RE, and ES to
4 $10.00. The Company proposes to increase the time of use customer charge (RT) from
5 $12.53 to $14.66, while the sub-metered fixed charge for water heater control (WC)
6 customers would increase from $1.35 to $1.72.
7
8 **Q. DOES THE COMPANY PROVIDE ANY JUSTIFICATION FOR ITS PROPOSED**
9 **27% INCREASE TO THE RESIDENTIAL FACILITIES CHARGE FROM $7.87**
10 **TO $10.00?**
11 A. On page 14 of his direct testimony, Company Witness Bailey indicates that the
12 Duke Cost of Service Study supports a cost of $14.72.
13
14 **Q. PLEASE COMMENT.**
15 A. I do not agree that the increased is justified. Duke's study overstates the
16 "customer" costs. Further, the increase is not justified because its impact will fall
17 disproportionately on households that use less electricity. The increase sends an
18 inappropriate signal from an energy conservation standpoint, since more of customers'
19 bills will be collected through the fixed charge providing less opportunity for them to
20 reduce costs through conservation.
21 Furthermore, a fundamental goal of regulatory policy is that regulation should
22 serve as a surrogate for competition to the greater extent practical. As such, the pricing
23 policy for a regulated public utility should mirror those of competitive firms to the extent

possible. Prices for competitive products and services in these industries are invariably established on a volumetric basis, including those that were once regulated; e.g., airline travel and rail service. As such, in competitive markets in which consumers dictate pricing structures, fixed charges are a rare occurrence. Indeed, competitive market pricing is overwhelmingly volumetric based with virtually no fixed charges.

Q. EXPLAIN WHY DUKE'S PROPOSED INCREASE TO THE FIXED RESIDENTIAL CUSTOMER CHARGE IS NOT JUSTIFIED BY COSTS.

A. As a result of Duke's response to discovery requests it was determined that this $14.72 includes not only those costs required to connect and maintain a customer's account, but also includes a host of overhead expenses as well as costs classified as "customer" as a result of composite internal allocators.

In my opinion, the inclusion of Company overhead costs in the determination of "customer costs" is improper because, while overheads are a legitimate cost of business, they are incurred in order to provide support for the products and services produced or rendered by Duke, namely the sale of electricity. Duke's customers invariably do not connect to its system or maintain an account simply for the luxury of being connected to the electric grid. Rather, customers rely upon Duke to provide electric energy for their needs. As such, various overhead costs are more appropriately collected in volumetric energy charges.

Q. HAVE YOU CONDUCTED AN ANALYSIS OF CUSTOMER COSTS?

A. Yes. I have conducted a traditional direct Residential customer cost analysis which is presented in Watkins Exhibit 5. These direct customer costs include the Company's investment in services and meters, as well as the operating expenses associated with meter reading, customer service, accounting and customer records and collections. As shown on Watkins Exhibit 5, my Residential customer cost study results in a monthly customer cost of $5.48 per month which is well below the current customer charge rate of $7.87

Q. WHAT IS YOUR RECOMMENDATION REGARDING RESIDENTIAL CUSTOMER CHARGES?

A. I recommend that if the Commission authorizes 50% or more of the overall increase requested by Duke, the current customer charge levels be maintained (e.g., $7.87). If the Commission authorizes less than 50% of Duke's original requested increase, I recommend that the Residential customer charges be reduced to $7.00.

Q. PLEASE EXPLAIN WHY YOUR CUSTOMER CHARGE RECOMMENDATION IS CONDITIONAL ON THE REVENUE INCREASE AUTHORIZED BY THE COMMISSION.

A. This is primarily due to gradualism. If the Commission were to authorize most of the increase requested by Duke and at the same time reduce Residential customer charges to $7.00, the required increase in energy charges would be even higher than that proposed by Duke.

Q. PLEASE EXPLAIN DUKE'S PROPOSED CHANGES TO THE STRUCTURE OF ITS RESIDENTIAL ENERGY CHARGES?

A. With regard to Residential energy charges, Mr. Bailey proposes to eliminate the current inverted block rate structure for Rate RS in both the Summer and Winter and instead implement a flat energy rate per KWH throughout the year. With regard to Rate RE, Mr. Bailey proposes to also restructure the Summer inverted block energy charge to a flat rate, while maintaining the current declining block rate during the non-Summer months.

Q. WHY DOES DUKE PROPOSE TO GENERALLY MOVE FROM AN INVERTED BLOCK RATE STRUCTURE TO A FLAT RATE STRUCTURE?

A. In response to discovery, Duke indicated that the current price differential between the initial usage and tail block usage rates is less than 1%. As a result, the elimination of this minimal difference simplifies the rate schedule.

Q. HAS DUKE CONDUCTED ANY QUANTITATIVE ANALYSES TO SUPPORT THE MOVEMENT TO A FLAT (SINGLE BLOCK) CHARGE?

A. Yes. Mr. Bailey conducted an analysis of the correlation between Residential customers' total energy usage (KW) during the peak month of June to their maximum KW demand (in terms of coincident peak demand). Mr. Bailey's analysis not surprisingly found that as customers' monthly energy usages (KWH) increase, so do their load requirements. However, Mr. Bailey may not have considered the impact that price has on influencing the relationship between peak demand and energy usage. That is,

would a more dramatic inverted block rate structure have any material impact on peak demands relative to annual energy usage?

Q. WHAT IS YOUR RECOMMENDATION AS TO DUKE'S PROPOSED RATE STRUCTURE FOR RESIDENTIAL CUSTOMERS?

A. Considering that the current inverted rate differential is negligible and likely does not influence incremental consumption or demand to any significant degree, I do not object to Duke's proposal to simplify its rate structure to a flat usage rate in this case. However, there is no denying the fact that a true inverted block rate structure would send a price signal to customers to conserve energy, and reduce incremental usage particularly in peak months. A truly inverted block rate structure would help reduce the need for additional peak generation capacity as well as promote a more constant utilization of Duke's existing resources. I recommend that the Commission direct Duke to study the potential benefits and impacts of developing an inverted rate structure designed to send a price signal to Residential customers to conserve energy and reduce incremental usage in peak months, and present its findings in advance of its next rate case.

V. <u>CUSTOMER BILL INFORMATION</u>

Q. DO YOU HAVE ANY CONCERNS REGARDING THE INFORMATION PROVIDED IN DUKE'S BILLS RENDERED TO NORTH CAROLINA CUSTOMERS?

A. Yes.

1 **Q. PLEASE EXPLAIN YOUR CONCERNS.**

2 A. Currently, Duke's bills rendered to its North Carolina Residential customers do
3 not provide billing rate (price) information and only show the total KWH usage and the
4 total bill. Even though a customer's bill is comprised of a separate fixed monthly
5 customer charge and seasonally differentiated and blocked energy charges, a breakdown
6 of the prices or consumptions within each pricing category is not provided. This lack of
7 information inhibits customers from understanding their electric bill and charges, and
8 does not provide needed price information about the implications of using energy during
9 the summer period in excess of the first usage block. In other words, the current billing
10 format provides insufficient price signals to inform consumers to wisely use and conserve
11 electricity. A sample of a current Duke North Carolina bill is provided in my Watkins
12 Exhibit 6.

13

14 **Q. DOES DUKE PROVIDE AN ITEMIZATION OF DETAILED PRICES AND**
15 **CHARGES IN ITS BILLS RENDERED TO CUSTOMERS IN OTHER**
16 **JURISDICTIONS?**

17 A. Yes. In Kentucky and Ohio, Duke provides detailed price information showing
18 each price and total charge for each rate element (e.g., customer charge, energy charge,
19 fuel adjustment charge). A copy of a sample bill used for Duke's Kentucky customers is
20 provided in Watkins Exhibit 7.

21

1 **Q. DO YOU HAVE A RECOMMENDATION REGARDING THE INFORMATION**
2 **THAT SHOULD BE PROVIDED WITHIN CUSTOMERS' BILLS IN NORTH**
3 **CAROLINA?**
4 A. Yes. The Commission should direct Duke to provide a breakdown of charges on
5 each customer's bill, similar to Duke's practice in Kentucky and Ohio, including the
6 Basic Facilities Charge, the volumetric rate, and adjustments for fuel, DSM/EE, and
7 REPS riders.
8
9 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**
10 A. Yes.

BACKGROUND & EXPERIENCE PROFILE

GLENN A. WATKINS

VICE PRESIDENT/SENIOR ECONOMIST
TECHNICAL ASSOCIATES, INC.

EDUCATION

1982 - 1988	M.B.A., Virginia Commonwealth University, Richmond, Virginia
1980 - 1982	B.S., Economics; Virginia Commonwealth University
1976 - 1980	A.A., Economics; Richard Bland College of The College of William and Mary, Petersburg, Virginia

POSITIONS

Jul. 1995-Present	Vice President/Senior Economist, Technical Associates, Inc.
Mar. 1993-1995	Vice President/Senior Economist, C. W. Amos of Virginia
Apr. 1990-Mar. 1993	Principal/Senior Economist, Technical Associates, Inc.
Aug. 1987-Apr. 1990	Staff Economist, Technical Associates, Inc., Richmond, Virginia
Feb. 1987-Aug. 1987	Economist, Old Dominion Electric Cooperative, Richmond, Virginia
May 1984-Jan. 1987	Staff Economist, Technical Associates, Inc.
May 1982-May 1984	Economic Analyst, Technical Associates, Inc.
Sep. 1980-May 1982	Research Assistant, Technical Associates, Inc.

EXPERIENCE

I. Public Utility Regulation

A. Costing Studies -- Conducted, and presented as expert testimony, numerous embedded and marginal cost of service studies. Cost studies have been conducted for electric, gas, telecommunications, water, and wastewater utilities. Analyses and issues have included the evaluation and development of alternative cost allocation methods with particular emphasis on ratemaking implications of distribution plant classification and capacity cost allocation methodologies. Distribution plant classifications have been conducted using the minimum system and zero-intercept methods. Capacity cost allocations have been evaluated using virtually every recognized method of allocating demand related costs (e.g., single and multiple coincident peaks, non-coincident peaks, probability of loss of load, average and excess, and peak and average).

Embedded and marginal cost studies have been analyzed with respect to the seasonal and diurnal distribution of system energy and demand costs, as well as cost effective approaches to incorporating energy and demand losses for rate design purposes. Economic dispatch models have been evaluated to determine long range capacity requirements as well as system marginal energy costs for ratemaking purposes.

B. Rate Design Studies -- Analyzed, designed and provided expert testimony relating to rate structures for all retail rate classes, employing embedded and marginal cost studies. These rate structures have included flat rates, declining block rates, inverted block rates, hours use of demand blocking, lighting rates, and interruptible rates. Economic development and special industrial rates have been developed in recognition of the competitive environment for specific customers. Assessed alternative time differentiated rates with diurnal and seasonal pricing structures. Applied Ramsey (Inverse Elasticity) Pricing to marginal costs in order to adjust for embedded revenue requirement constraints.

GLENN A. WATKINS

C. Forecasting and System Profile Studies -- Development of long range energy (Kwh or Mcf) and demand forecasts for rural electric cooperatives and investor owned utilities. Analysis of electric plant operating characteristics for the determination of the most efficient dispatch of generating units on a system-wide basis. Factors analyzed include system load requirements, unit generating capacities, planned and unplanned outages, marginal energy costs, long term purchased capacity and energy costs, and short term power interchange agreements.

D. Cost of Capital Studies -- Analyzed and provided expert testimony on the costs of capital and proper capital structures for ratemaking purposes, for electric, gas, telephone, water, and wastewater utilities. Costs of capital have been applied to both actual and hypothetical capital structures. Cost of equity studies have employed comparable earnings, DCF, and CAPM analyses. Econometric analyses of adjustments required to electric utilities cost of equity due to the reduced risks of completing and placing new nuclear generating units into service.

E. Accounting Studies -- Performed and provided expert testimony for numerous accounting studies relating to revenue requirements and cost of service. Assignments have included original cost studies, cost of reproduction new studies, depreciation studies, lead-lag studies, Weather normalization studies, merger and acquisition issues and other rate base and operating income adjustments.

II. Transportation Regulation

A. Oil and Products Pipelines -- Conducted cost of service studies utilizing embedded costs, I.C.C. Valuation, and trended original cost. Development of computer models for cost of service studies utilizing the "Williams" (FERC 154-B) methodology. Performed alternative tariff designs, and dismantlement and restoration studies.

B. Railroads -- Analyses of costing studies using both embedded and marginal cost methodologies. Analyses of market dominance and cross-subsidization, including the implementation of differential pricing and inverse elasticity for various railroad commodities. Analyses of capital and operation costs required to operate "stand alone" railroads. Conducted cost of capital and revenue adequacy studies of railroads.

III. Insurance Studies

Conducted and presented expert testimony relating to market structure, performance, and profitability by line and sub-line of business within specific geographic areas, e.g. by state. These studies have included the determination of rates of return on Statutory Surplus and GAAP Equity by line - by state using the NAIC methodology, and comparison of individual insurance company performance vis a vis industry Country-Wide performance.

Conducted and presented expert testimony relating to rate regulation of workers compensation, automobile, and professional malpractice insurance. These studies have included the determination of a proper profit and contingency factor utilizing an internal rate of return methodology, the development of a fair investment income rate, capital structure, cost of capital.

Other insurance studies have included testimony before the Virginia Legislature regarding proper regulatory structure of Credit Life and P&C insurance; the effects on competition and prices resulting from proposed insurance company mergers, maximum and minimum expense multiplier limits, determination of specific class code rate increase limits (swing limits); and investigation of the reasonableness of NCCI's administrative assigned risk plan and pool expenses.

GLENN A. WATKINS

IV. Anti-Trust and Commercial Business Damage Litigation

Analyses of alleged claims of attempts to monopolize, predatory pricing, unfair trade practices and economic losses. Assignments have involved definitions of relevant market areas(geographic and product) and performance of that market, the pricing and cost allocation practices of manufacturers, and the economic performance of manufacturers' distributors.

Performed and provided expert testimony relating to market impacts involving automobile and truck dealerships, incremental profitability, the present value of damages, diminution in value of business, market and dealer performance, future sales potential, optimal inventory levels, fair allocation of products, financial performance; and business valuations.

MEMBERSHIPS AND CERTIFICATIONS

Member, Association of Energy Engineers (1998)
Certified Rate of Return Analyst, Society of Utility and Regulatory Financial Analysts (1992)
Member, American Water Works Association
National Association of Business Economists
Richmond Association of Business Economists
National Economics Honor Society

Duke Energy Carolinas
BIP Calculator Database
Summary

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Investment								
		Gross Plant		Percentage					
Unit Type	Total	Energy	Demand	Pct. Energy	Pct. Demand	Gross MWH	Avg Variable O&M per MWH	Total Variable O&M	Pct of Total MWH
								(6) x (7)	
Base Load 1/	$8,319,849,835	$8,319,849,835	$0	100%	0%	85,325,145	$26.59	$2,268,377,727	88.69%
Intermediate 2/	$1,006,449,280	$384,747,455	$621,701,825	38%	62%	5,840,760	$59.13	$345,370,584	6.07%
Peaker 3/	$2,167,173,620	$0	$2,167,173,620	0%	100%	3,988,801	$33.86	$135,055,877	4.15%
Hydro Run-of-River 4/	$104,826,513	$104,826,513	$0	100%	0%	241,524	$0.00	$0	0.25%
Hydro Storage 5/	$494,767,041	$247,383,521	$247,383,521	50%	50%	814,381	$0.00	$0	0.85%
Total	$12,093,066,289	$9,056,807,323	$3,036,258,966	**74.8926%**	**25.1074%**	96,210,611	$28.57	$2,748,804,187	100.00%

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Source: Response to AG1-15

Duke Energy Carolinas
BIP Calculator Database
Base Load Generation Units

B,I, or P	Unit	Fuel Type	Gross Name Plate Capacity (MW)	Gross MWH 2008	Capacity Factor	Avg. Variable O&M	Gross Investment	Total Variable O&M	Dispatch Order
B	OCONEE 2	Nuclear	867	6,678,043	87.72%	$6.00	$715,760,815	$40,068,258	1
B	OCONEE 1	Nuclear	867	6,506,695	85.47%	$6.15	$715,760,815	$40,016,174	2
B	CATAWBA 2 1/	Nuclear	232	2,064,796	101.35%	$6.19	$68,941,477	$12,781,085	3
B	MCGUIRE 2	Nuclear	1220	9,048,988	84.42%	$6.25	$1,327,973,075	$56,556,175	4
B	CATAWBA 1 1/	Nuclear	232	1,779,642	87.35%	$6.28	$68,941,477	$11,176,152	5
B	OCONEE 3	Nuclear	867	7,901,935	103.79%	$6.38	$715,760,815	$50,414,345	6
B	MCGUIRE 1	Nuclear	1220	8,681,978	81.00%	$6.46	$1,327,973,075	$56,085,578	7
B	BELEWS CREEK 1	Coal/Fuel Oil	1080	8,932,046	94.15%	$43.66	$810,529,159	$389,973,128	8
B	BELEWS CREEK 2	Coal/Fuel Oil	1080	8,427,343	88.83%	$44.22	$810,529,159	$372,665,535	9
B	MARSHALL 4	Coal/Fuel Oil	648	4,643,501	81.58%	$45.78	$299,097,680	$212,579,476	10
B	MARSHALL 3	Coal/Fuel Oil	648	4,045,655	71.08%	$45.88	$299,097,680	$185,614,651	11
B	CLIFFSIDE 5	Coal/Fuel Oil	571	4,093,652	81.62%	$48.34	$73,749,419	$197,887,138	12
B	MARSHALL 1	Coal/Fuel Oil	350	2,824,468	91.87%	$49.63	$299,097,680	$140,178,347	13
B	ALLEN 4	Coal/Fuel Oil	275	1,684,625	69.74%	$50.29	$85,988,798	$84,719,791	14
B	MARSHALL 2	Coal/Fuel Oil	350	2,083,274	67.76%	$50.74	$299,097,680	$105,705,323	15
B	ALLEN 5	Coal/Fuel Oil	275	1,771,291	73.33%	$51.40	$85,988,798	$91,044,357	16
B	ALLEN 3	Coal/Fuel Oil	275	1,597,934	66.15%	$51.51	$85,988,798	$82,309,580	17
B	ALLEN 1	Coal/Fuel Oil	165	962,310	66.40%	$53.95	$85,988,798	$51,916,625	18
B	BUCK 6	Coal/Fuel Oil	125	669,831	61.00%	$54.09	$57,595,837	$36,231,159	19
B	ALLEN 2	Coal/Fuel Oil	165	927,138	63.97%	$54.42	$85,988,798	$50,454,850	21
	TOTAL			85,325,145		$26.59	8,319,849,835	$2,268,377,727	

1/ Reflects Duke's ownership percentage of 19.24%

Source: Response to AG1-15

Duke Energy Carolinas
BIP Calculator Database
Intermediate Generation Units

B,I, or P	Unit	Fuel Type	Gross Name Plate Capacity (MW)	Gross MWH 2008	Capacity Factor	Avg. Variable O&M	Gross Investment Total	Gross Investment Energy	Gross Investment Demand	Total O&M Cost	Dispatch Order
I	LEE 3	Coal/Fuel Oil	175	515,940	33.56%	$54.20	$50,670,175	$17,006,746	$33,663,429	$27,963,948	20
I	BUCK 5	Coal/Fuel Oil	125	478,102	43.54%	$54.85	$57,595,837	$25,078,948	$32,516,889	$26,223,895	22
I	RIVERBEND 6	Coal/Fuel Oil	133	635,724	54.42%	$56.08	$60,476,924	$32,908,973	$27,567,951	$35,651,402	23
I	RIVERBEND 7	Coal/Fuel Oil	133	660,678	56.55%	$56.67	$60,476,924	$34,200,746	$26,276,179	$37,440,622	24
I	DAN RIVER 3	Coal/Fuel Oil	150	704,843	53.49%	$57.51	$48,248,624	$25,810,341	$22,438,283	$40,535,521	25
I	LEE 2	Coal/Fuel Oil	90	468,399	59.25%	$58.83	$50,670,175	$30,021,579	$20,648,596	$27,555,913	26
I	LEE 1	Coal/Fuel Oil	90	400,003	50.60%	$60.20	$50,670,175	$25,637,803	$25,032,371	$24,080,181	27
I	CLIFFSIDE 4	Coal/Fuel Oil	65	183,221	32.09%	$60.85	$73,749,419	$23,666,180	$50,083,239	$11,148,998	28
I	CLIFFSIDE 3	Coal/Fuel Oil	65	174,012	30.48%	$61.08	$73,749,419	$22,476,678	$51,272,742	$10,628,653	29
I	RIVERBEND 4	Coal/Fuel Oil	100	403,900	45.98%	$61.15	$60,476,924	$27,808,094	$32,668,830	$24,698,485	30
I	RIVERBEND 5	Coal/Fuel Oil	100	400,605	45.61%	$61.33	$60,476,924	$27,581,237	$32,895,688	$24,569,105	31
I	DAN RIVER 2	Coal/Fuel Oil	70	203,736	33.13%	$65.43	$48,248,624	$15,986,829	$32,261,795	$13,330,446	32
I	DAN RIVER 1	Coal/Fuel Oil	70	204,429	33.25%	$66.52	$48,248,624	$16,041,208	$32,207,416	$13,598,617	33
I	CLIFFSIDE 1	Coal/Fuel Oil	40	79,762	22.70%	$66.71	$73,749,419	$16,741,807	$57,007,613	$5,320,923	34
I	CLIFFSIDE 2	Coal/Fuel Oil	40	63,937	18.20%	$67.03	$73,749,419	$13,420,186	$60,329,233	$4,285,697	35
I	BUCK 4	Coal/Fuel Oil	40	106,951	30.44%	$67.88	$57,595,837	$17,531,683	$40,064,153	$7,259,834	36
I	BUCK 3	Coal/Fuel Oil	80	156,518	22.27%	$70.78	$57,595,837	$12,828,417	$44,767,420	$11,078,344	37
	TOTAL			5,840,760		$59.13	1,006,449,280	$384,747,455	$621,701,825	$345,370,584	

Source: Response to AG1-15

1/ Classification between energy and demand based on capacity factor, i.e., energy classification equals total investment times capacity factor and demand equals total times [1 minus capacity factor].

Duke Energy Carolinas
BIP Calculator Database
Peaker Generation Units

B,I, or P	Unit	Fuel Type	Gross Name Plate Capacity (MW)	Gross MWH 2008	Capacity Factor	Avg. Variable O&M	Gross Investment	Total Variable O&M	Dispatch Order
P	LEE CT 7	Natural Gas/Fuel Oil	183	12,290	0.77%	$109.48	$28,494,823	$1,345,509	38
P	LEE CT 8	Natural Gas/Fuel Oil	183	11,815	0.74%	$109.48	$28,494,823	$1,293,506	39
P	ROCKINGHAM CT 1	Natural Gas/Fuel Oil	230	35,200	1.74%	$111.22	$51,151,347	$3,914,944	40
P	ROCKINGHAM CT 2	Natural Gas/Fuel Oil	230	37,255	1.84%	$111.22	$51,151,347	$4,143,501	41
P	ROCKINGHAM CT 3	Natural Gas/Fuel Oil	230	30,263	1.50%	$111.22	$51,151,347	$3,365,851	42
P	ROCKINGHAM CT 4	Natural Gas/Fuel Oil	230	38,518	1.91%	$111.22	$51,151,347	$4,283,972	43
P	ROCKINGHAM CT 5	Natural Gas/Fuel Oil	230	42,617	2.11%	$111.22	$51,151,347	$4,739,863	44
P	MILL CREEK CT 1	Natural Gas/Fuel Oil	117	2,374	0.23%	$124.58	$31,489,182	$295,753	45
P	MILL CREEK CT 2	Natural Gas/Fuel Oil	117	2,867	0.28%	$124.58	$31,489,182	$357,171	46
P	MILL CREEK CT 3	Natural Gas/Fuel Oil	117	4,672	0.45%	$124.58	$31,489,182	$582,038	47
P	MILL CREEK CT 4	Natural Gas/Fuel Oil	117	4,483	0.44%	$124.58	$31,489,182	$558,492	48
P	MILL CREEK CT 5	Natural Gas/Fuel Oil	117	5,317	0.52%	$124.58	$31,489,182	$662,392	49
P	MILL CREEK CT 6	Natural Gas/Fuel Oil	117	5,842	0.57%	$124.58	$31,489,182	$727,796	50
P	MILL CREEK CT 7	Natural Gas/Fuel Oil	117	5,761	0.56%	$124.58	$31,489,182	$717,705	51
P	MILL CREEK CT 8	Natural Gas/Fuel Oil	117	6,157	0.60%	$124.58	$31,489,182	$767,039	52
P	LINCOLN CT 1	Natural Gas/Fuel Oil	90	3,710	0.47%	$131.44	$24,299,165	$487,642	53
P	LINCOLN CT 2	Natural Gas/Fuel Oil	90	3,661	0.46%	$131.44	$24,299,165	$481,202	54
P	LINCOLN CT 3	Natural Gas/Fuel Oil	90	3,942	0.50%	$131.44	$24,299,165	$518,136	55
P	LINCOLN CT 4	Natural Gas/Fuel Oil	90	4,412	0.56%	$131.44	$24,299,165	$579,913	56
P	LINCOLN CT 5	Natural Gas/Fuel Oil	90	3,495	0.44%	$131.44	$24,299,165	$459,383	57
P	LINCOLN CT 6	Natural Gas/Fuel Oil	90	2,412	0.30%	$131.44	$24,299,165	$317,033	58
P	LINCOLN CT 7	Natural Gas/Fuel Oil	90	5,112	0.65%	$131.44	$24,299,165	$671,921	59
P	LINCOLN CT 8	Natural Gas/Fuel Oil	90	4,086	0.52%	$131.44	$24,299,165	$537,064	60
P	LINCOLN CT 9	Natural Gas/Fuel Oil	90	9,144	1.15%	$131.44	$24,299,165	$1,201,887	61
P	LINCOLN CT 10	Natural Gas/Fuel Oil	90	10,224	1.29%	$131.44	$24,299,165	$1,343,843	62
P	LINCOLN CT 11	Natural Gas/Fuel Oil	90	3,250	0.41%	$131.44	$24,299,165	$427,180	63
P	LINCOLN CT 12	Natural Gas/Fuel Oil	90	4,931	0.62%	$131.44	$24,299,165	$648,131	64
P	LINCOLN CT 13	Natural Gas/Fuel Oil	90	3,731	0.47%	$131.44	$24,299,165	$490,403	65
P	LINCOLN CT 14	Natural Gas/Fuel Oil	90	2,836	0.36%	$131.44	$24,299,165	$372,764	66
P	LINCOLN CT 15	Natural Gas/Fuel Oil	90	2,873	0.36%	$131.44	$24,299,165	$377,627	67
P	LINCOLN CT 16	Natural Gas/Fuel Oil	90	3,188	0.40%	$131.44	$24,299,165	$419,031	68
P	BUCK CT 7	Natural Gas/Fuel Oil	35	208	0.07%	$195.88	$3,943,387	$40,743	69
P	BUCK CT 8	Natural Gas/Fuel Oil	35	43	0.01%	$195.88	$3,943,387	$8,423	70
P	BUCK CT 9	Natural Gas/Fuel Oil	35	24	0.01%	$195.88	$3,943,387	$4,701	71
P	BUZZARD ROOST CT 6	Natural Gas/Fuel Oil	23	89	0.04%	$209.58	$2,795,616	$18,653	72
P	BUZZARD ROOST CT 7	Natural Gas/Fuel Oil	23	-	0.00%	$209.58	$2,795,616	$0	73

Duke Energy Carolinas
BIP Calculator Database
Peaker Generation Units

B,I, or P	Unit	Fuel Type	Gross Name Plate Capacity (MW)	Gross MWH 2008	Capacity Factor	Avg. Variable O&M	Gross Investment	Total Variable O&M	Dispatch Order
P	BUZZARD ROOST CT 8	Natural Gas/Fuel Oil	23	15	0.01%	$209.58	$2,795,616	$3,144	74
P	BUZZARD ROOST CT 9	Natural Gas/Fuel Oil	23	-	0.00%	$209.58	$2,795,616	$0	75
P	BUZZARD ROOST CT 10	Natural Gas/Fuel Oil	18	61	0.04%	$209.58	$2,795,616	$12,784	76
P	BUZZARD ROOST CT 11	Natural Gas/Fuel Oil	18	34	0.02%	$209.58	$2,795,616	$7,126	77
P	BUZZARD ROOST CT 12	Natural Gas/Fuel Oil	18	60	0.04%	$209.58	$2,795,616	$12,575	78
P	BUZZARD ROOST CT 13	Natural Gas/Fuel Oil	18	65	0.04%	$209.58	$2,795,616	$13,623	79
P	BUZZARD ROOST CT 14	Natural Gas/Fuel Oil	18	-	0.00%	$209.58	$2,795,616	$0	80
P	BUZZARD ROOST CT 15	Natural Gas/Fuel Oil	18	85	0.05%	$209.58	$2,795,616	$17,814	81
P	RIVERBEND CT 8	Natural Gas/Fuel Oil	34	87	0.03%	$220.57	$3,333,800	$19,190	82
P	RIVERBEND CT 9	Natural Gas/Fuel Oil	34	103	0.03%	$220.57	$3,333,800	$22,719	83
P	RIVERBEND CT 10	Natural Gas/Fuel Oil	34	98	0.03%	$220.57	$3,333,800	$21,616	84
P	RIVERBEND CT 11	Natural Gas/Fuel Oil	34	69	0.02%	$220.57	$3,333,800	$15,219	85
P	DAN RIVER CT 4	Natural Gas/Fuel Oil	35	232	0.08%	$233.05	$3,166,855	$54,068	86
P	DAN RIVER CT 5	Natural Gas/Fuel Oil	35	224	0.07%	$233.05	$3,166,855	$52,203	87
P	DAN RIVER CT 6	Natural Gas/Fuel Oil	28	253	0.10%	$233.05	$3,166,855	$58,962	88
P	BAD CREEK 1 (PS)	Hydro (Pumped Storage)	266	681,990	29.16%	$26.59	$253,043,639	$18,130,774	
P	BAD CREEK 2 (PS)	Hydro (Pumped Storage)	266	629,514	26.91%	$26.59	$253,043,639	$16,735,694	
P	BAD CREEK 3 (PS)	Hydro (Pumped Storage)	266	674,067	28.82%	$26.59	$253,043,639	$17,920,140	
P	BAD CREEK 4 (PS)	Hydro (Pumped Storage)	266	598,075	25.57%	$26.59	$253,043,639	$15,899,885	
P	JOCASSEE 1 (PS)	Hydro (Pumped Storage)	153	250,832	18.66%	$26.59	$34,732,629	$6,668,394	
P	JOCASSEE 2 (PS)	Hydro (Pumped Storage)	153	177,870	13.23%	$26.59	$34,732,629	$4,728,692	
P	JOCASSEE 3 (PS)	Hydro (Pumped Storage)	153	328,302	24.43%	$26.59	$34,732,629	$8,727,942	
P	JOCASSEE 4 (PS)	Hydro (Pumped Storage)	153	329,963	24.55%	$26.59	$34,732,629	$8,772,100	
	TOTAL			3,988,801		$33.86	2,167,173,620	$135,055,877	

1/ Imputed based on weighted average Base lad unit cost (off peak production)

Source: Response to AG1-15

Duke Energy Carolinas
BIP Calculator Database
Run of River Hydro Generation Units

B,I, or P	Unit	Fuel Type	Gross Name Plate Capacity (MW)	Gross MWH 2008	Capacity Factor	Gross Investment
E	CEDAR CREEK 1	Hydro (Conventional)	15	28,120	21.34%	$7,285,871
E	CEDAR CREEK 2	Hydro (Conventional)	15	20,410	15.49%	$7,285,871
E	CEDAR CREEK 3	Hydro (Conventional)	15	25,238	19.15%	$7,285,871
E	DEARBORN 1	Hydro (Conventional)	15	31,736	24.09%	$6,295,336
E	DEARBORN 2	Hydro (Conventional)	15	21,573	16.37%	$6,295,336
E	DEARBORN 3	Hydro (Conventional)	15	33,267	25.25%	$6,295,336
E	GREAT FALLS	Hydro (Conventional)	24	219	0.10%	$9,628,249
E	LOOKOUT SHOALS 1	Hydro (Conventional)	6	15,859	29.12%	$6,248,990
E	LOOKOUT SHOALS 2	Hydro (Conventional)	6	15,503	28.47%	$6,248,990
E	LOOKOUT SHOALS 3	Hydro (Conventional)	6	15,254	28.01%	$6,248,990
E	NINETY-NINE ISLANDS 1	Hydro (Conventional)	3	11,635	44.15%	$3,965,820
E	NINETY-NINE ISLANDS 2	Hydro (Conventional)	3	8,930	33.89%	$3,965,820
E	NINETY-NINE ISLANDS 3	Hydro (Conventional)	3	8,607	32.66%	$3,965,820
E	NINETY-NINE ISLANDS 4	Hydro (Conventional)	3	4,547	17.25%	$3,965,820
E	NINETY-NINE ISLANDS 5	Hydro (Conventional)	3	-	0.00%	$3,965,820
E	NINETY-NINE ISLANDS 6	Hydro (Conventional)	3	-	0.00%	$3,965,820
E	ROCKY CREEK 1	Hydro (Conventional)	3	-	0.00%	$1,489,094
E	ROCKY CREEK 2	Hydro (Conventional)	3	-	0.00%	$1,489,094
E	ROCKY CREEK 3	Hydro (Conventional)	3	-	0.00%	$1,489,094
E	ROCKY CREEK 4	Hydro (Conventional)	3	-	0.00%	$1,489,094
E	ROCKY CREEK 5	Hydro (Conventional)	3	156	0.59%	$1,489,094
E	ROCKY CREEK 6	Hydro (Conventional)	3	469	1.78%	$1,489,094
E	ROCKY CREEK 7	Hydro (Conventional)	3	-	0.00%	$1,489,094
E	ROCKY CREEK 8	Hydro (Conventional)	3	1	0.00%	$1,489,094
	TOTAL			241,524		$104,826,513

Source: Response to AG1-15

Duke Energy Carolinas
BIP Calculator Database
Reservoir Storage Hydro Units

B,I, or P	Unit	Fuel Type	Gross Name Plate Capacity (MW)	Gross MWH 2008	Capacity Factor	Gross Investment
S	BEAR CREEK	Hydro (Conventional)	9	20,850	26.37%	$3,206,615
S	BRIDGEWATER 1	Hydro (Conventional)	10	13,631	15.52%	$19,170,593
S	BRIDGEWATER 2	Hydro (Conventional)	10	12,819	14.59%	$19,170,593
S	BRYSON CITY	Hydro (Conventional)	1	646	7.50%	$721,735
S	CEDAR CLIFF	Hydro (Conventional)	6	15,018	26.71%	$2,762,902
S	COWANS FORD 1	Hydro (Conventional)	88	4,180	0.54%	$18,648,966
S	COWANS FORD 2	Hydro (Conventional)	88	27,896	3.63%	$18,648,966
S	COWANS FORD 3	Hydro (Conventional)	88	20,555	2.67%	$18,648,966
S	COWANS FORD 4	Hydro (Conventional)	88	10,038	1.31%	$18,648,966
S	DILLSBORO	Hydro (Conventional)	0	-	0.00%	$76,437
S	FISHING CREEK 1	Hydro (Conventional)	9	15,669	18.98%	$9,068,747
S	FISHING CREEK 2	Hydro (Conventional)	6	19,292	36.60%	$9,068,747
S	FISHING CREEK 3	Hydro (Conventional)	6	12,118	22.99%	$9,068,747
S	FISHING CREEK 4	Hydro (Conventional)	9	19,497	23.61%	$9,068,747
S	FISHING CREEK 5	Hydro (Conventional)	6	6,715	12.74%	$9,068,747
S	FRANKLIN	Hydro (Conventional)	1	9	0.10%	$374,622
S	GASTON SHOALS 3	Hydro (Conventional)	1	-	0.00%	$2,945,392
S	GASTON SHOALS 4	Hydro (Conventional)	1	3,271	26.60%	$2,945,392
S	GASTON SHOALS 5	Hydro (Conventional)	1	1,593	12.95%	$2,945,392
S	GASTON SHOALS 6	Hydro (Conventional)	3	6,145	27.98%	$2,945,392
S	KEOWEE 1	Hydro (Conventional)	79	13,254	1.91%	$49,460,165
S	KEOWEE 2	Hydro (Conventional)	79	12,066	1.74%	$49,460,165
S	MISSION	Hydro (Conventional)	2	2,285	14.45%	$1,731,770
S	MOUNTAIN ISLAND 1	Hydro (Conventional)	15	4,932	3.74%	$6,789,304
S	MOUNTAIN ISLAND 2	Hydro (Conventional)	15	11,247	8.54%	$6,789,304
S	MOUNTAIN ISLAND 3	Hydro (Conventional)	15	16,281	12.36%	$6,789,304
S	MOUNTAIN ISLAND 4	Hydro (Conventional)	15	11,647	8.84%	$6,789,304
S	NANTAHALA	Hydro (Conventional)	43	157,851	41.60%	$15,821,515
S	OXFORD 1	Hydro (Conventional)	20	29,039	16.53%	$18,859,960
S	OXFORD 2	Hydro (Conventional)	20	26,498	15.08%	$18,859,960

Duke Energy Carolinas
BIP Calculator Database
Reservoir Storage Hydro Units

B,I, or P	Unit	Fuel Type	Gross Name Plate Capacity (MW)	Gross MWH 2008	Capacity Factor	Gross Investment
S	QUEENS CREEK	Hydro (Conventional)	1	2,082	16.46%	$900,326
S	RHODHISS 1	Hydro (Conventional)	9	14,907	19.97%	$6,908,255
S	RHODHISS 2	Hydro (Conventional)	9	18,915	25.33%	$6,908,255
S	RHODHISS 3	Hydro (Conventional)	9	588	0.79%	$6,908,255
S	TENNESSEE CREEK	Hydro (Conventional)	11	29,019	30.59%	$4,937,960
S	THORPE	Hydro (Conventional)	22	60,994	32.15%	$8,579,008
S	TUCKASEGEE	Hydro (Conventional)	3	5,432	20.61%	$1,160,242
S	TUXEDO 1	Hydro (Conventional)	3	10,006	45.56%	$3,894,995
S	TUXEDO 2	Hydro (Conventional)	3	821	3.74%	$3,894,995
S	WATEREE 1	Hydro (Conventional)	11	46,616	47.38%	$9,438,722
S	WATEREE 2	Hydro (Conventional)	11	22,149	22.51%	$9,438,722
S	WATEREE 3	Hydro (Conventional)	11	100	0.10%	$9,438,722
S	WATEREE 4	Hydro (Conventional)	11	23,453	23.84%	$9,438,722
S	WATEREE 5	Hydro (Conventional)	11	20,595	20.93%	$9,438,722
S	WYLIE 1	Hydro (Conventional)	15	11,124	8.44%	$11,231,432
S	WYLIE 2	Hydro (Conventional)	15	12,165	9.23%	$11,231,432
S	WYLIE 3	Hydro (Conventional)	15	29,511	22.40%	$11,231,432
S	WYLIE 4	Hydro (Conventional)	15	10,862	8.24%	$11,231,432
		TOTAL		814,381		$494,767,041

Source: Response to AG1-15

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Summary)

	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
SUMMARY OF RESULTS													
NET INCOME COMPUTATION:													
RATE REVENUE @ CURRENT RATES	3,948,719	1,774,493	1,043,372	731,121	679,728	378,208	286,552	17,947	18,021	107,183	74,458	29,718	1,209
OTHER REVENUE	254,075	109,229	66,044	43,185	34,447	19,225	13,391	881	950	7,885	6,852	869	47
TOTAL OPERATING REVENUE	4,202,794	1,883,722	1,109,416	774,306	714,175	397,433	278,943	18,828	18,971	115,068	81,310	30,687	1,256
EXPENSES													
TOTAL O&M EXPENSE	(2,651,441)	(1,102,495)	(642,431)	(460,064)	(404,140)	(221,927)	(160,539)	(10,236)	(11,439)	(46,877)	(30,591)	(16,179)	(593)
TOTAL DEPRECIATION EXPENSE	(527,698)	(244,558)	(142,312)	(102,244)	(80,465)	(46,366)	(30,068)	(2,119)	(1,932)	(19,500)	(13,863)	(5,001)	(244)
TOTAL OTHER TAX & MISC EXPENSE	(253,893)	(114,957)	(67,429)	(47,528)	(41,777)	(23,880)	(15,796)	(1,067)	(1,033)	(7,378)	(5,133)	(2,011)	(88)
TOTAL OP EXP EXC INC & OTHER TAX	(3,433,032)	(1,462,007)	(852,172)	(609,835)	(526,402)	(292,173)	(206,403)	(13,422)	(14,404)	(75,755)	(49,587)	(23,191)	(925)
EARNINGS BEFORE INTEREST AND TAXES	769,762	421,715	257,244	164,471	187,773	105,260	72,540	5,406	4,567	39,313	31,723	7,396	331
INCOME TAXES	(188,063)	(111,507)	(69,726)	(41,781)	(56,691)	(31,384)	(22,245)	(1,670)	(1,391)	(10,228)	(8,530)	(1,780)	(60)
AMORTIZATION OF ITC	5,741	2,870	1,552	1,117	872	503	325	23	21	219	156	55	3
INTEREST ON CUSTOMER DEPOSITS	(3,382)	(2,947)	(2,462)	(485)	(258)	(210)	(26)	(11)	(11)	(30)	(30)	0	0
NET OPERATING INCOME	584,038	309,931	186,608	123,322	131,696	74,168	50,595	3,747	3,186	29,273	23,319	5,671	274
RATE BASE:													
GROSS ELECTRIC PLANT IN SERVICE	17,399,094	8,326,867	4,827,195	3,499,672	2,615,413	1,633,490	951,910	89,698	60,315	748,941	535,852	189,284	9,340
TOTAL DEPRECIATION RESERVE	(7,747,621)	(3,716,841)	(2,184,193)	(1,532,648)	(1,199,682)	(700,984)	(439,392)	(31,919)	(27,387)	(267,636)	(172,705)	(85,728)	(2,825)
NET ELECTRIC PLANT IN SERVICE	9,651,473	4,610,026	2,643,002	1,967,024	1,415,731	932,506	512,518	57,779	32,928	481,305	363,147	103,555	6,515
CWIP	699,277	289,380	158,643	110,716	111,210	58,103	47,087	2,812	3,209	6,946	4,537	2,093	99
ACCUMULATED DEFERRED INCOME TAXES	(1,419,930)	(699,662)	(390,257)	(309,405)	(192,755)	(115,031)	(67,753)	(5,355)	(4,616)	(90,377)	(68,358)	(19,357)	(1,227)
RESERVES	10,895	5,359	3,069	2,290	1,586	951	557	43	35	605	459	128	8
CUSTOMER DEPOSITS	(55,849)	(48,644)	(40,640)	(8,004)	(4,266)	(3,474)	(430)	(183)	(178)	(505)	(497)	0	(8)
WORKING CAPITAL	993,005	410,700	237,383	173,317	155,723	83,827	63,494	4,022	4,360	19,030	13,185	5,124	268
OTHER DEFERRED ITEMS	(24,371)	(11,347)	(6,470)	(4,877)	(3,538)	(2,044)	(1,313)	(95)	(87)	(1,151)	(865)	(250)	(16)
TOTAL RATE BASE	9,854,500	4,535,792	2,604,730	1,931,062	1,483,691	854,837	554,160	39,023	35,670	415,853	311,610	91,293	5,630
RATE OF RETURN	5.93%	6.83%	7.16%	6.39%	8.88%	8.68%	9.13%	9.60%	8.93%	7.04%	7.48%	6.21%	4.87%
INDEXED RATE OF RETURN	100%	115%	121%	108%	150%	146%	154%	162%	151%	119%	126%	105%	82%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Summary)

	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
SUMMARY OF RESULTS												
NET INCOME COMPUTATION:												
RATE REVENUE @ CURRENT RATES	105,385	1,798	130,160	113,127	14,895	2,138	1,245,457	569,533	131,976	511,185	32,763	11,698
OTHER REVENUE	7,768	117	8,086	6,999	920	167	92,806	41,469	8,739	39,930	2,668	1,622
TOTAL OPERATING REVENUE	113,153	1,915	138,246	120,126	15,815	2,305	1,338,263	611,002	140,715	551,115	35,431	13,320
EXPENSES												
TOTAL O&M EXPENSE	(47,363)	(1,515)	(69,586)	(77,796)	(9,833)	(1,956)	(999,833)	(438,984)	(99,831)	(435,078)	(27,939)	(8,507)
TOTAL DEPRECIATION EXPENSE	(19,108)	(391)	(17,241)	(14,798)	(2,020)	(422)	(164,780)	(74,367)	(17,121)	(68,745)	(4,547)	(1,138)
TOTAL OTHER TAX & MISC EXPENSE	(7,232)	(147)	(8,430)	(7,300)	(984)	(165)	(80,670)	(36,665)	(8,468)	(33,380)	(2,157)	(681)
TOTAL OP EXP EXC INC & OTHER TAX	(73,702)	(2,053)	(115,259)	(99,896)	(12,817)	(2,546)	(1,245,282)	(548,016)	(125,420)	(537,202)	(34,643)	(8,326)
EARNINGS BEFORE INTEREST AND TAXES	39,451	(138)	22,987	20,230	2,998	(241)	92,981	62,986	15,295	13,913	788	4,994
INCOME TAXES	(10,371)	143	(5,473)	(4,690)	(781)	177	(2,488)	(9,337)	(2,467)	8,694	624	(1,898)
AMORTIZATION OF ITC	214	4	187	161	22	5	1,781	805	185	742	49	13
INTEREST ON CUSTOMER DEPOSITS	(30)	0	(2)	(2)	0	0	(145)	(84)	(11)	(50)	0	0
NET OPERATING INCOME	29,264	9	17,699	15,499	2,259	(59)	92,130	54,370	13,001	23,299	1,460	3,309
RATE BASE:												
GROSS ELECTRIC PLANT IN SERVICE	734,476	14,465	549,768	471,126	65,094	13,548	5,120,493	2,326,216	535,678	2,117,846	140,753	37,612
TOTAL DEPRECIATION RESERVE	(261,258)	(6,378)	(254,903)	(217,743)	(30,513)	(6,647)	(2,292,633)	(1,047,504)	(241,728)	(940,371)	(63,031)	(15,926)
NET ELECTRIC PLANT IN SERVICE	473,218	8,087	294,865	253,384	34,581	6,900	2,827,860	1,278,712	293,952	1,177,475	77,721	21,686
CWIP	6,728	218	26,396	22,812	2,954	631	283,541	124,523	28,466	122,609	7,943	1,824
ACCUMULATED DEFERRED INCOME TAXES	(88,940)	(1,436)	(38,720)	(33,507)	(4,447)	(766)	(395,191)	(177,058)	(40,674)	(166,611)	(10,847)	(3,226)
RESERVES	595	10	323	277	38	8	2,998	1,367	315	1,235	82	24
CUSTOMER DEPOSITS	(505)	0	(28)	(28)	0	0	(2,406)	(1,394)	(187)	(825)	0	0
WORKING CAPITAL	18,567	462	34,871	30,105	3,852	714	370,198	163,451	37,485	159,028	10,236	2,683
OTHER DEFERRED ITEMS	(1,131)	(19)	(747)	(646)	(86)	(15)	(7,531)	(3,370)	(773)	(3,180)	(208)	(57)
TOTAL RATE BASE	408,532	7,321	316,759	272,395	36,892	7,472	3,079,471	1,386,230	318,584	1,289,731	84,927	22,934
RATE OF RETURN	7.18%	0.12%	5.59%	5.69%	6.12%	-0.79%	2.99%	3.92%	4.08%	1.81%	1.72%	14.43%
INDEXED RATE OF RETURN	121%	2%	94%	96%	103%	-13%	50%	66%	69%	30%	29%	243%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
PLANT - IN - SERVICE															
PRODUCTION PLANT															
PRODUCTION - CONTRA AFUDC	77	(42,197)	(16,254)	(9,573)	(6,681)	(6,711)	(3,506)	(2,841)	(170)	(194)	(419)	(274)	(126)	(8)	(408)
PRODUCTION - DEMAND	77	7,829,532	3,015,918	1,776,268	1,239,649	1,245,179	650,551	527,213	31,490	35,925	77,774	50,796	23,430	1,109	75,336
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	77	1,046,259	403,017	237,362	165,654	166,393	86,933	70,451	4,208	4,801	10,393	6,788	3,131	148	10,067
PRODUCTION - PROFORMA -DEMAND	77	595,294	229,306	135,053	94,253	94,673	49,463	40,085	2,394	2,731	5,913	3,862	1,781	84	5,728
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION PLANT IN SERVICE		9,428,888	3,631,986	2,139,111	1,492,875	1,499,534	783,441	634,907	37,923	43,264	93,661	61,173	28,217	1,338	90,725
TRANSMISSION PLANT															
TRANSMISSION - CONTRA AFUDC	2	-223	(94)	(60)	(34)	(42)	(24)	(16)	(1)	(1)	(0)	0	0	0	0
TRANSMISSION - DIRECT	Dir	11,906	0	0	0	259	257	2	0	0	0	0	0	0	0
TRANSMISSION - ALLOCATED	2	1,277,109	541,149	346,374	194,774	238,910	135,317	92,857	5,665	5,071	255	0	0	0	0
TRANSMISSION - PROFORMA	2	41,127	17,427	11,154	6,272	7,694	4,358	2,990	182	163	8	0	0	0	0
TRANSMISSION PLANT IN SERVICE		1,329,919	558,481	357,468	201,013	246,821	139,908	95,833	5,847	5,233	263	0	0	0	0
TOTAL PROD & TRANS PLANT		10,758,807	4,190,467	2,496,579	1,693,888	1,746,355	923,349	730,740	43,770	48,497	93,924	61,173	28,217	1,336	90,726
DISTRIBUTION PLANT															
360-LAND & LAND RIGHTS-DIRECT	Dir	2,140	0	0	0	140	65	75	0	0	0	0	0	0	0
360-LAND & LAND RIGHTS-ALLOCATED	3	33,684	22,270	11,791	10,479	4,967	2,865	1,812	201	88	4	0	0	0	0
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	26,381	17,441	9,234	8,207	3,890	2,244	1,419	158	69	3	0	0	0	0
362-STATION EQUIPMENT-DIRECT	Dir	2,256	0	0	0	86	56	30	0	0	0	0	0	0	0
362-STATION EQUIPMENT-ALLOCATED	3	601,986	397,994	210,718	187,276	88,764	51,207	32,385	3,599	1,574	79	0	0	0	0
364-POLES, TOWERS & FIXTURES-DIRECT	Dir	87,755	0	0	0	252	131	151	0	0	83472	82791	0	881	83472
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	637,676	547,236	331,808	215,429	79,938	76,104	1,548	1,871	415	3,663	0	1,652	0	1,652
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	124,999	82,641	43,754	38,887	18,431	10,633	6,725	747	327	16	0	0	0	0
365-OH CONDUCTORS-DIRECT	Dir	24,359	0	0	0	282	131	151	0	0	20076	19912	0	164	20076
365-OH CONDUCTORS-MINIMUM SYSTEM	18	387,957	332,934	201,869	131,065	48,634	46,301	942	1,138	253	2,168	0	1,005	0	1,005
365-OH CONDUCTORS-ALLOCATED	3	639,438	422,755	223,828	198,927	94,287	54,393	34,400	3,823	1,672	84	0	0	0	0
366-UG CONDUITS-DIRECT	Dir	2,968	0	0	0	56	26	30	0	0	2112	2095	0	17	2112
366 UG CONDUITS-ALLOCATED	3	123,648	81,748	43,282	38,467	18,232	10,518	6,652	739	323	16	0	0	0	0
367-UG CONDUITS-DIRECT	Dir	18,145	0	0	0	198	92	106	0	0	15147	15023	0	124	15147
367 UG CONDUITS-ALLOCATED	3	1,140,781	754,210	399,317	354,893	168,211	97,038	61,370	6,820	2,982	149	0	0	0	0
368-TRANSFORMERS-DIRECT	Dir	40,675	0	0	0	1828	1069	757	0	0	0	0	0	0	0
368-TRANSFORMERS-MINIMUM SYSTEM	15	178,812	153,417	93,022	60,395	22,420	21,343	436	524	116	999	0	463	0	463
368-TRANSFORMERS-ALLOCATED	4	555,260	336,649	178,239	158,410	75,578	43,314	27,689	3,044	1,331	5,697	3,840	1,799	32	5,631
369-SERVICES-DIRECT	Dir	2,698	0	0	0	198	92	106	0	0	0	0	0	0	0
369-SERVICES-ALLOCATED	22	545,660	505,037	306,221	198,816	36,859	36,021	750	0	89	407	0	0	0	0
370-METERS-DIRECT	Dir	5,861	0	0	0	432	306	126	0	0	0	0	0	0	0
370-METERS-ALLOCATED	23	248,588	127,396	77,244	50,152	97,090	91,276	5,244	436	132	605	0	0	0	0
371-CUSTOMER PREMISES-DIRECT	Dir	349,239	11100	0	11100	56	26	30	0	0	337283	330648	0	6635	337283
371CUSTOMER PREMISES-ALLOCATED	60	26,385	10,167	5,988	4,179	4,198	2,193	1,777	106	121	262	171	79	4	254
373-STREET LIGHTS	Dir	153,908	0	0	0	0	0	0	0	0	153908	0	148295	0	148295
DISTRIBUTION PLANT - PROFORMA	68	71,304	45,485	25,551	19,934	9,150	6,548	2,212	278	114	7,488	5,496	1,838	92	7,360
DISTRIBUTION PLANT IN SERVICE		6,032,973	3,848,482	2,161,865	1,686,617	774,206	553,994	187,121	23,485	9,605	633,639	459,916	155,087	7,748	622,751
TOTAL TRANS & DIST PLANT		7,362,892	4,406,963	2,519,333	1,887,630	1,021,026	693,902	282,954	29,332	14,839	633,802	459,916	155,087	7,748	622,751
TOTAL GROSS PTD PLANT		18,791,780	8,038,949	4,658,444	3,380,505	2,520,561	1,477,342	917,861	67,255	58,102	727,463	521,088	183,304	9,084	713,476
GENERAL & INTANGIBLE PLANT															
PRODUCTION-DEMAND	60	110,221	42,457	25,006	17,451	17,529	9,158	7,422	443	506	1,095	715	330	16	1,061
PRODUCTION-ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	64	28,580	11,998	7,680	4,319	5,303	3,006	2,059	126	112	6	0	0	0	0
DISTRIBUTION	68	121,272	77,360	43,457	33,904	15,563	11,136	3,761	472	193	12,735	9,245	3,117	156	12,518
DISTRIBUTION - INTANGIBLE PLANT	29	85,776	38,816	22,797	16,018	15,031	8,566	5,711	360	373	2,321	1,619	638	26	2,282
WAGES & SALARIES RELATED	55	261,465	117,296	69,811	47,475	41,427	24,262	15,095	1,022	1,026	5,322	3,185	1,897	59	5,140
CUSTOMER ACCOUNTING		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL & INTANGIBLE PLANT IN SERVICE		607,314	287,918	168,751	119,167	94,852	56,148	34,049	2,443	2,212	21,478	14,764	5,980	256	21,000
GROSS ELECTRIC PLANT IN SERVICE		17,399,094	8,326,867	4,827,195	3,499,672	2,615,413	1,533,490	951,910	69,698	60,315	748,941	535,852	189,284	9,340	734,476

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
PLANT - IN - SERVICE												
PRODUCTION PLANT												
PRODUCTION - CONTRA AFUDC	77	(13)	(1,593)	(1,377)	(178)	(38)	(17,110)	(7,514)	(1,718)	(7,399)	(479)	(110)
PRODUCTION - DEMAND	77	2,438	295,543	255,412	33,071	7,060	3,174,696	1,394,234	318,720	1,372,810	88,932	20,423
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	77	326	39,493	34,131	4,419	943	424,234	186,311	42,590	183,448	11,884	2,729
PRODUCTION - PROFORMA -DEMAND	77	185	22,471	19,419	2,514	537	241,378	106,006	24,233	104,377	6,762	1,553
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0
PRODUCTION PLANT IN SERVICE		2,936	356,914	307,586	39,828	8,502	3,823,188	1,679,038	383,825	1,653,237	107,098	24,594
TRANSMISSION PLANT												
TRANSMISSION - CONTRA AFUDC	2	(0)	(9)	(8)	(1)	(0)	(77)	(36)	(8)	(31)	(2)	(0)
TRANSMISSION - DIRECT	Dir	0	132	117	15	0	9,605	4,068	78	5,307	152	1,910
TRANSMISSION - ALLOCATED	2	255	54,303	45,872	6,692	1,740	439,946	204,655	47,100	176,072	12,119	2,547
TRANSMISSION - PROFORMA	2	8	1,749	1,477	215	56	14,168	6,591	1,517	5,670	390	82
TRANSMISSION PLANT IN SERVICE		263	56,175	47,458	6,921	1,796	463,642	215,278	48,687	187,018	12,660	4,538
TOTAL PROD & TRANS PLANT		3,199	412,089	355,043	46,747	10,298	4,286,840	1,894,315	432,512	1,840,255	119,758	29,133
DISTRIBUTION PLANT												
360-LAND & LAND RIGHTS-DIRECT	Dir	0	185	158	27	0	1803	1022	173	517	91	12
360-LAND & LAND RIGHTS-ALLOCATED	3	4	1,072	895	150	27	5,349	2,927	757	1,537	127	22
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	3	839	701	118	21	4,189	2,293	593	1,204	100	17
362-STATION EQUIPMENT-DIRECT	Dir	0	90	77	13	0	1850	887	78	831	54	230
362-STATION EQUIPMENT-ALLOCATED	3	79	19,156	15,988	2,681	488	95,594	52,317	13,529	27,474	2,274	399
364-POLES, TOWERS & FIXTURES-DIRECT	Dir	0	370	316	54	0	3607	2044	346	1035	182	24
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	1,911	1,385	1,259	126	0	5,545	4,161	1,008	349	27	8
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	16	3,978	3,319	557	101	19,850	10,863	2,809	5,705	472	83
365-OH CONDUCTORS-DIRECT	Dir	0	370	318	54	0	3607	2044	346	1035	182	24
365-OH CONDUCTORS-MINIMUM SYSTEM	18	1,163	843	766	77	0	3,373	2,531	613	212	16	5
365-OH CONDUCTORS-ALLOCATED	3	84	20,348	16,981	2,848	519	101,541	55,572	14,371	29,183	2,415	423
366-UG CONDUITS-DIRECT	Dir	0	74	63	11	0	721	409	69	207	36	5
366 UG CONDUITS-ALLOCATED	3	16	3,995	3,284	551	100	19,635	10,748	2,779	5,643	467	82
367-UG CONDUITS-DIRECT	Dir	0	259	221	38	0	2524	1431	242	724	127	17
367 UG CONDUITS-ALLOCATED	3	149	36,301	30,295	5,081	925	181,154	98,143	25,639	52,063	4,309	755
368-TRANSFORMERS-DIRECT	Dir	0	2065	1770	295	0	33572	16799	1858	13760	1155	3212
368-TRANSFORMERS-MINIMUM SYSTEM	15	536	395	358	36	0	1,579	1,172	263	115	9	2
368-TRANSFORMERS-ALLOCATED	4	67	18,397	15,312	2,515	570	117,766	54,022	12,196	48,578	3,030	1,173
369-SERVICES-DIRECT	Dir	0	259	221	38	0	2524	1431	242	724	127	17
369-SERVICES-ALLOCATED	22	407	670	609	61	0	2,683	2,014	488	169	13	4
370-METERS-DIRECT	Dir	0	374	322	52	0	4750	2067	212	2288	183	405
370-METERS-ALLOCATED	23	605	4,691	4,265	427	0	18,778	14,092	3,414	1,182	89	28
371-CUSTOMER PREMISES-DIRECT	Dir	0	74	63	11	0	721	409	69	207	38	5
371CUSTOMER PREMISES-ALLOCATED	60	8	996	861	111	24	10,703	4,700	1,074	4,626	300	69
373-STREET LIGHTS	Dir	5813	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT - PROFORMA	68	128	1,401	1,177	191	33	7,696	4,127	994	2,385	189	84
DISTRIBUTION PLANT IN SERVICE		10,788	118,527	99,594	16,122	2,811	651,113	349,224	84,125	201,754	16,010	7,106
TOTAL TRANS & DIST PLANT		11,051	174,702	147,052	23,043	4,806	1,114,755	564,502	132,811	388,772	28,669	11,644
TOTAL GROSS PTD PLANT		13,987	530,616	454,638	62,870	13,109	4,937,953	2,243,539	516,637	2,042,009	135,768	36,239
GENERAL & INTANGIBLE PLANT												
PRODUCTION-DEMAND	60	34	4,161	3,596	466	99	44,692	19,627	4,487	19,326	1,252	288
PRODUCTION-ENERGY		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	64	6	1,207	1,020	149	39	9,967	4,628	1,046	4,022	272	99
DISTRIBUTION	68	217	2,363	2,002	324	57	13,088	7,020	1,691	4,056	322	143
DISTRIBUTION - INTANGIBLE PLANT	29	39	2,852	2,491	320	41	26,489	12,174	2,831	10,795	690	268
WAGES & SALARIES RELATED	55	162	8,550	7,381	966	203	88,303	39,228	8,986	37,639	2,449	577
CUSTOMER ACCOUNTING		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT PROFORMA		0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
GENERAL & INTANGIBLE PLANT IN SERVICE		478	19,152	16,489	2,225	439	182,540	82,677	19,041	75,837	4,985	1,374
GROSS ELECTRIC PLANT IN SERVICE		14,465	549,768	471,126	65,094	13,548	5,120,493	2,326,216	535,678	2,117,846	140,753	37,612

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
DEPRECIATION RESERVE															
PRODUCTION PLANT															
PRODUCTION - CONTRA AFUDC	Dir	(32,450)	-13750	-8801	-4949	-6070	-3438	-2359	-144	-129	-6	0	0	0	0
PRODUCTION - DEMAND	77	3,448,368	1,328,303	782,324	545,980	548,415	286,523	232,201	13,869	15,823	34,254	22,372	10,320	469	33,160
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	Dir	1,046,259	443331	283764	159567	195724	110857	76072	4641	4154	209	0	0	0	0
PRODUCTION - PROFORMA -DEMAND	77	37,462	14,430	8,499	5,931	5,958	3,113	2,523	151	172	372	243	112	5	360
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD DEPREC RESERVE		4,499,639	1,772,315	1,065,785	706,529	744,027	397,055	308,436	18,517	20,019	34,829	22,615	10,432	494	33,541
TRANSMISSION PLANT															
TRANSMISSION - CONTRA AFUDC	Dir	-158	-67	-43	-24	-30	-17	-11	-1	-1	0	0	0	0	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION ALLOCATED	2	599,855	254,176	162,691	91,485	112,215	63,558	43,614	2,661	2,362	120	0	0	0	0
TRANSMISSION PROFORMA	2	(7,673)	(3,336)	(2,135)	(1,201)	(1,473)	(834)	(572)	(35)	(31)	(2)	0	0	0	0
TOTAL TRANS DEPREC RESERVE		591,824	250,773	160,513	90,260	110,713	62,707	43,031	2,625	2,350	118	0	0	0	0
TOTAL PROD & TRANS DEPREC RESERVE		5,091,463	2,023,088	1,226,298	796,790	854,740	459,761	351,467	21,142	22,369	34,947	22,615	10,432	494	33,541
DISTRIBUTION PLANT															
360-LAND & LAND RIGHTS-DIRECT	RBD0	28	0	0	0	2	1	1	0	0	0	0	0	0	0
360-LAND & LAND RIGHTS-ALLOCATED	3	442	292	155	138	65	38	24	3	1	0	0	0	0	0
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	10,591	7,002	3,707	3,295	1,562	901	570	63	28	1	0	0	0	0
362-STATION EQUIPMENT-DIRECT	RBD2	923	0	0	0	35	23	12	0	0	0	0	0	0	0
362-STATION EQUIPMENT-ALLOCATED	3	246,270	162,818	86,204	76,614	36,313	20,948	13,248	1,472	644	32	0	0	0	0
364-POLES, TOWERS & FIXTURES-DIRECT	RBD3	45,852	0	0	0	147	68	79	0	0	43,614	43,258	0	356	43,614
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	333,188	265,933	173,371	112,562	41,768	39,765	809	977	217	1,862	0	863	0	863
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	65,312	43,180	22,862	20,318	9,630	5,556	3,514	390	171	9	0	0	0	0
365-OH CONDUCTORS-DIRECT	RBD6	8,554	0	0	0	99	46	53	0	0	7,050	6,992	0	58	7,050
365-OH CONDUCTORS-MINIMUM SYSTEM	18	136,242	118,919	70,892	46,027	17,079	16,260	331	400	89	761	0	353	0	353
365-OH CONDUCTORS-ALLOCATED	3	224,557	148,463	78,604	69,859	33,111	19,102	12,080	1,343	587	29	0	0	0	0
366-UG CONDUITS-DIRECT	RBD9	1,581	0	0	0	30	14	16	0	0	1,125	1,116	0	9	1,125
366 UG CONDUITS-ALLOCATED	3	65,865	43,546	23,055	20,490	9,712	5,603	3,543	394	172	9	0	0	0	0
367-UG CONDUITS-DIRECT	RBD11	7,907	0	0	0	88	40	48	0	0	6,601	6,547	0	54	6,601
367 UG CONDUITS-ALLOCATED	3	497,090	328,644	174,000	154,643	73,297	42,284	26,742	2,972	1,299	65	0	0	0	0
368-TRANSFORMERS-DIRECT	RBD13	18,238	0	0	0	819	479	339	0	0	0	0	0	0	0
368-TRANSFORMERS-MINIMUM SYSTEM	15	80,161	68,794	41,712	27,082	10,053	9,571	195	235	52	448	0	208	0	206
368-TRANSFORMERS-ALLOCATED	4	248,984	150,957	79,924	71,033	33,890	19,422	12,506	1,365	597	2,555	1,722	799	14	2,525
369-SERVICES-DIRECT	RBD16	1,326	0	0	0	88	41	47	0	0	0	0	0	0	0
369-SERVICES-ALLOCATED	22	241,331	223,365	135,433	87,931	16,302	15,931	331	0	39	180	0	0	0	0
370-METERS-DIRECT	RBD18	1,734	0	0	0	128	89	37	0	0	0	0	0	0	0
370-METERS-ALLOCATED	23	72,328	37,066	22,474	14,592	28,248	26,557	1,526	127	38	176	0	0	0	0
371-CUSTOMER PREMISES-DIRECT	RBD20	95,573	3,038	0	3,038	15	7	8	0	0	92,301	90,485	0	1,816	92,301
371CUSTOMER PREMISES-ALLOCATED	60	7,223	2,782	1,639	1,144	1,149	600	486	29	33	72	47	22	1	70
373-STREET LIGHTS	RBD22	75,617	0	0	0	0	0	0	0	0	75,617	0	72,859	0	72,859
DISTRIBUTION PLANT - PROFORMA	68	(40,081)	(25,555)	(14,356)	(11,200)	(5,141)	(3,679)	(1,243)	(156)	(64)	(4,207)	(3,054)	(1,030)	(51)	(4,135)
TOTAL DIST DEPREC RESERVE		2,446,875	1,597,241	899,676	697,565	308,486	219,666	75,301	9,614	3,904	228,300	147,113	74,064	2,256	223,433
TOTAL TRANS & DIST DEPREC RESERVE		3,038,699	1,848,014	1,060,189	787,826	419,198	282,373	118,332	12,240	6,253	228,418	147,113	74,064	2,256	223,433
TOTAL GROSS PTD PLANT DEPREC RESERVE		7,638,338	3,620,329	2,125,974	1,494,355	1,163,225	679,428	426,769	30,756	28,273	263,247	169,729	84,496	2,750	256,974
GENERAL & INTANGIBLE PLANT															
GENERAL PLANT ALLOCATED	70	34,908	16,549	9,700	6,850	5,452	3,227	1,957	140	127	1,235	849	344	15	1,207
GENERAL PLANT PROFORMA	70	8,223	3,898	2,285	1,614	1,284	760	461	33	30	291	200	81	3	284
INTANGIBLE PLANT		166,152	76064	46234	29830	29720	17569	10205	989	957	2864	1928	808	57	2793
TOTAL GEN & INTANGIBLE DEPREC RES.		209,283	96,512	58,219	38,293	36,456	21,557	12,623	1,163	1,114	4,389	2,977	1,233	75	4,284
TOTAL DEPRECIATION RESERVE		7,747,621	3,716,841	2,184,193	1,532,648	1,199,682	700,984	439,392	31,919	27,387	267,636	172,705	85,728	2,825	261,258
NET ELECTRIC PLANT IN SERVICE		8,651,473	4,610,026	2,643,002	1,967,024	1,415,731	832,506	512,518	37,779	32,928	481,305	363,147	103,555	6,515	473,218
RATE BASE ADJUSTMENTS															
RATE BASE ADJUSTMENTS															
ACCUMULATED DEFERRED TAX ITEMS															
ACCUMULATED DEFERRED TAXES	76	1,774,354	849,897	488,446	363,451	259,097	152,617	93,530	6,928	6,022	90,435	68,347	19,353	1,227	88,927
DIRECT		(354,424)	(150,235)	(96,189)	(54,046)	(66,342)	(37,586)	(25,777)	(1,573)	(1,406)	-58	9	4	0	13
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ACCUM DEFERRED TAXES		1,419,930	699,662	390,257	309,405	192,755	115,031	67,753	5,355	4,616	90,377	68,356	19,357	1,227	88,940

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
DEPRECIATION RESERVE												
PRODUCTION PLANT												
PRODUCTION - CONTRA AFUDC	Dir	-8	-1380	-1166	-170	-44	-11173	-5197	-1197	-4471	-306	-71
PRODUCTION - DEMAND	77	1,074	130,156	112,491	14,565	3,110	1,398,234	614,064	140,374	604,628	39,188	8,995
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	Dir	209	44501	37594	5482	1425	360218	167551	38586	144152	9929	2276
PRODUCTION - PROFORMA -DEMAND	77	12	1,414	1,222	158	34	15,190	6,671	1,525	6,568	426	98
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD DEPREC RESERVE		1,288	174,701	150,141	20,036	4,524	1,762,469	783,089	179,288	750,877	49,215	11,297
TRANSMISSION PLANT												
TRANSMISSION - CONTRA AFUDC	Dir	0	-7	-6	-1	0	-54	-25	-6	-22	-1	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION ALLOCATED	2	120	25,506	21,546	3,143	817	206,641	96,126	22,123	82,700	5,692	1,196
TRANSMISSION PROFORMA	2	(2)	(335)	(283)	(41)	(11)	(2,712)	(1,262)	(290)	(1,085)	(75)	(16)
TOTAL TRANS DEPREC RESERVE		118	25,164	21,257	3,101	806	203,875	94,839	21,826	81,593	5,617	1,180
TOTAL PROD & TRANS DEPREC RESERVE		1,407	199,866	171,398	23,136	5,331	1,966,345	877,928	201,114	832,470	54,832	12,478
DISTRIBUTION PLANT												
360-LAND & LAND RIGHTS-DIRECT	RBD0	0	2	2	0	0	24	13	2	7	1	0
360-LAND & LAND RIGHTS-ALLOCATED	3	0	14	12	2	0	70	36	10	20	2	0
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	1	337	281	47	9	1,882	920	238	463	40	7
362-STATION EQUIPMENT-DIRECT	RBD2	0	37	32	5	0	757	363	32	340	22	94
362-STATION EQUIPMENT-ALLOCATED	3	32	7,837	6,540	1,097	200	39,107	21,403	5,535	11,239	930	163
364-POLES, TOWERS & FIXTURES-DIRECT	RBD3	0	193	165	28	0	1,885	1,068	181	541	95	13
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	999	724	658	66	0	2,897	2,174	527	182	14	4
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	9	2,078	1,734	291	53	10,371	5,676	1,468	2,981	247	43
365-OH CONDUCTORS-DIRECT	RBD6	0	130	111	19	0	1,267	718	122	363	64	8
365-OH CONDUCTORS-MINIMUM SYSTEM	18	408	296	269	27	0	1,185	889	215	75	6	2
365-OH CONDUCTORS-ALLOCATED	3	29	7,146	5,963	1,000	182	35,659	19,516	5,047	10,248	848	149
366-UG CONDUITS-DIRECT	RBD9	0	39	34	6	0	384	218	37	110	19	3
366 UG CONDUITS-ALLOCATED	3	9	2,098	1,749	293	53	10,459	5,724	1,480	3,006	249	44
367-UG CONDUITS-DIRECT	RBD11	0	113	98	17	0	1,100	624	105	315	55	7
367 UG CONDUITS-ALLOCATED	3	65	15,818	13,201	2,214	403	78,937	43,201	11,172	22,688	1,878	329
368-TRANSFORMERS-DIRECT	RBD13	0	928	794	132	0	15,054	7,533	833	6,170	518	1,440
368-TRANSFORMERS-MINIMUM SYSTEM	15	240	177	161	16	0	708	525	127	52	4	1
368-TRANSFORMERS-ALLOCATED	4	30	8,249	6,866	1,128	256	52,807	24,224	5,442	21,783	1,359	526
369-SERVICES-DIRECT	RBD16	0	115	98	17	0	1,116	633	107	320	56	8
369-SERVICES-ALLOCATED	22	180	296	269	27	0	1,187	891	216	75	6	2
370-METERS-DIRECT	RBD18	0	109	94	15	0	1,382	601	62	686	53	118
370-METERS-ALLOCATED	23	176	1,365	1,241	124	0	5,463	4,100	993	344	26	8
371-CUSTOMER PREMISES-DIRECT	RBD20	0	20	17	3	0	197	112	19	57	10	1
371CUSTOMER PREMISES-ALLOCATED	60	2	273	236	31	7	2,929	1,286	294	1,266	82	19
373-STREET LIGHTS	RBD22	2,758	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT - PROFORMA	68	(72)	(787)	(661)	(107)	(19)	(4,324)	(2,319)	(559)	(1,340)	(106)	(47)
TOTAL DIST DEPREC RESERVE		4,866	47,603	39,960	6,498	1,144	262,303	140,131	33,705	81,990	6,477	2,942
TOTAL TRANS & DIST DEPREC RESERVE		4,985	72,766	61,217	9,599	1,951	466,179	234,971	55,532	163,583	12,093	4,122
TOTAL GROSS PTD PLANT DEPREC RESERVE		6,273	247,469	211,359	29,635	6,475	2,228,648	1,018,060	234,820	914,460	61,306	15,420
GENERAL & INTANGIBLE PLANT												
GENERAL PLANT ALLOCATED	70	27	1,101	948	128	25	10,492	4,762	1,094	4,359	287	79
GENERAL PLANT PROFORMA	70	6	259	223	30	6	2,472	1,119	258	1,027	67	19
INTANGIBLE PLANT		71	6074	5213	720	141	51021	23573	5554	20525	1369	409
TOTAL GEN & INTANGIBLE DEPREC RES.		105	7,434	6,384	878	172	63,985	29,445	6,906	25,911	1,723	507
TOTAL DEPRECIATION RESERVE		6,378	254,903	217,743	30,513	6,647	2,292,633	1,047,504	241,726	940,371	63,031	15,928
NET ELECTRIC PLANT IN SERVICE		8,087	294,865	253,384	34,581	6,900	2,827,860	1,278,712	293,952	1,177,476	77,721	21,686
RATE BASE ADJUSTMENTS												
RATE BASE ADJUSTMENTS												
ACCUMULATED DEFERRED TAX ITEMS												
ACCUMULATED DEFERRED TAXES	78	1,507	53,802	46,247	6,306	1,249	517,128	233,791	53,740	215,368	14,208	3,996
DIRECT		-71	(15,082)	(12,740)	(1,859)	-453	(121,937)	(56,733)	(13,066)	(48,777)	(3,361)	-770
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0
TOTAL ACCUM DEFERRED TAXES		1,436	38,720	33,507	4,447	766	395,191	177,058	40,674	166,611	10,847	3,226

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
RESERVES ITEMS															
RESERVES															
DIRECT	76	40,719	19,504	11,163	8,341	5,946	3,502	2,146	159	138	2,075	1,568	444	28	2,041
OTHER RATE BASE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	74	(51,614)	(24,863)	(14,232)	(10,631)	(7,632)	(4,453)	(2,704)	(202)	(173)	(2,680)	(2,027)	(572)	(36)	(2,636)
		(10,895)	(5,359)	(3,069)	(2,290)	(1,686)	(951)	(557)	(43)	(35)	(605)	(459)	(128)	(8)	(595)
CUSTOMER DEPOSITS															
DIRECT		55,849	48,644	40,640	8,004	4,266	3,474	430	183	179	505	497	0	8	505
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		55,849	48,644	40,640	8,004	4,266	3,474	430	183	179	505	497	0	8	505
LESS:															
LAND HELD FOR FUTURE USE															
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LAND HELD FOR FUTURE USE		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION WORK IN PROGRESS															
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CWIP PRODUCTION PROFORMA	77	699,277	269,360	158,643	110,716	111,210	58,103	47,087	2,812	3,209	6,946	4,537	2,093	99	6,728
TOTAL RATE BASE CWIP		699,277	269,360	158,643	110,716	111,210	58,103	47,087	2,812	3,209	6,946	4,537	2,093	99	6,728
TOTAL ADDITIVE & SUBSTRACTIVE ADJUSTMENTS		765,607	473,587	269,185	204,402	84,224	59,451	20,539	2,683	1,551	83,330	63,857	17,137	1,127	82,121
TOTAL RATE BASE EXCL. WORKING CAPITAL		8,885,866	4,136,439	2,373,817	1,762,622	1,331,607	773,055	491,979	35,096	31,376	397,975	299,280	86,419	5,388	391,096
WORKING CAPITAL															
MATERIALS & SUPPLIES															
FUEL INVENTORIES															
FUEL -COAL	5	159,768	59,478	33,870	25,608	23,907	12,050	10,470	620	766	2,108	1,384	638	30	2,053
FUEL - OIL	5	22,458	8,361	4,761	3,600	3,361	1,694	1,472	87	108	296	195	90	4	289
TOTAL FUEL STOCK		182,226	67,839	38,631	29,207	27,268	13,744	11,942	708	874	2,405	1,579	728	34	2,341
NUCLEAR FUEL															
120.2 IN STOCK		0	0	0	0	0	0	0	0	0	0	0	0	0	0
120.3 IN REACTOR	5	430,022	160,088	91,164	68,924	64,347	32,433	28,182	1,670	2,062	5,675	3,725	1,718	81	5,525
120.4 SPENT FUEL	5	129,853	48,341	27,529	20,813	19,431	9,794	8,510	504	623	1,714	1,125	519	25	1,668
TOTAL		559,875	208,429	118,692	89,737	83,778	42,227	36,692	2,174	2,685	7,389	4,850	2,237	106	7,193
LESS: 120.5 NUCLEAR FUEL BURNED	5	331,573	123,437	70,293	53,145	49,615	25,008	21,730	1,288	1,590	4,378	2,872	1,325	63	4,260
TOTAL NUCLEAR FUEL STOCKS		228,302	84,992	48,399	36,592	34,162	17,219	14,962	887	1,095	3,013	1,978	912	43	2,933
PLANT MATERIALS & SUPPLIES															
PRODUCTION	60	221,657	85,362	50,287	35,095	35,251	18,417	14,928	891	1,017	2,202	1,438	663	31	2,133
TRANSMISSION	64	9,341	3,921	2,510	1,411	1,733	982	673	41	37	2	0	0	0	0
DISTRIBUTION															
DIRECT		1,983	0	0	0	0	0	0	0	0	1,983	1,503	445	35	1,983
ALLOCATED	67	43,203	30,732	17,263	13,468	6,182	4,424	1,494	188	77	86	0	0	0	0
GENERAL	70	2,235	1,060	621	439	349	207	125	9	8	79	54	22	1	77
EMISSION ALLOWANCE INVENTORY	5	741	276	157	119	111	56	49	3	4	10	6	3	0	10
RENEWABLE ENERGY CREDITS	5	48	17	10	7	7	3	3	0	0	1	0	0	0	1
M&S COAL PROFORMA	5	24,497	9,120	5,193	3,926	3,666	1,848	1,605	95	117	323	212	98	5	315
TOTAL PLANT MATERIALS & SUPPLIES		303,703	130,507	76,041	54,466	47,299	25,937	18,675	1,227	1,260	4,686	3,214	1,231	72	4,518
BOND PREMIUMS - ALLOCATED	38	71,002	33,336	19,082	14,257	10,608	6,188	3,891	280	248	3,300	2,485	713	45	3,243
BOND PREMIUMS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH	38	1,219	572	328	245	182	106	67	5	4	57	43	12	1	56
OTHER CASH REQUIREMENT DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIRECT		206,553	93,451	54,901	38,550	36,203	20,832	13,757	915	899	5,570	3,886	1,527	63	5,476
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: FIT ACCRUALS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-RETAIL		0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH WORKING CAPITAL		278,774	127,362	74,310	53,052	46,993	26,927	17,715	1,200	1,152	8,926	6,414	2,253	108	8,775

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
RESERVES ITEMS												
RESERVES	76	35	1,235	1,061	145	29	11,867	5,365	1,233	4,943	326	92
DIRECT		0	0	0	0	0	0	0	0	0	0	0
OTHER RATE BASE PROFORMA	74	(45)	(1,557)	(1,338)	(183)	(36)	(14,865)	(6,732)	(1,548)	(6,178)	(408)	(116)
TOTAL RESERVES		(10)	(323)	(277)	(38)	(8)	(2,996)	(1,367)	(315)	(1,235)	(82)	(24)
CUSTOMER DEPOSITS												
DIRECT		0	28	28	0	0	2,406	1,394	187	825	0	0
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		0	28	28	0	0	2,406	1,394	187	825	0	0
LESS:												
LAND HELD FOR FUTURE USE												
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0
TOTAL LAND HELD FOR FUTURE USE		0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION WORK IN PROGRESS												
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0
GENERAL		0	0	0	0	0	0	0	0	0	0	0
CWIP PRODUCTION PROFORMA	77	218	26,396	22,812	2,954	631	283,541	124,523	28,466	122,609	7,943	1,824
TOTAL RATE BASE CWIP		218	26,396	22,812	2,954	631	283,541	124,523	28,466	122,609	7,943	1,824
TOTAL ADDITIVE & SUBSTRACTIVE ADJUSTMENTS		1,209	12,030	10,447	1,455	128	111,058	52,563	12,081	43,592	2,823	1,378
TOTAL RATE BASE EXCL. WORKING CAPITAL		6,878	282,835	242,936	33,127	6,772	2,716,802	1,226,149	281,871	1,133,883	74,899	20,308
WORKING CAPITAL												
MATERIALS & SUPPLIES												
FUEL INVENTORIES												
FUEL -COAL	5	56	5,774	5,035	620	119	68,060	29,411	6,709	30,025	1,915	440
FUEL - OIL	5	8	812	708	87	17	9,567	4,134	943	4,221	269	62
TOTAL FUEL STOCK		64	6,586	5,742	708	136	77,627	33,545	7,652	34,248	2,184	502
NUCLEAR FUEL												
120.2 IN STOCK		0	0	0	0	0	0	0	0	0	0	0
120.3 IN REACTOR	5	150	15,542	13,551	1,670	321	183,188	79,161	18,057	80,814	5,154	1,184
120.4 SPENT FUEL	5	45	4,693	4,092	504	97	55,316	23,904	5,453	24,403	1,556	358
TOTAL		195	20,235	17,643	2,174	418	238,502	103,065	23,509	105,218	6,710	1,542
LESS: 120.5 NUCLEAR FUEL BURNED	5	116	11,984	10,448	1,288	248	141,248	61,038	13,923	62,313	3,974	913
TOTAL NUCLEAR FUEL STOCKS		80	8,251	7,194	887	171	97,255	42,027	9,587	42,905	2,736	629
PLANT MATERIALS & SUPPLIES												
PRODUCTION	60	69	8,367	7,231	936	200	89,877	39,471	9,023	38,866	2,518	578
TRANSMISSION	64	2	394	333	49	13	3,258	1,513	342	1,314	88	32
DISTRIBUTION												
DIRECT		0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	67	86	945	795	129	22	5,199	2,789	672	1,611	128	57
GENERAL	70	2	70	61	8	2	672	304	70	279	18	5
EMISSION ALLOWANCE INVENTORY	5	0	27	23	3	1	316	136	31	139	9	2
RENEWABLE ENERGY CREDITS	5	0	2	1	0	0	20	8	2	9	1	0
M&S COAL PROFORMA	5	9	865	772	85	18	10,436	4,510	1,029	4,604	294	67
TOTAL PLANT MATERIALS & SUPPLIES		168	10,692	9,217	1,220	256	109,777	48,731	11,168	46,821	3,056	742
BOND PREMIUMS - ALLOCATED	38	57	2,230	1,916	261	52	21,362	9,654	2,220	8,900	588	163
BOND PREMIUMS		0	0	0	0	0	0	0	0	0	0	0
CASH	38	1	38	33	4	1	387	186	38	153	10	3
OTHER CASH REQUIREMENT DIRECT		0	0	0	0	0	0	0	0	0	0	0
DIRECT		94	6,873	6,002	772	99	63,812	29,327	6,820	26,003	1,662	644
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0
LESS: FIT ACCRUALS		0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-RETAIL		0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0
CASH WORKING CAPITAL		152	9,141	7,951	1,038	152	85,541	39,147	9,079	35,056	2,260	810

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
DEFERRED ITEMS RELATED TO:															
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET PLANT RELATED	78	(21,677)	(10,383)	(5,943)	(4,440)	(3,165)	(1,864)	(1,143)	(85)	(74)	(1,105)	(835)	(236)	(15)	(1,086)
WAGES & SALARIES		0	0	0	0	0	0	0	0	0	0	0	0	0	0
A&G RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER DIRECT	Dir	(2,694)	-964	-527	-437	-373	-180	-170	-10	-13	-46	-30	-14	-1	-45
TOTAL DEFERRED ITEMS		(24,371)	(11,347)	(6,470)	(4,877)	(3,538)	(2,044)	(1,313)	(95)	(87)	(1,151)	(865)	(250)	(16)	(1,131)
PREPAYMENTS															
RENT															
PREPAID OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
UNEXPIRED INSURANCE REL TO:															
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
WAGE AND SALARY RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PREPAYMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RATE BASE ADJUSTMENTS		203,027	(74,234)	(38,272)	(35,962)	67,960	22,331	41,642	1,244	2,742	(65,451)	(51,538)	(12,263)	(885)	(84,686)
TOTAL RATE BASE		9,854,500	4,535,782	2,604,730	1,931,062	1,483,651	854,837	554,160	39,023	35,670	415,853	311,810	91,293	5,630	408,532

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
DEFERRED ITEMS RELATED TO:												
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
NET PLANT RELATED	76	(18)	(657)	(565)	(77)	(15)	(6,318)	(2,856)	(657)	(2,631)	(174)	(49)
WAGES & SALARIES		0	0	0	0	0	0	0	0	0	0	0
A&G RELATED		0	0	0	0	0	0	0	0	0	0	0
OTHER DIRECT	Dir	-1	-90	-81	-9	0	(1,213)	-514	-116	-549	-34	-8
TOTAL DEFERRED ITEMS		(19)	(747)	(646)	(86)	(15)	(7,531)	(3,370)	(773)	(3,180)	(208)	(57)
PREPAYMENTS												
RENT												
PREPAID OTHER		0	0	0	0	0	0	0	0	0	0	0
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0
UNEXPIRED INSURANCE REL TO:												
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
WAGE AND SALARY RELATED		0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0
TOTAL PREPAYMENTS		0	0	0	0	0	0	0	0	0	0	0
TOTAL RATE BASE ADJUSTMENTS		(766)	21,894	19,012	2,311	571	251,611	107,518	24,632	112,256	7,206	1,248
TOTAL RATE BASE		7,321	316,759	272,395	36,892	7,472	3,079,471	1,386,230	318,584	1,269,731	84,927	22,934

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(B/P Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
O&M EXPENSES														
PRODUCTION O&M														
ENERGY RELATED PRODUCTION O&M														
FOSSIL FUEL EXPENSE	7	883,527	328,261	186,931	141,329	131,588	66,317	57,840	3,414	4,217	11,604	7,617	3,514	168
NUCLEAR FUEL DISPOSAL COST	7	25,606	9,514	5,418	4,098	3,814	1,922	1,671	99	122	336	221	102	5
NUCLEAR FUEL EXPENSE	7	95,825	35,602	20,274	15,326	14,272	7,193	6,252	370	457	1,259	826	381	18
FUEL EXPENSE DIRECTLY ASSIGNED-RETAIL	7	98,523	36,605	20,845	15,760	14,674	7,395	6,428	381	470	1,294	849	392	19
FUEL EXPENSE DIRECTLY ASSIGNED-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0	0	0
FUEL IN PURCHASED POWER & INTERCHANGE	7	98,172	36,474	20,771	15,704	14,621	7,369	6,405	379	469	1,289	846	390	18
FUEL PROFORMA	7	160,893	59,777	34,041	25,736	23,963	12,077	10,496	622	766	2,113	1,387	640	30
LINE LOSS	Dir	2,648	1,809	1,030	779	1,192	612	510	31	39	107	70	32	2
NET INTERCHANGE - ENERGY	5	5,755	2,142	1,220	922	861	434	377	22	28	76	50	23	1
OTHER PRODUCTION EXPENSE DIRECTLY ASSIGNED	Dir	16,625	5,805	3,306	2,499	2,327	1,173	1,019	60	75	205	135	62	3
PURCHASE POWER PROFORMA	7	358	133	76	57	53	27	23	1	2	5	3	1	0
PURCHASE POWER RECOVERED THROUGH FUEL	7	40,421	15,016	8,552	6,466	6,020	3,034	2,637	156	193	531	348	161	8
O&M RECOVERED THROUGH FUEL	7	15,501	5,759	3,280	2,480	2,309	1,164	1,011	60	74	204	134	62	3
OTHER PROD EXPENSE	5	87,424	32,546	18,534	14,012	13,082	6,594	5,729	339	419	1,154	757	349	17
OTHER PROD EXPENSE PROFORMA	5	7,714	2,872	1,635	1,236	1,154	582	506	30	37	102	67	31	1
TOTAL ENERGY RELATED		1,537,892	572,317	325,912	246,405	229,930	115,891	100,704	5,966	7,369	20,278	13,311	6,139	291
DEMAND RELATED PROD O&M														
NET INTERCHANGE - DEMAND	77	46,215	17,802	10,485	7,317	7,350	3,840	3,112	186	212	459	300	138	7
PURCHASED POWER		0	0	0	0	0	0	0	0	0	0	0	0	0
PURCHASED POWER DIR. ASSIGNED (LEVELIZATION)		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROD EXPENSE	77	427,700	164,749	97,031	67,718	68,020	35,537	28,800	1,720	1,962	4,249	2,775	1,280	61
OTHER PROD EXPENSE PROFORMA	77	12,047	4,640	2,733	1,907	1,916	1,001	811	48	55	120	78	36	2
TOTAL DEMAND RELATED		485,962	187,191	110,249	76,942	77,286	40,378	32,723	1,955	2,230	4,827	3,153	1,454	69
TOTAL PRODUCTION O&M		2,023,854	759,508	436,161	323,347	307,216	156,270	133,426	7,920	9,599	25,105	16,464	7,594	360
TRANSMISSION O & M														
DIRECT	Dir	8,999	3,343	1,904	1,439	1,340	675	587	35	43	119	78	36	2
ALLOCATED	64	30,351	12,742	8,156	4,586	5,631	3,192	2,186	133	119	6	0	0	0
MISCELLANEOUS ADJUSTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION O & M		39,350	16,085	10,060	6,025	6,971	3,867	2,773	168	162	125	78	36	2
DISTRIBUTION O & M														
OPERATION:														
580-SUPERVISION	24	237	145	85	61	53	47	6	1	0	16	9	6	0
582-SUBSTATION	8	1,651	1,084	574	510	242	140	88	10	4	0	0	0	0
583-OH LINES	9	1,564	1,206	707	500	178	143	29	5	2	70	68	2	1
584-UG LINES	10	4,350	2,829	1,498	1,331	632	364	231	26	11	59	58	0	0
585-STREET LIGHTS	Dir	578	0	0	0	0	0	0	0	0	578	0	557	0
586-METERS	23	8,986	4,595	2,786	1,809	3,502	3,292	189	16	5	22	0	0	0
587-CUSTOMER INSTALLATIONS - DIRECT	Dir	5,994	4,478	2,715	1,763	654	623	13	15	3	806	761	14	15
587-CUSTOMER INSTALLATIONS - ALLOCATED	60	97	37	22	15	15	8	7	0	0	1	1	0	0
588-MISC EXPENSES	24	24,933	15,293	8,922	6,371	5,614	4,912	598	77	27	1,651	951	616	17
589-MISC EXPENSES - ALLOC DEMAND	60	49	19	11	8	8	4	3	0	0	0	0	0	0
589-RENTS	24	61	37	22	16	14	12	1	0	0	4	2	2	0
MISC OPER. EXPENSES & RENTS PROFORMA	24	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE:														
590-SUPERVISION	25	3,068	2,168	1,256	911	356	276	66	10	4	288	124	153	1
591-STRUCTURES		0	0	0	0	0	0	0	0	0	0	0	0	0
592-SUBSTATIONS	8	5,949	3,907	2,069	1,839	873	504	319	35	15	1	0	0	0
593-OH LINES	9	55,422	42,753	25,044	17,709	6,307	5,061	1,012	171	62	2,483	2,322	60	19
594-UG LINES	10	5,375	3,495	1,851	1,645	781	450	285	32	14	73	72	0	1
595-LINE TRANSFORMERS	11	2,416	1,528	846	682	311	205	91	11	5	21	12	7	0
596-STREET LIGHTS	Dir	4,114	0	0	0	0	0	0	0	0	4,114	0	3,964	0
597-METERS	23	977	501	304	197	382	359	21	2	1	2	0	0	0
598-MISC EXPENSES	13	6,821	5,095	3,089	2,006	745	709	14	17	4	916	865	15	17
DIST MAINTENANCE PROFORMA	9	14,722	11,357	6,653	4,704	1,675	1,344	289	46	17	659	617	16	5
TOTAL DISTRIBUTION O & M		147,344	100,528	58,452	42,076	22,341	18,452	3,242	473	174	11,764	5,860	5,412	77

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
O&M EXPENSES													
PRODUCTION O&M													
ENERGY RELATED PRODUCTION O&M													
FOSSIL FUEL EXPENSE	7	11,297	307	31,882	27,782	3,421	680	377,771	182,598	36,962	167,587	10,623	2,421
NUCLEAR FUEL DISPOSAL COST	7	327	9	924	805	99	20	10,948	4,712	1,071	4,857	308	70
NUCLEAR FUEL EXPENSE	7	1,225	33	3,458	3,013	371	74	40,972	17,635	4,009	18,178	1,152	263
FUEL EXPENSE DIRECTLY ASSIGNED-RETAIL	7	1,260	34	3,555	3,098	381	76	42,126	18,131	4,122	18,688	1,185	270
FUEL EXPENSE DIRECTLY ASSIGNED-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0	0
FUEL IN PURCHASED POWER & INTERCHANGE	7	1,255	34	3,543	3,087	380	76	41,976	18,067	4,107	18,621	1,180	269
FUEL PROFORMA	7	2,057	56	5,806	5,059	623	124	68,793	29,610	6,731	30,518	1,934	441
LINE LOSS	Dir	104	3	158	159	23	-24	-740	530	287	(1,544)	-13	22
NET INTERCHANGE - ENERGY	5	74	2	208	181	22	4	2,452	1,059	242	1,082	69	16
OTHER PRODUCTION EXPENSE DIRECTLY ASSIGNED	Dir	200	5	563	491	60	12	6,682	2,876	654	2,964	188	43
PURCHASE POWER PROFORMA	7	5	0	13	11	1	0	153	66	15	68	4	1
PURCHASE POWER RECOVERED THROUGH FUEL	7	517	14	1,459	1,271	157	31	17,283	7,439	1,691	7,667	486	111
O&M RECOVERED THROUGH FUEL	7	198	5	559	487	60	12	6,628	2,853	648	2,940	186	42
OTHER PROD EXPENSE	5	1,123	30	3,160	2,755	339	65	37,242	16,094	3,671	16,430	1,048	241
OTHER PROD EXPENSE PROFORMA	5	99	3	279	243	30	6	3,286	1,420	324	1,450	92	21
TOTAL ENERGY RELATED		19,742	536	55,566	48,443	5,968	1,155	655,571	283,090	64,534	289,504	18,443	4,231
DEMAND RELATED PROD O&M													
NET INTERCHANGE - DEMAND	77	445	14	1,744	1,508	195	42	18,739	8,230	1,881	8,103	525	121
PURCHASED POWER		0	0	0	0	0	0	0	0	0	0	0	0
PURCHASED POWER DIR. ASSIGNED (LEVELIZATION)		0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROD EXPENSE	77	4,115	133	16,144	13,952	1,807	386	173,423	76,162	17,411	74,992	4,858	1,116
OTHER PROD EXPENSE PROFORMA	77	116	4	455	393	51	11	4,885	2,145	490	2,112	137	31
TOTAL DEMAND RELATED		4,676	151	18,344	15,853	2,053	438	197,046	86,537	19,782	85,207	5,520	1,268
TOTAL PRODUCTION O&M		24,418	687	73,910	64,296	8,021	1,593	852,617	369,627	84,316	374,711	23,963	5,498
TRANSMISSION O & M													
DIRECT	Dir	116	3	325	283	35	7	3,847	1,656	376	1,707	108	25
ALLOCATED	64	0	6	1,282	1,083	158	41	10,585	4,915	1,111	4,271	289	105
MISCELLANEOUS ADJUSTMENTS		0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION O & M		116	9	1,607	1,366	193	48	14,432	6,571	1,487	5,978	397	130
DISTRIBUTION O & M													
OPERATION:													
580-SUPERVISION	24	15	1	4	3	0	0	19	12	3	4	0	0
582-SUBSTATION	8	0	0	53	44	7	1	269	147	37	78	7	2
583-OH LINES	9	68	2	18	15	2	0	91	51	13	25	2	0
584-UG LINES	10	58	1	137	115	19	3	690	378	97	198	17	3
585-STREET LIGHTS	Dir	557	21	0	0	0	0	0	0	0	0	0	0
586-METERS	23	0	22	169	154	15	0	877	508	123	43	3	1
587-CUSTOMER INSTALLATIONS - DIRECT	Dir	790	16	11	10	1	0	45	34	8	3	0	0
587-CUSTOMER INSTALLATIONS - ALLOCATED	60	1	0	4	3	0	0	39	17	4	17	1	0
588-MISC EXPENSES	24	1,584	67	421	366	49	6	1,948	1,221	304	391	32	7
588-MISC EXPENSES - ALLOC DEMAND	60	0	0	2	2	0	0	20	9	2	9	1	0
589-RENTS	24	4	0	1	1	0	0	5	3	1	1	0	0
MISC OPER. EXPENSES & RENTS PROFORMA	24	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE:													
590-SUPERVISION	25	278	10	41	35	6	1	214	119	30	61	5	1
591-STRUCTURES		0	0	0	0	0	0	0	0	0	0	0	0
592-SUBSTATIONS	8	0	1	191	159	27	5	971	531	135	282	24	6
593-OH LINES	9	2,402	81	638	538	86	14	3,228	1,824	457	889	78	13
594-UG LINES	10	72	1	170	142	24	4	853	467	120	245	21	4
595-LINE TRANSFORMERS	11	19	2	65	54	9	2	477	225	45	195	13	14
596-STREET LIGHTS	Dir	3,964	150	0	0	0	0	0	0	0	0	0	0
597-METERS	23	0	2	18	17	2	0	74	55	13	5	0	0
598-MISC EXPENSES	13	898	18	13	12	1	0	52	39	9	4	0	0
DIST MAINTENANCE PROFORMA	9	638	22	170	143	23	4	857	485	121	231	21	4
TOTAL DISTRIBUTION O & M		11,349	415	2,128	1,813	273	41	10,630	6,125	1,523	2,658	224	55

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
CUSTOMER ACCOUNTING														
SUPERVISION	28	1,017	828	547	279	110	102	4	3	1	61	58	2	1
METER READING	Dir	4,826	4,151	2,517	1,634	607	578	12	14	3	14	0	0	0
CUSTOMER RECORD & COLLECTION EXPENSE	Dir	34,202	26,928	16,363	10,565	3,962	3,771	77	93	21	2,921	2,690	82	54
UNCOLLECTIBLE ACCOUNTS	Dir	11,279	9,801	8,184	1,617	884	702	89	37	36	102	100	0	2
MISC CUSTOMER ACCOUNT EXPENSE	28	2,144	1,742	1,153	589	232	215	8	8	3	129	119	3	2
CUSTOMER ACCOUNTING PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCT EXPENSE		53,468	43,449	28,765	14,684	5,774	5,368	189	153	64	3,228	2,965	87	60
CUSTOMER SERVICE & INFORMATION														
CUSTOMER ASSISTANCE EXPENSE	Dir	3,354	1,480	897	583	1,721	1,639	33	40	9	0	0	0	0
INFORMATIONAL & INSTRUCTIONAL ADV		0	0	0	0	0	0	0	0	0	0	0	0	0
MISC. CUSTOMER SERVICE & INFORMATION	Dir	12,203	10,529	6,384	4,145	1,539	1,465	30	36	8	0	0	0	0
CUSTOMER SERVICE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER SERV & INFORMATION		15,557	12,009	7,281	4,728	3,260	3,104	63	76	17	0	0	0	0
SALES														
SALES EXPENSE	Dir	5	4	2	2	1	1	0	0	0	0	0	0	0
SALES EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SALES EXPENSE		5	4	2	2	1	1	0	0	0	0	0	0	0
SUBTOTAL O&M EXCL. A&G		2,279,578	931,582	540,720	390,863	345,564	187,062	139,694	8,791	10,016	40,222	25,367	13,129	499
ADMINISTRATIVE & GENERAL														
A&G EXPENSE EXCL. REGULATORY EXP														
WAGES & SALARIES - PRODUCTION	52	207,163	79,799	46,999	32,800	32,946	17,213	13,950	833	951	2,058	1,344	620	29
WAGES & SALARIES - TRANSMISSION	54	9,839	4,022	2,515	1,507	1,743	967	693	42	41	31	20	9	1
WAGES & SALARIES - DISTRIBUTION	44	31,705	21,318	12,383	8,934	4,940	4,090	711	102	38	2,655	1,253	1,290	17
WAGES & SALARIES - CA	46	11,485	9,333	6,179	3,154	1,240	1,153	41	33	14	693	637	19	13
WAGES & SALARIES - CUST SERV & INFO	48	6,941	5,358	3,249	2,109	1,455	1,386	28	34	8	0	0	0	0
WAGES & SALARIES - SALES		0	0	0	0	0	0	0	0	0	0	0	0	0
A&G O&M RELATED EXPENSES	34	97,803	45,914	27,338	18,575	15,207	9,183	5,287	373	364	2,518	1,502	903	27
PRODUCTION-DEMAND RELATED	60	(17,532)	(6,753)	(3,977)	(2,776)	(2,788)	(1,457)	(1,181)	(71)	(80)	(174)	(114)	(52)	(2)
PRODUCTION-ENERGY RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL	70	2,459	1,166	683	483	384	227	138	10	9	87	60	24	1
OTHER	74	3,724	1,794	1,027	767	543	321	195	15	13	193	146	41	3
I&D REGULATORY LIABILITY		0	0	0	0	0	0	0	0	0	0	0	0	0
RATE REVIEW EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
REGULATORY COMMISSION	33	1,090	489	288	201	185	103	72	5	5	30	21	8	0
RENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE OF GENERAL PLANT	70	1,966	932	546	386	307	182	110	8	7	70	48	19	1
ADJUSTMENT MERGER CONDITION #23	60	(10,101)	(3,891)	(2,292)	(1,599)	(1,606)	(839)	(680)	(41)	(46)	(100)	(66)	(30)	(1)
EPRI	34	295	138	82	56	46	28	16	1	1	8	5	3	0
ADVANCED ENERGY	5	1,996	743	423	320	299	151	131	8	10	26	17	8	0
NCUC FEES	33	4,920	2,205	1,299	906	838	465	327	22	22	135	95	36	1
BPM SALARIES		0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
NCUC FEES PROFORMA	33	93	42	25	17	18	9	6	0	0	3	2	1	0
O&M NON-LABOR EXCL FUEL & PP PROFORMA	34	10,691	5,019	2,988	2,031	1,662	1,004	578	41	40	276	164	99	3
O&M LABOR PROFORMA	55	7,326	3,288	1,958	1,330	1,161	660	423	29	29	149	89	53	2
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ADMIN. & GENERAL		371,863	170,912	101,711	69,201	58,677	34,865	20,845	1,445	1,423	8,656	5,223	3,050	94
TOTAL O&M EXPENSE		2,651,441	1,102,495	642,431	460,064	404,140	221,927	160,539	10,236	11,439	48,877	30,591	16,179	593
DEPRECIATION EXPENSE														
PRODUCTION DEPRECIATION														
CONTRA AFUDC	Dir	-830	-352	-225	-127	-155	-88	-60	-4	-3	0	0	0	0
DIRECT	Dir	9,835	4,168	2,668	1,500	1,840	1,042	715	44	38	2	0	0	0
ALLOCATED - DEMAND	77	247,167	95,208	56,074	39,134	39,308	20,537	16,643	994	1,134	2,455	1,604	740	35
ALLOCATED - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0
PROFORMA EXPENSE - DEMAND	77	57,722	22,234	13,095	9,139	9,180	4,796	3,887	232	265	573	374	173	8
PROFORMA EXPENSE - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRODUCTION DEPREC EXP.		313,894	121,258	71,612	49,646	50,173	26,287	21,185	1,266	1,435	3,031	1,978	912	43

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
CUSTOMER ACCOUNTING													
SUPERVISION	28	59	2	2	2	0	0	17	11	2	4	0	0
METER READING	Dir	0	14	11	10	1	0	43	32	8	3	0	0
CUSTOMER RECORD & COLLECTION EXPENSE	Dir	2,826	95	71	65	6	0	301	209	51	39	2	19
UNCOLLECTIBLE ACCOUNTS	Dir	102	0	7	7	0	0	505	289	40	175	1	0
MISC CUSTOMER ACCOUNT EXPENSE	28	125	5	4	3	0	0	36	23	4	9	0	1
CUSTOMER ACCOUNTING PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCT EXPENSE		3,112	116	95	87	7	0	902	563	105	231	3	20
CUSTOMER SERVICE & INFORMATION													
CUSTOMER ASSISTANCE EXPENSE	Dir	0	0	31	28	3	0	122	90	22	9	1	0
INFORMATIONAL & INSTRUCTIONAL ADV		0	0	0	0	0	0	0	0	0	0	0	0
MISC. CUSTOMER SERVICE & INFORMATION	Dir	0	0	27	25	2	0	108	80	19	8	1	0
CUSTOMER SERVICE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER SERV & INFORMATION		0	0	58	53	5	0	230	170	41	17	2	0
SALES													
SALES EXPENSE	Dir	0	0	0	0	0	0	0	0	0	0	0	0
SALES EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SALES EXPENSE		0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL O&M EXCL. A&G		38,995	1,227	77,795	67,614	8,499	1,682	878,711	383,056	87,472	383,695	24,689	5,703
ADMINISTRATIVE & GENERAL													
A&G EXPENSE EXCL. REGULATORY EXP													
WAGES & SALARIES - PRODUCTION	52	1,993	65	7,820	6,758	875	187	84,000	36,890	8,433	36,323	2,353	540
WAGES & SALARIES - TRANSMISSION	54	29	2	402	342	48	12	3,609	1,643	372	1,495	99	32
WAGES & SALARIES - DISTRIBUTION	44	2,561	94	468	399	60	9	2,312	1,348	335	980	49	12
WAGES & SALARIES - CA	46	668	25	20	19	2	0	194	121	23	50	1	4
WAGES & SALARIES - CUST SERV & INFO	48	0	0	26	24	2	0	103	76	18	8	1	0
WAGES & SALARIES - SALES		0	0	0	0	0	0	0	0	0	0	0	0
A&G O&M RELATED EXPENSES	34	2,432	86	2,999	2,592	338	70	30,960	13,761	3,158	13,166	855	204
PRODUCTION-DEMAND RELATED	60	(169)	(5)	(662)	(572)	(74)	(16)	(7,109)	(3,122)	(714)	(3,074)	(199)	(46)
PRODUCTION-ENERGY RELATED		0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0
GENERAL	70	85	2	78	67	9	2	739	335	77	307	20	6
OTHER	74	190	3	112	97	13	3	1,073	486	112	448	29	8
I&D REGULATORY LIABILITY		0	0	0	0	0	0	0	0	0	0	0	0
RATE REVIEW EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
REGULATORY COMMISSION	33	29	0	38	31	4	1	347	158	36	143	9	3
RENTS		0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE OF GENERAL PLANT	70	68	2	62	53	7	1	591	268	62	246	16	4
ADJUSTMENT MERGER CONDITION #23	60	(97)	(3)	(381)	(330)	(43)	(9)	(4,096)	(1,799)	(411)	(1,771)	(115)	(26)
EPRI	34	7	0	9	8	1	0	93	42	10	40	3	1
ADVANCED ENERGY	5	26	1	72	63	8	1	850	387	84	375	24	5
NCUC FEES	33	132	2	162	141	19	3	1,587	715	165	645	41	16
BPM SALARIES		0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
NCUC FEES PROFORMA	33	3	0	3	3	0	0	30	14	3	12	1	0
O&M NON-LABOR EXCL FUEL & PP PROFORMA	34	266	9	328	283	37	8	3,384	1,506	345	1,439	94	22
O&M LABOR PROFORMA	55	144	5	240	207	27	6	2,474	1,099	252	1,055	69	16
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ADMIN. & GENERAL		8,368	288	11,793	10,183	1,333	276	121,121	53,926	12,359	51,484	3,350	804
TOTAL O&M EXPENSE		47,363	1,515	89,588	77,798	9,833	1,958	999,833	436,984	99,831	435,078	27,939	6,507
DEPRECIATION EXPENSE													
PRODUCTION DEPRECIATION													
CONTRA AFUDC	Dir	0	0	-35	-30	-4	-1	-286	-133	-31	-114	-8	-2
DIRECT	Dir	0	2	418	353	52	13	3,386	1,575	363	1,355	93	21
ALLOCATED - DEMAND	77	2,378	77	9,330	8,063	1,044	223	100,221	44,014	10,062	43,338	2,607	645
ALLOCATED - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0
PROFORMA EXPENSE - DEMAND	77	555	18	2,179	1,883	244	52	23,405	10,279	2,350	10,121	656	151
PROFORMA EXPENSE - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRODUCTION DEPREC EXP.		2,934	97	11,892	10,269	1,336	287	126,726	55,735	12,743	54,699	3,548	814

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
TRANSMISSION DEPRECIATION														
CONTRA AFUDC	Dir	-6	-3	-2	-1	-1	-1	0	0	0	0	0	0	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	2	33,816	14,330	9,172	5,158	8,326	3,583	2,459	150	134	7	0	0	0
PROFORMA EXPENSE	2	(7,873)	(3,338)	(2,135)	(1,201)	(1,473)	(634)	(572)	(35)	(31)	(2)	0	0	0
TOTAL TRANSMISSION DEP. EXP.		25,939	10,991	7,035	3,956	4,853	2,948	1,886	115	103	5	0	0	0
DISTRIBUTION DEPRECIATION														
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	68	180,130	114,906	64,548	50,358	23,116	16,541	5,587	701	287	18,916	13,732	4,631	231
PROFORMA EXPENSE	65	(40,061)	(25,555)	(14,356)	(11,200)	(5,141)	(3,679)	(1,243)	(156)	(64)	(4,207)	(3,054)	(1,030)	(51)
TOTAL DIST. DEPREC EXP.		140,069	89,351	50,193	39,158	17,975	12,862	4,344	545	223	14,709	10,678	3,601	180
GENERAL & INTANGIBLE DEPRECIATION														
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	70	42,331	20,068	11,762	8,306	6,611	3,914	2,373	170	154	1,497	1,029	417	18
AMORTIZATION OF EA GAINS	5	(2,908)	(1,083)	(616)	(466)	(435)	(219)	(191)	(11)	(14)	(36)	(25)	(12)	(1)
PROFORMA EXPENSE	71	8,373	3,970	2,327	1,643	1,308	774	469	34	31	296	204	82	4
TOTAL GENERAL DEPREC EXP.		47,796	22,955	13,472	9,483	7,484	4,468	2,652	193	171	1,755	1,207	488	21
TOTAL DEPRECIATION EXPENSE		527,698	244,556	142,312	102,244	80,485	48,366	30,068	2,119	1,932	19,500	13,863	5,001	244
TAXES OTHER THAN INC & REV														
REAL ESTATE & PROPERTY TAX														
PRODUCTION	60	57,691	22,222	13,088	9,134	9,175	4,794	3,885	232	265	573	374	173	8
TRANSMISSION	64	6,863	2,890	1,850	1,040	1,277	724	496	30	27	1	0	0	0
DISTRIBUTION	68	23,726	15,135	8,502	6,633	3,045	2,179	736	92	38	2,492	1,809	610	30
GENERAL	70	2,914	1,381	810	572	455	269	163	12	11	103	71	29	1
PRODUCTION PROFORMA	77	8,181	3,151	1,856	1,295	1,301	680	551	33	38	81	53	24	1
TRANSMISSION PROFORMA	63	706	298	190	107	131	74	51	3	3	0	0	0	0
DISTRIBUTION PROFORMA	65	2,227	1,421	798	623	286	205	69	9	4	234	170	57	3
GENERAL PROFORMA	69	33	16	9	6	5	3	2	0	0	1	1	0	0
TOTAL REAL EST & PROP TAX		102,361	46,513	27,102	19,410	15,675	8,927	5,952	411	384	3,485	2,477	893	44
REVENUE RELATED TAXES:														
FRANCHISE TAXES	12	118,570	53,656	31,534	22,122	20,838	11,875	7,917	526	517	3,206	2,237	879	36
MUNICIPAL LICENSES	30	31	14	8	6	5	3	2	0	0	1	1	0	0
OTHER REVENUE RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE RELATED-DIRECT		103	39	22	17	16	8	7	0	1	1	1	0	0
PROFORMA REVENUE RELATED TAXES	12	2,494	1,129	663	465	438	250	167	11	11	67	47	18	1
TOTAL MISCELLANEOUS TAXES		121,198	54,837	32,227	22,610	21,296	12,136	8,093	538	529	3,276	2,286	898	37
SC KWH TAX		0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES REL TO WAGES & SALARIES														
FED SOCIAL SEC AND UNEMPLOYMENT TAXES	55	27,516	12,343	7,347	4,996	4,360	2,555	1,589	108	108	580	335	200	8
STATE UNEMPLOYMENT TAXES	56	527	236	141	96	83	49	30	2	2	11	6	4	0
STATE WORKMENS COMPENSATION	55	177	79	47	32	28	16	10	1	1	4	2	1	0
PROFORMA REL TO WAGES & SALARIES	55	2,114	948	564	384	336	196	122	8	8	43	26	15	0
TOTAL MISCELLANEOUS EXPENSES		30,334	13,607	8,099	5,508	4,806	2,817	1,751	119	119	617	369	220	7
TOTAL OTHER TAX & MISC EXPENSE		253,893	114,957	67,429	47,528	41,777	23,880	15,796	1,067	1,033	7,378	5,133	2,011	88
INCOME TAX BASED ON RETURN														
ADJUSTMENTS TO BOOK INCOME														
LESS: INTEREST ALLOCATED TO ELECTRIC OPER:														
OTHER INTEREST EXPENSE:														
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	38	233,683	109,724	62,802	46,922	34,913	20,367	12,808	923	817	10,860	8,179	2,348	147
INTEREST PROFORMA	38	36,340	17,063	9,766	7,297	5,429	3,167	1,992	144	127	1,689	1,272	365	23
TOTAL OTHER INTEREST EXPENSE		270,023	126,787	72,568	54,219	40,343	23,534	14,798	1,066	944	12,549	9,451	2,713	170
CUSTOMER DEPOSITS														
INTEREST ON CUSTOMER DEPOSITS	Dir	3,382	2,947	2,462	485	258	210	26	11	11	30	30	0	0
INTEREST ON CUSTOMER DEPOSITS-ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		3,382	2,947	2,462	485	258	210	26	11	11	30	30	0	0

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	1 INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
TRANSMISSION DEPRECIATION													
CONTRA AFUDC	Dir	0	0	0	0	0	0	-2	-1	0	-1	0	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	2	0	7	1,438	1,215	177	46	11,650	5,419	1,247	4,662	321	67
PROFORMA EXPENSE	2	0	(2)	(335)	(283)	(41)	(11)	(2,712)	(1,262)	(290)	(1,085)	(75)	(16)
TOTAL TRANSMISSION DEP. EXP.		0	6	1,103	932	136	35	8,936	4,157	957	3,576	246	52
DISTRIBUTION DEPRECIATION													
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	68	18,594	322	3,539	2,974	461	84	19,441	10,427	2,512	6,024	478	212
PROFORMA EXPENSE	65	(4,135)	(72)	(787)	(661)	(107)	(19)	(4,324)	(2,319)	(559)	(1,340)	(106)	(47)
TOTAL DIST. DEPREC EXP.		14,459	250	2,752	2,312	374	65	15,117	8,108	1,953	4,684	372	165
GENERAL & INTANGIBLE DEPRECIATION													
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	70	1,464	33	1,395	1,149	155	31	12,723	5,763	1,327	5,286	347	98
AMORTIZATION OF EA GAINS	5	(37)	(1)	(105)	(92)	(11)	(2)	(1,239)	(535)	(122)	(547)	(35)	(8)
PROFORMA EXPENSE	71	290	7	264	227	31	6	2,517	1,140	263	1,046	69	19
TOTAL GENERAL DEPREC EXP.		1,716	39	1,494	1,285	174	34	14,001	6,367	1,468	5,785	381	107
TOTAL DEPRECIATION EXPENSE		19,108	391	17,241	14,798	2,020	422	164,780	74,367	17,121	68,745	4,547	1,138
TAXES OTHER THAN INC & REV													
REAL ESTATE & PROPERTY TAX													
PRODUCTION	60	555	18	2,178	1,882	244	52	23,392	10,273	2,348	10,115	655	150
TRANSMISSION	64	0	1	291	246	36	9	2,400	1,115	252	969	66	24
DISTRIBUTION	68	2,449	42	466	392	63	11	2,561	1,373	331	793	63	28
GENERAL	70	101	2	92	79	11	2	876	397	91	364	24	7
PRODUCTION PROFORMA	77	79	3	309	267	35	7	3,317	1,457	333	1,434	93	21
TRANSMISSION PROFORMA	63	0	0	30	25	4	1	246	114	26	99	7	2
DISTRIBUTION PROFORMA	65	230	4	44	37	6	1	240	129	31	74	6	3
GENERAL PROFORMA	69	1	0	1	1	0	0	10	4	1	4	0	0
TOTAL REAL EST & PROP TAX		3,415	71	3,410	2,928	398	84	33,043	14,862	3,414	13,854	914	235
REVENUE RELATED TAXES:													
FRANCHISE TAXES	12	3,152	54	3,942	3,440	445	57	36,560	16,873	3,925	14,824	939	371
MUNICIPAL LICENSES	30	1	0	1	1	0	0	10	4	1	4	0	0
OTHER REVENUE RELATED		0	0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE RELATED-DIRECT		1	0	3	3	0	0	44	19	4	20	1	0
PROFORMA REVENUE RELATED TAXES	12	66	1	83	72	9	1	769	355	83	312	20	8
TOTAL MISCELLANEOUS TAXES		3,220	55	4,028	3,516	454	58	37,383	17,251	4,012	15,159	960	378
SC KWH TAX		0	0	0	0	0	0	0	0	0	0	0	0
TAXES REL TO WAGES & SALARIES													
FED SOCIAL SEC AND UNEMPLOYMENT TAXES	55	541	19	900	777	102	21	9,293	4,128	946	3,961	258	81
STATE UNEMPLOYMENT TAXES	55	10	0	17	15	2	0	178	79	18	76	5	1
STATE WORKMENS COMPENSATION	55	3	0	6	5	1	0	60	27	6	25	2	0
PROFORMA REL TO WAGES & SALARIES	55	42	1	69	60	8	2	714	317	73	304	20	6
TOTAL MISCELLANEOUS EXPENSES		596	21	992	856	112	24	10,245	4,551	1,043	4,367	284	67
TOTAL OTHER TAX & MISC EXPENSE		7,232	147	8,430	7,300	964	166	80,670	36,665	8,468	33,380	2,157	681
INCOME TAX BASED ON RETURN													
ADJUSTMENTS TO BOOK INCOME													
LESS: INTEREST ALLOCATED TO ELECTRIC OPER:													
OTHER INTEREST EXPENSE:													
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	38	10,674	186	7,339	6,308	859	172	70,308	31,774	7,308	29,292	1,934	538
INTEREST PROFORMA	38	1,660	29	1,141	981	134	27	10,934	4,941	1,136	4,555	301	84
TOTAL OTHER INTEREST EXPENSE		12,334	215	8,481	7,289	993	199	81,242	36,715	8,445	33,848	2,234	621
CUSTOMER DEPOSITS													
INTEREST ON CUSTOMER DEPOSITS	Dir	30	0	2	2	0	0	145	84	11	50	0	0
INTEREST ON CUSTOMER DEPOSITS-ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		30	0	2	2	0	0	145	84	11	50	0	0

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
AMORTIZED INV TAX CREDIT														
PRODUCTION PLANT	60	(3,519)	(1,356)	(798)	(557)	(560)	(292)	(237)	(14)	(16)	(35)	(23)	(11)	(0)
TRANSMISSION PLANT	64	-474	(199)	(127)	(72)	(86)	(50)	(34)	(2)	(2)	(0)	0	0	0
DISTRIBUTION PLANT	68	(1,748)	(1,115)	(626)	(489)	(224)	(161)	(54)	(7)	(3)	(184)	(133)	(45)	(2)
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0
ENERGY ALLOCATION		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL AMORTIZED ITC		(5,741)	(2,670)	(1,552)	(1,117)	(872)	(503)	(325)	(23)	(21)	(219)	(156)	(55)	(3)
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0	0
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0	0
INCOME TAX COMPUTATION														
RETURN ON RATE BASE @ SYSTEM AVG ROR	RB	584,029	268,815	154,370	114,445	87,931	50,662	32,842	2,313	2,114	24,646	18,468	5,410	334
TOTAL AMORTIZED ITC		(5,741)	(2,670)	(1,552)	(1,117)	(872)	(503)	(325)	(23)	(21)	(219)	(156)	(55)	(3)
TOTAL OTHER INTEREST EXPENSE		(270,023)	(126,787)	(72,568)	(54,219)	(40,343)	(23,534)	(14,798)	(1,066)	(944)	(12,549)	(9,451)	(2,713)	(170)
ADJUSTMENTS TO DETERMINE TAXABLE INCOME		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0	0	0
BASE FOR TAX COMPUTATION		308,265	139,358	80,249	59,108	46,716	26,625	17,719	1,223	1,149	11,878	8,861	2,642	161
SYSTEM TAX FACTOR INCL DEF (TF/1-TF)		0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115
PRELIMINARY INCOME TAX		188,077	85,024	48,961	36,063	28,502	16,244	10,811	746	701	7,247	5,406	1,612	98
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME TAX		188,077	85,024	48,961	36,063	28,502	16,244	10,811	746	701	7,247	5,406	1,612	98
COST OF SERVICE COMPUTATION														
TOTAL OTHER OPERATING REVENUES		254,075	109,229	66,044	43,185	34,447	19,225	13,391	881	950	7,885	6,852	869	47
COST OF SERVICE COMPUTATION														
TOTAL OP EXP EXC INC & REV TAX		3,433,032	1,462,007	852,172	609,835	526,402	292,173	206,403	13,422	14,404	75,755	49,587	23,191	925
RETURN ON RATE BASE @ SYSTEM AVG ROR		584,029	268,815	154,370	114,445	87,931	50,662	32,842	2,313	2,114	24,646	18,468	5,410	334
NET INCOME TAX		188,077	85,024	48,961	36,063	28,502	16,244	10,811	746	701	7,247	5,406	1,612	98
INTEREST ON CUSTOMER DEPOSITS		3,382	2,947	2,462	485	258	210	26	11	11	30	30	0	0
TOTAL AMORTIZED ITC		(5,741)	(2,670)	(1,552)	(1,117)	(872)	(503)	(325)	(23)	(21)	(219)	(156)	(55)	(3)
TOTAL OTHER OPERATING REVENUES		(254,075)	(109,229)	(66,044)	(43,185)	(34,447)	(19,225)	(13,391)	(881)	(950)	(7,885)	(6,852)	(869)	(47)
SUBTOTAL		3,948,704	1,708,895	990,369	716,525	607,775	339,562	236,366	15,588	16,259	99,574	66,482	29,289	1,307
OTHER DEDUCTIONS TO COST OF SERVICE		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ELECTRIC COST OF SERVICE		3,948,704	1,708,895	990,369	716,525	607,775	339,562	236,366	15,588	16,259	99,574	66,482	29,289	1,307

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
AMORTIZED INV TAX CREDIT													
PRODUCTION PLANT	60	(34)	(1)	(133)	(115)	(15)	(3)	(1,427)	(627)	(143)	(617)	(40)	(9)
TRANSMISSION PLANT	64	0	(0)	(20)	(17)	(2)	(1)	(165)	(77)	(17)	(67)	(5)	(2)
DISTRIBUTION PLANT	66	(180)	(3)	(34)	(29)	(5)	(1)	(189)	(101)	(24)	(58)	(5)	(2)
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0
ENERGY ALLOCATION		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL AMORTIZED ITC		(214)	(4)	(187)	(161)	(22)	(5)	(1,781)	(805)	(185)	(742)	(49)	(13)
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0
INCOME TAX COMPUTATION													
RETURN ON RATE BASE @ SYSTEM AVG ROR	RB	24,212	434	18,773	16,144	2,186	443	182,505	82,155	18,881	76,436	5,033	1,359
TOTAL AMORTIZED ITC		(214)	(4)	(187)	(161)	(22)	(5)	(1,781)	(805)	(185)	(742)	(49)	(13)
TOTAL OTHER INTEREST EXPENSE		(12,334)	(215)	(8,481)	(7,289)	(993)	(199)	(81,242)	(36,715)	(8,445)	(33,848)	(2,234)	(621)
ADJUSTMENTS TO DETERMINE TAXABLE INCOME		0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0	0
BASE FOR TAX COMPUTATION		11,664	214	10,105	8,694	1,171	239	99,483	44,636	10,251	41,846	2,750	725
SYSTEM TAX FACTOR INCL DEF (TF/1-TF)		0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115
PRELIMINARY INCOME TAX		7,118	131	6,165	5,305	715	146	60,696	27,233	6,255	25,531	1,678	442
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME TAX		7,116	131	6,165	5,305	715	146	60,696	27,233	6,255	25,531	1,678	442
COST OF SERVICE COMPUTATION													
TOTAL OTHER OPERATING REVENUES		7,768	117	8,086	6,999	920	167	92,806	41,469	8,739	39,930	2,668	1,622
COST OF SERVICE COMPUTATION													
TOTAL OP EXP EXC INC & REV TAX		73,702	2,053	115,259	99,896	12,817	2,548	1,245,282	548,016	125,420	537,202	34,643	8,326
RETURN ON RATE BASE @ SYSTEM AVG ROR		24,212	434	18,773	16,144	2,186	443	182,505	82,155	18,881	76,436	5,033	1,359
NET INCOME TAX		7,116	131	6,165	5,305	715	146	60,696	27,233	6,255	25,531	1,678	442
INTEREST ON CUSTOMER DEPOSITS		30	0	2	2	0	0	145	84	11	50	0	0
TOTAL AMORTIZED ITC		(214)	(4)	(187)	(161)	(22)	(5)	(1,781)	(805)	(185)	(742)	(49)	(13)
TOTAL OTHER OPERATING REVENUES		(7,768)	(117)	(8,086)	(6,999)	(920)	(167)	(92,806)	(41,469)	(8,739)	(39,930)	(2,668)	(1,622)
SUBTOTAL		97,078	2,496	131,926	114,187	14,776	2,963	1,394,042	615,214	141,643	598,548	38,637	8,492
OTHER DEDUCTIONS TO COST OF SERVICE		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ELECTRIC COST OF SERVICE		97,078	2,496	131,926	114,187	14,776	2,963	1,394,042	615,214	141,643	598,548	38,637	8,492

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Revenues)

	Alloc	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
REVENUE FROM SALES	Dir	3,948,719	1,774,493	1,043,372	731,121	679,728	378,208	265,552	17,947	18,021	107,183	74,458	29,718	1,209
OTHER OPERATING REVENUES														
450-LATE PAYMENT CHARGE		11,192	9,747	8,143	1,604	855	698	88	37	36	102	100	0	2
451-MISCELLANEOUS SERVICE REVENUES		3,026	3,026	1,778	1,248	0	0	0	0	0	0	0	0	0
454-RENTAL REVENUE - POLE ATTACHMENTS	9	26,551	20,482	11,998	8,484	3,022	2,425	485	82	30	1,189	1,113	29	9
454-RENT-REAL ESTATE	55	1,501	673	401	273	238	139	87	6	6	31	18	11	0
454-EXTRA FACILITIES CHARGE		18,672	0	0	0	678	391	287	0	0	3,908	3,908	0	0
456-CIAC & OTHER DIST RELATED ITEMS-ALLOC	60	1,213	457	275	192	193	101	82	5	6	12	8	4	0
456-CIAC & OTHER DIST RELATED ITEMS-DIR WHSALE		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
BILL CREDITS - DSM PROFORMA	77	(4,336)	(1,670)	(984)	(687)	(690)	(360)	(292)	(17)	(20)	(43)	(28)	(13)	(1)
BPM PROFORMA	7	(23,178)	(8,611)	(4,904)	(3,708)	(3,452)	(1,740)	(1,512)	(90)	(111)	(304)	(200)	(92)	(4)
456-SALES OF M&S	35	8	3	2	1	1	1	0	0	0	0	0	0	0
456-REV FROM TRANSMISSON OF ELECTRICITY		10,437	4,071	2,429	1,642	1,696	898	709	42	47	89	58	27	1
456-SERVICE PROVIDED OTHER	55	30,828	13,829	8,231	5,598	4,884	2,863	1,780	121	121	627	376	224	7
456-MISC OTHER ELECTRIC REVENUE		178,161	66,106	37,595	28,511	26,473	13,322	11,811	668	852	2,361	1,550	715	34
TOTAL OTHER OPERATING REVS		254,075	109,229	66,044	43,185	34,447	19,225	13,391	881	960	7,885	6,852	869	47
ELECTRIC OPERATING REVENUE		4,202,794	1,883,722	1,109,416	774,306	714,175	397,433	278,943	18,828	18,971	115,068	81,310	30,587	1,256

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Revenues)

	Alloc	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
REVENUE FROM SALES	Dir	105,385	1,796	130,160	113,127	14,895	2,138	1,245,457	569,533	131,978	511,185	32,763	11,698
OTHER OPERATING REVENUES													
450-LATE PAYMENT CHARGE		102	0	6	6	0	0	462	279	38	165	0	0
451-MISCELLANEOUS SERVICE REVENUES		0	0	0	0	0	0	0	0	0	0	0	0
454-RENTAL REVENUE - POLE ATTACHMENTS	9	1,151	39	306	258	41	7	1,548	874	219	416	37	6
454-RENT-REAL ESTATE	55	30	1	49	42	6	1	507	225	52	216	14	3
454-EXTRA FACILITIES CHARGE		3,908	0	776	665	111	0	12,198	6,145	700	4,923	430	1,112
456-CIAC & OTHER DIST RELATED ITEMS-ALLOC	60	12	0	46	40	5	1	492	216	49	213	14	3
456-CIAC & OTHER DIST RELATED ITEMS-DIR W-SALE		0	0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
BILL CREDITS - DSM PROFORMA	77	(42)	(1)	(164)	(141)	(18)	(4)	(1,758)	(772)	(177)	(760)	(49)	(11)
BPM PROFORMA	7	(296)	(8)	(636)	(729)	(90)	(18)	(9,910)	(4,266)	(970)	(4,396)	(279)	(64)
456-SALES OF M&S	35	0	0	0	0	0	0	3	1	0	1	0	0
456-REV FROM TRANSMISSON OF ELECTRICITY		86	3	400	345	45	10	4,155	1,833	418	1,788	116	26
456-SERVICE PROVIDED OTHER	55	606	21	1,008	870	114	24	10,411	4,625	1,059	4,438	289	68
456-MISC OTHER ELECTRIC REVENUE		2,299	62	6,419	5,595	688	136	76,313	32,827	7,462	33,878	2,146	489
TOTAL OTHER OPERATING REVS		7,768	117	8,086	6,989	920	167	92,806	41,469	8,739	39,930	2,668	1,622
ELECTRIC OPERATING REVENUE		113,153	1,916	138,246	120,126	15,815	2,305	1,338,263	611,002	140,715	551,115	35,431	13,320

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Allocator Amounts)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
TOTAL KW	1	12,005,784	5,087,203	3,256,178	1,831,025	2,245,932	1,272,081	872,921	53,259	47,671	2,396	0	0	0	0
TOTAL TRANSMISSION LEVEL KW	2	12,005,784	5,087,203	3,256,178	1,831,025	2,245,932	1,272,081	872,921	53,259	47,671	2,396	0	0	0	0
DISTRIBUTION NONCOINCIDENT PEAK	3	18,962,561	12,536,816	6,637,621	5,899,195	2,786,075	1,613,014	1,020,119	113,370	49,572	2,480	0	0	0	0
NONCOINCIDENT PEAK	4	20,677,919	12,536,816	6,637,621	5,899,195	2,814,540	1,613,014	1,038,584	113,370	49,572	212,164	142,958	65,519	1,177	209,684
MWH AT GENERATION LEVEL	5	56,960,770	21,949,816	12,499,546	9,450,272	8,822,677	4,446,970	3,884,008	228,851	282,746	778,111	510,783	235,605	11,154	757,542
PROD PLANT ENERGY FACTOR	6	6,712,293	2,488,841	1,422,990	1,075,851	1,004,404	506,258	439,892	26,065	32,189	88,583	58,149	26,822	1,270	86,241
MWH SALES	7	55,984,055	20,792,562	11,840,535	8,952,027	8,335,029	4,200,845	3,651,028	216,270	267,088	735,012	482,490	222,555	10,537	715,582
DISTRIBUTION SUBSTATIONS (360-2)	8	666,447	437,705	231,743	205,962	97,847	58,437	35,721	3,958	1,731	87	0	0	0	0
DISTRIBUTION OH LINES (364, 5, 9)	9	2,450,842	1,880,604	1,107,480	783,124	278,911	223,805	44,772	7,579	2,755	109,786	102,703	2,657	845	106,205
UG COND CONDUC & DEV (366-7)	10	1,285,542	835,958	442,598	393,360	186,697	107,874	68,156	7,560	3,305	17,424	17,118	0	141	17,259
LINE TRANSFORMERS (368)	11	774,747	490,068	271,261	218,805	99,824	65,726	29,081	3,569	1,446	6,896	3,640	2,223	32	6,094
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	3,775,126	1,708,333	1,004,001	704,332	663,395	378,098	252,065	18,783	16,469	102,084	71,221	27,989	1,157	100,367
AVERAGE BILLS	13	2,145,627	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	288,076	272,178	4,839	5,462	282,479
AVERAGE BILLS EXCLUDING OL, PL & TS	14	1,857,551	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	0	0	0	0	0
AVERAGE BILLS NO OL-RETAIL	15	1,867,987	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	10,436	0	4,839	0	4,839
P&T BILLS	16	419	0	0	0	97	82	15	0	0	0	0	0	0	0
P&T BILLS RETAIL	17	419	0	0	0	97	82	15	0	0	0	0	0	0	0
DISTRIBUTION BILLS RETAIL NO OL	18	1,867,568	1,602,696	971,768	630,928	234,116	222,886	4,535	5,479	1,216	10,436	0	4,839	0	4,839
DISTRIBUTION BILLS RETAIL NO OL, PL	19	1,862,729	1,602,696	971,768	630,928	234,116	222,886	4,535	5,479	1,216	5,597	0	0	0	0
ADJ TOTAL METERS (avg bills + add. PT and Dist meters)	20	2,145,627	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	288,076	272,178	4,839	5,462	282,479
ADJ TOTAL METERS- NO OL, PL	21	1,868,610	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	11,059	0	0	5,462	5,462
DISTR ENG ALLOCATION OF 389	22	1,200,490	1,111,117	673,707	437,410	81,092	79,248	1,649	0	195	895	0	0	0	0
DISTR ENG ALLOCATION OF 370	23	80,987	41,494	25,159	16,335	31,623	29,730	1,708	142	43	197	0	0	0	0
DISTRIBUTION OPER EXPENSE (582-587)	24	23,200	14,230	8,802	5,928	5,223	4,570	556	71	25	1,536	865	573	16	1,474
DISTRIBUTION MAINT EXP (591-598)	25	81,074	57,279	33,202	24,078	9,399	7,286	1,742	269	100	7,609	3,271	4,046	37	7,355
CUSTOMER RECORD AND COLLECTION 903 EXP	26	34,202	26,928	16,363	10,565	3,962	3,771	77	93	21	2,821	2,690	82	54	2,826
CUST ACCOUNTS 902-4 RETAIL	27	50,307	40,880	27,064	13,816	5,433	5,051	178	144	60	3,037	2,790	82	56	2,928
CUST ACCOUNTS 902-4 RETAIL	28	50,307	40,880	27,064	13,816	5,433	5,051	178	144	60	3,037	2,790	82	56	2,928
REVENUE FROM ENERGY SALES-RETAIL	29	3,773,299	1,707,514	1,002,865	704,649	661,201	376,827	261,244	16,708	16,421	102,084	71,223	27,989	1,157	100,389
REVENUE FROM ENERGY SALES-RETAIL STATE	30	3,948,719	1,774,493	1,043,372	731,121	679,728	378,208	285,552	17,947	18,021	107,183	74,458	29,718	1,209	105,385
PRESENT REVENUE	31	3,948,719	1,774,493	1,043,372	731,121	679,728	378,208	285,552	17,947	18,021	107,183	74,458	29,718	1,209	105,385
OTHER REVENUE	32	254,075	109,223	66,044	43,185	34,447	19,225	13,391	881	950	7,885	6,852	669	47	7,768
ELECTRIC OPERATING REVENUE	33	4,202,794	1,883,722	1,109,416	774,306	714,175	397,433	278,943	18,828	18,971	115,068	81,310	30,587	1,256	113,153
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	787,252	369,577	220,057	149,520	122,410	73,918	42,558	3,005	2,931	20,268	12,087	7,272	217	19,576
MATERIALS AND SUPPLIES	35	303,703	130,507	76,041	54,466	47,299	25,937	18,875	1,227	1,260	4,688	3,214	1,231	72	4,518
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	787,252	369,577	220,057	149,520	122,410	73,918	42,558	3,005	2,931	20,268	12,087	7,272	217	19,576
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	9,782,279	4,501,881	2,585,321	1,916,560	1,472,601	848,543	550,203	38,738	35,417	412,497	309,082	90,567	5,584	405,233
RATEBASE INCL CWIP (ex Cash Bond Prem & Pref)	38	8,296,917	3,895,758	2,229,767	1,665,971	1,239,604	723,131	454,688	32,767	29,017	385,592	290,396	83,353	5,226	378,976
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39														
O&M EXCLUDING A&G - RETAIL	40														
A&G	41														
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42														
DISTRIBUTION EXPENSE EX PROFORMAS	43	132,622	89,171	51,799	37,372	20,868	17,108	2,973	428	158	11,104	5,243	5,396	72	10,711
DISTRIBUTION SALARY & WAGES	44	38,168	25,863	14,908	10,755	5,948	4,924	856	123	45	3,186	1,508	1,553	21	3,083
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	53,468	43,449	28,765	14,684	5,774	5,368	189	153	64	3,228	2,985	87	60	3,112
CUST ACCOUNTING SALARY & WAGES	46	13,826	11,235	7,438	3,797	1,493	1,388	49	40	16	835	767	23	15	805
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	15,557	12,009	7,281	4,728	3,260	3,104	63	76	17	0	0	0	0	0
CUST SERVICE & INFO SALARY & WAGES	48	8,356	6,450	3,911	2,540	1,751	1,667	34	41	9	0	0	0	0	0
SALES EXPENSE EX PROFORMAS	49	5	4	2	2	1	1	0	0	0	0	0	0	0	0
TOTAL DISTR SALARY & WAGES	50	60,350	43,348	26,256	17,092	9,192	7,979	938	204	71	4,030	2,276	1,575	38	3,887
OTHER PRODUCTION EXP-DEMAND	51	427,700	164,749	97,031	67,718	68,020	35,537	28,800	1,720	1,962	4,249	2,775	1,260	61	4,115
POWER PROD SALARY & WAGES	52	249,390	96,064	56,579	39,486	39,602	20,722	16,793	1,003	1,144	2,477	1,618	746	35	2,400
TRANSMISSION EXPENSE	53	39,350	16,085	10,060	6,025	6,971	3,867	2,773	168	162	125	78	36	2	116
TRANSMISSION SALARY & WAGES	54	11,645	4,842	3,028	1,814	2,099	1,164	835	51	49	38	23	11	1	35
TOTAL WAGES & SALARIES EX A&G	55	321,585	144,255	85,863	58,392	50,952	29,865	18,566	1,257	1,264	6,545	3,917	2,353	72	6,322
RATE INCREASE REVENUE	56	556,828	240,166	144,751	95,415	138,703	50,062	29,547	29,547	29,547	21,375	13,691	3,675	3,675	21,041
RATIO	57	1.121928208	0.431543428	0.260096529	0.171446899	0.249229148	0.089954164	0.053091668	0.053091668	0.053091668	0.03840777	0.024600739	0.006603441	0.006603441	0.037807621
A&G WAGES & SALARIES	58	94,021	44,986	28,338	16,648	16,943	10,400	5,820	398	325	1,205	672	484	11	1,147
WTD GROSS PROD PLANT RATIOS	59														
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	8,833,594	3,402,680	2,004,058	1,398,622	1,404,861	733,976	594,823	35,528	40,532	67,748	57,311	26,435	1,251	84,997
WTD GROSS PROD PLANT RATIOS EX AFUDC	61														
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62														
WTD GROSS TRANS PLANT RATIOS	63	1,329,819	558,481	357,468	201,013	246,821	139,908	95,833	5,847	5,235	283	0	0	0	0
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	1,268,792	541,054	346,314	194,740	239,127	135,550	92,842	5,684	5,070	255	0	0	0	0
WTD GROSS DIST PLANT RATIOS	65	6,032,973	3,848,482	2,161,685	1,686,817	774,206	553,994	187,121	23,485	9,605	633,539	459,916	155,067	7,748	622,751
DISTRIBUTION PLANT EX. PL AND OL	66														
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	5,346,279	3,802,997	2,136,314	1,666,683	765,055	547,446	184,810	23,208	9,492	10,661	0	0	0	0
WTD GR DIST PLT EX. PROFORMA	68	5,981,669	3,802,997	2,136,314	1,666,683	765,055	547,446	184,810	23,208	9,492	926,051	454,480	153,254	7,656	615,390
WTD GROSS G & I PLT RATIOS	69	607,314	287,918	168,751	119,167	94,852	56,148	34,049	2,443	2,212	21,478	14,764	5,880	256	21,000
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	607,314	287,918	168,751	119,167	94,852	56,148	34,049	2,443	2,212	21,478	14,764	5,880	256	21,000
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	607,314	287,918	168,751	119,167	94,852	56,148	34,049	2,443	2,212	21,478	14,764	5,880	256	21,000
WTD GROSS G & I PLT EX. MISC.& PROFORMA-St	72														
WTD NET PLANT RATIOS	73	9,651,473	4,816,026	2,843,002	1,967,024	1,415,731	832,506	512,518	37,779	32,928	481,305	383,147	103,555	6,515	473,218
WTD NET PLANT RATIOS EX PROFORMAS	74	8,941,499	4,307,248	2,466,537	1,841,709	1,304,842	771,498	465,400	34,918	30,026	464,350	351,238	99,104	6,296	456,639
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	9,679,775	4,695,018	2,691,402	2,003,616	1,449,593	849,725	527,480	38,666	34,022	484,318	365,125	104,468	6,558	476,151
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	9,169,601	4,392,237	2,513,938	1,878,301	1,339,004	788,717	483,382	35,604	31,121	467,363	353,216	100,017	6,340	459,572
BASE INTERMEDIATE PEAK	77	100.000000%	38.5197669%	22.686778%	15.832994%	15.903618%	8.308940%	6.733541%	0.402197%	0.458841%	0.993342%	0.648779%	0.289258%	0.014167%	0.962205%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Allocator Amounts)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
TOTAL KW	1	2,396	510,649	431,385	62,908	16,356	4,133,466	1,922,641	442,775	1,654,139	113,931	26,118
TOTAL TRANSMISSION LEVEL KW	2	2,396	510,492	431,228	62,908	16,356	4,135,820	1,923,909	442,775	1,655,205	113,931	23,941
DISTRIBUTION NONCOINCIDENT PEAK	3	2,480	603,416	503,573	84,464	15,381	3,011,217	1,647,995	426,178	865,422	71,622	12,555
NONCOINCIDENT PEAK	4	2,480	685,104	570,208	93,656	21,242	4,365,605	2,011,767	451,957	1,809,030	112,851	43,690
MWH AT GENERATION LEVEL	5	20,569	2,130,982	1,857,964	228,958	44,062	25,116,829	10,853,844	2,475,799	11,080,532	706,854	162,353
PROD PLANT ENERGY FACTOR	6	2,342	242,696	211,517	26,065	5,016	2,859,384	1,235,638	281,653	1,261,445	80,448	18,483
MWH SALES	7	19,430	2,019,479	1,759,734	218,689	43,056	23,828,612	10,299,237	2,341,255	10,615,285	672,855	153,361
DISTRIBUTION SUBSTATIONS (360-2)	8	87	21,342	17,817	2,969	537	108,785	59,446	15,130	31,563	2,846	680
DISTRIBUTION OH LINES (364, 5, 9)	9	3,581	28,223	23,787	3,815	621	142,730	80,660	20,224	36,412	3,434	588
UG COND CONDUC & DEV (366-7)	10	165	40,569	33,862	5,661	1,026	204,034	111,729	28,729	58,638	4,939	858
LINE TRANSFORMERS (368)	11	602	20,857	17,440	2,846	571	152,917	71,992	14,278	62,453	4,194	4,387
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	1,717	125,494	109,516	14,155	1,823	1,164,022	537,215	124,959	471,963	29,885	11,795
AVERAGE BILLS	13	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
AVERAGE BILLS EXCLUDING OL, PL & TS	14	0	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
AVERAGE BILLS NO OL-RETAIL	15	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
P&T BILLS	16	0	65	58	7	0	257	55	6	180	16	0
P&T BILLS RETAIL	17	0	65	58	7	0	257	55	6	180	16	0
DISTRIBUTION BILLS RETAIL NO OL	18	5,597	4,057	3,687	369	1	16,239	12,186	2,953	1,022	78	24
DISTRIBUTION BILLS RETAIL NO OL, PL	19	5,597	4,057	3,687	369	1	16,239	12,186	2,953	1,022	78	24
ADJ TOTAL METERS (avg bills + add. PT and Dist meters)	20	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
ADJ TOTAL METERS- NO OL, PL	21	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
DISTR ENG ALLOCATION OF 369	22	696	1,474	1,340	134	0	5,903	4,430	1,074	371	28	9
DISTR ENG ALLOCATION OF 370	23	197	1,528	1,389	139	0	6,116	4,590	1,112	385	29	9
DISTRIBUTION OPER EXPENSE (582-587)	24	62	392	341	48	5	1,613	1,136	283	364	30	6
DISTRIBUTION MAINT EXP (591-598)	25	254	1,086	922	140	25	5,855	3,141	780	1,599	136	37
CUSTOMER RECORD AND COLLECTION 903 EXP	26	95	71	65	6	0	301	209	51	39	2	18
CUST ACCOUNTS 902-4 RETAIL	27	109	88	82	7	0	849	530	99	217	3	19
CUST ACCOUNTS 902-4 RETAIL	28	109	88	82	7	0	849	530	99	217	3	19
REVENUE FROM ENERGY SALES-RETAIL	29	1,716	125,455	109,558	14,091	1,806	1,185,273	535,516	124,544	474,872	30,339	11,772
REVENUE FROM ENERGY SALES-RETAIL STATE	30	1,798	130,160	113,127	14,895	2,138	1,245,457	569,533	131,976	511,185	32,763	11,698
PRESENT REVENUE	31	1,798	130,160	113,127	14,895	2,138	1,245,457	569,533	131,976	511,185	32,763	11,698
OTHER REVENUE	32	117	8,088	6,999	920	167	62,806	41,469	8,739	38,930	2,668	1,622
ELECTRIC OPERATING REVENUE	33	1,915	138,248	120,126	15,815	2,305	1,338,263	611,002	140,715	551,115	35,431	13,320
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	692	24,142	20,861	2,721	560	249,211	110,929	25,419	105,978	6,886	1,643
MATERIALS AND SUPPLIES	35	168	10,692	9,217	1,220	255	109,777	48,721	11,168	46,821	3,056	742
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	692	24,142	20,861	2,721	560	249,211	110,929	25,419	105,978	6,886	1,643
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	7,264	314,491	270,449	36,827	7,416	3,057,742	1,376,410	316,325	1,280,678	84,329	22,768
RATEBASE INCL CWIP (ex Cash Bond Prem & Prof)	38	6,617	280,583	223,952	30,514	6,117	2,496,284	1,128,131	259,473	1,040,025	68,655	19,095
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39											
O&M EXCLUDING A&G - RETAIL	40											
A&G	41											
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42											
DISTRIBUTION EXPENSE EX PROFORMAS	43	393	1,957	1,670	250	37	9,673	5,640	1,402	2,427	203	51
DISTRIBUTION SALARY & WAGES	44	113	563	481	72	11	2,784	1,623	403	699	59	15
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	116	95	87	7	0	902	563	105	231	3	20
CUST ACCOUNTING SALARY & WAGES	46	30	24	23	2	0	233	146	27	60	1	5
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	0	58	53	5	0	230	170	41	17	2	0
CUST SERVICE & INFO SALARY & WAGES	48	0	31	28	3	0	124	91	22	9	1	0
SALES EXPENSE EX PROFORMAS	49	0	0	0	0	0	0	0	0	0	0	0
TOTAL DISTR SALARY & WAGES	50	143	619	532	77	11	3,141	1,860	453	767	80	20
OTHER PRODUCTION EXP-DEMAND	51	133	16,144	13,952	1,807	385	173,423	76,162	17,411	74,892	4,858	1,116
POWER PROD SALARY & WAGES	52	78	9,414	8,138	1,053	225	101,122	44,410	10,152	43,727	2,833	651
TRANSMISSION EXPENSE	53	9	1,607	1,366	193	48	14,432	6,571	1,487	5,978	397	130
TRANSMISSION SALARY & WAGES	54	3	484	411	58	14	4,344	1,978	448	1,799	119	39
TOTAL WAGES & SALARIES EX A&G	55	224	10,516	9,078	1,188	250	108,807	48,248	11,052	46,294	3,013	710
RATE INCREASE REVENUE	56	334	19,067	14,729	2,169	2,169	136,196	64,265	14,860	53,371	3,700	1,021
RATIO	57	0.000600149	0.03426063	0.025465874	0.003897378	0.003897378	0.244724435	0.115474873	0.026701262	0.095899937	0.006648363	0.0018348
A&G WAGES & SALARIES	58	58	3,422	2,895	421	106	27,290	12,798	2,952	10,795	745	175
WTD GROSS PROD PLANT RATIOS	59											
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	2,751	333,443	288,166	37,312	7,986	3,561,820	1,573,031	359,582	1,548,859	100,337	23,042
WTD GROSS PROD PLANT RATIOS EX AFUDC	61											
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62											
WTD GROSS TRANS PLANT RATIOS	63	263	56,175	47,458	6,921	1,796	463,642	215,278	48,687	187,018	12,660	4,538
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	255	54,426	45,961	6,706	1,740	449,474	208,687	47,170	181,348	12,269	4,456
WTD GROSS DIST PLANT RATIOS	65	10,788	118,527	99,594	16,122	2,811	651,113	349,224	84,125	201,754	16,010	7,109
DISTRIBUTION PLANT EX. PL AND OL	66											
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	10,661	117,128	98,417	15,932	2,778	643,418	345,097	83,131	199,370	15,820	7,022
WTD GR DIST PLT EX. PROFORMA	68	10,661	117,128	98,417	15,932	2,778	643,418	345,097	83,131	199,370	15,820	7,022
WTD GROSS G & I PLT RATIOS	69	478	19,152	16,489	2,225	439	182,540	82,677	19,041	75,837	4,985	1,374
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	478	19,152	16,489	2,225	439	182,540	82,677	19,041	75,837	4,985	1,374
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	478	19,152	16,489	2,225	439	182,540	82,677	19,041	75,837	4,985	1,374
WTD GROSS G & I PLT EX. MISC.& PROFORMA-St	72											
WTD NET PLANT RATIOS	73	8,087	294,865	253,384	34,581	6,900	2,827,860	1,278,712	293,952	1,177,475	77,721	21,686
WTD NET PLANT RATIOS EX PROFORMAS	74	7,711	268,796	231,811	31,701	6,284	2,575,245	1,166,196	268,142	1,070,213	70,692	20,020
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	8,167	303,116	260,578	35,468	7,071	2,925,115	1,320,738	303,538	1,220,380	80,457	22,314
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	7,791	278,048	239,005	32,587	6,455	2,672,500	1,208,225	277,728	1,113,118	73,428	20,649
BASE INTERMEDIATE PEAK	77	0.0311137%	3.774720%	3.262182%	0.422384%	0.090175%	40.547709%	17.807378%	4.070737%	17.532740%	1.135854%	0.260841%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Allocator Percents)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
TOTAL KW	1	100.000000%	42.372935%	27.121744%	15.251191%	18.707083%	10.595568%	7.270837%	0.443611%	0.397067%	0.019957%	0.000000%	0.000000%	0.000000%	0.000000%
TOTAL TRANSMISSION LEVEL KW	2	100.000000%	42.372935%	27.121744%	15.251191%	18.707083%	10.595568%	7.270837%	0.443611%	0.397067%	0.018957%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION NONCOINCIDENT PEAK	3	100.000000%	66.113517%	35.003821%	31.109696%	14.745239%	8.508309%	5.379648%	0.587862%	0.261420%	0.013078%	0.000000%	0.000000%	0.000000%	0.000000%
NONCOINCIDENT PEAK	4	100.000000%	60.829002%	32.100044%	28.528959%	13.611331%	7.800659%	5.022672%	0.546288%	0.239734%	1.026041%	0.691501%	0.316855%	0.005692%	1.014046%
MWH AT GENERATION LEVEL	5	100.000000%	37.227835%	21.199767%	16.028067%	14.863839%	7.542252%	6.553524%	0.388311%	0.479553%	1.319710%	0.866310%	0.399598%	0.018181%	1.284824%
PROD PLANT ENERGY FACTOR	6	100.000000%	37.227830%	21.199760%	16.028070%	14.863650%	7.542251%	6.553528%	0.388317%	0.479553%	1.319713%	0.866306%	0.399595%	0.018221%	1.284822%
MWH SALES	7	100.000000%	37.153423%	21.157393%	15.996030%	14.693540%	7.505970%	6.523880%	0.386444%	0.477246%	1.313384%	0.862143%	0.397675%	0.018828%	1.278646%
DISTRIBUTION SUBSTATIONS (360-2)	8	100.000000%	65.677421%	34.772930%	30.904491%	14.681888%	8.468356%	5.359918%	0.583919%	0.259696%	0.012992%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION OH LINES (364, 5, 9)	9	100.000000%	77.140986%	45.187716%	31.953271%	11.380210%	9.131752%	1.828804%	0.309251%	0.112403%	4.479523%	4.190519%	0.108432%	0.034478%	4.333429%
UG COND CONDUC & DEV (366-7)	10	100.000000%	65.027707%	34.428939%	30.598768%	14.522830%	8.375785%	5.301875%	0.588043%	0.257127%	1.355410%	1.331578%	0.000000%	0.010968%	1.342547%
LINE TRANSFORMERS (368)	11	100.000000%	63.254942%	35.012803%	28.242139%	12.884746%	8.483599%	3.753888%	0.460836%	0.188841%	0.884305%	0.495598%	0.288876%	0.004079%	0.788555%
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	100.000000%	45.252344%	28.595165%	16.657179%	17.572781%	10.015507%	6.676998%	0.440038%	0.436250%	2.704122%	1.886586%	0.741406%	0.030648%	2.658640%
AVERAGE BILLS	13	100.000000%	74.695928%	45.290631%	29.405297%	10.915830%	10.391741%	0.212059%	0.255357%	0.056873%	13.428182%	12.685243%	0.225528%	0.254564%	13.165336%
AVERAGE BILLS EXCLUDING OL, PL & TS	14	100.000000%	86.280054%	52.314472%	33.965582%	12.608598%	12.003331%	0.244846%	0.284958%	0.085483%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
AVERAGE BILLS NO OL-RETAIL	15	100.000000%	85.798028%	52.022204%	33.775824%	12.538256%	11.936272%	0.243578%	0.283310%	0.085097%	0.558876%	0.000000%	0.259049%	0.000000%	0.259049%
P&T BILLS	16	100.000000%	0.000000%	0.000000%	0.000000%	23.150358%	19.570406%	3.579952%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
P&T BILLS RETAIL	17	100.000000%	0.000000%	0.000000%	0.000000%	23.150358%	19.570406%	3.579952%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION BILLS RETAIL N0 OL	18	100.000000%	85.817277%	52.033875%	33.783402%	12.535876%	11.934559%	0.242828%	0.283376%	0.065111%	0.558802%	0.000000%	0.259107%	0.000000%	0.259107%
DISTRIBUTION BILLS RETAIL N0 OL, PL	19	100.000000%	86.040213%	52.169049%	33.871164%	12.568441%	11.965582%	0.243480%	0.284138%	0.065281%	0.300473%	0.000000%	0.000000%	0.000000%	0.000000%
ADJ TOTAL METERS (avg bills + add. PT and Dist meters)	20	100.000000%	74.695928%	45.290631%	29.405297%	10.915830%	10.391741%	0.212058%	0.255357%	0.056873%	13.428182%	12.685243%	0.225528%	0.254584%	13.165336%
ADJ TOTAL METERS- NO OL, PL	21	100.000000%	85.769422%	52.004859%	33.764563%	12.534076%	11.932282%	0.243497%	0.293213%	0.065075%	0.591830%	0.000000%	0.000000%	0.292303%	0.292303%
DISTR ENG ALLOCATION OF 369	22	100.000000%	92.555290%	56.119335%	36.435955%	6.754908%	6.601304%	0.137361%	0.000000%	0.016243%	0.074553%	0.000000%	0.000000%	0.000000%	0.000000%
DISTR ENG ALLOCATION OF 370	23	100.000000%	51.248039%	31.073153%	20.174886%	39.058853%	36.718663%	2.109501%	0.175380%	0.053108%	0.243309%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION OPER EXPENSE (582-587)	24	100.000000%	61.335293%	35.782418%	25.552875%	22.514541%	19.699266%	2.398123%	0.307487%	0.109844%	6.620747%	3.815055%	2.469768%	0.069095%	6.353918%
DISTRIBUTION MAINT EXP (591-598)	25	100.000000%	70.650774%	40.952588%	29.698186%	11.592628%	8.988710%	2.148718%	0.331283%	0.123917%	9.385056%	4.034928%	4.991007%	0.045835%	9.071768%
CUSTOMER RECORD AND COLLECTION 903 EXP	26	100.000000%	78.732238%	47.842231%	30.890006%	11.584118%	11.025671%	0.225133%	0.271914%	0.061400%	8.540436%	7.865037%	0.239752%	0.157886%	8.262675%
CUST ACCOUNTS 902-4 RETAIL	27	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
CUST ACCOUNTS 902-4 RETAIL	28	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
REVENUE FROM ENERGY SALES-RETAIL	29	100.000000%	45.252550%	26.577936%	18.674613%	17.523154%	9.986672%	6.658470%	0.442822%	0.435189%	2.705431%	1.887553%	0.741765%	0.030663%	2.659980%
REVENUE FROM ENERGY SALES-RETAIL STATE	30	100.000000%	44.938447%	26.423050%	18.515397%	17.213886%	9.577992%	6.725016%	0.454502%	0.456376%	2.714374%	1.885624%	0.752599%	0.030818%	2.668840%
PRESENT REVENUE	31	100.000000%	44.938447%	26.423050%	18.515397%	17.213886%	9.577992%	6.725016%	0.454502%	0.456376%	2.714374%	1.885624%	0.752589%	0.030818%	2.668840%
OTHER REVENUE	32	100.000000%	42.890849%	25.893899%	16.996950%	13.557808%	7.566683%	5.270491%	0.346748%	0.379905%	3.103414%	2.696841%	0.342025%	0.018498%	3.057365%
ELECTRIC OPERATING REVENUE	33	100.000000%	44.820707%	26.397106%	18.423601%	16.992862%	9.456400%	6.837085%	0.447988%	0.451390%	2.737893%	1.934665%	0.727778%	0.029885%	2.692328%
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	100.000000%	46.945181%	27.952559%	18.992622%	15.549041%	9.389124%	5.405858%	0.381694%	0.372364%	2.574517%	1.535365%	0.923704%	0.027514%	2.486584%
MATERIALS AND SUPPLIES	35	100.000000%	42.972028%	25.038107%	17.933921%	15.574259%	8.540349%	6.214986%	0.404100%	0.414644%	1.542799%	1.058415%	0.405451%	0.023750%	1.487615%
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	100.000000%	46.945181%	27.952559%	18.992622%	15.549041%	9.389124%	5.405858%	0.381694%	0.372364%	2.574517%	1.535365%	0.923704%	0.027514%	2.486584%
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	100.000000%	46.020783%	26.428617%	19.592167%	15.058826%	8.674267%	5.624482%	0.395959%	0.362058%	4.216778%	3.159609%	0.925830%	0.057086%	4.142525%
RATEBASE INCL CWIP (ex Cash Bond Prem & Prof)	38	100.000000%	46.954285%	26.874882%	20.079403%	14.940533%	8.715685%	5.480208%	0.394932%	0.349728%	4.647416%	3.500051%	1.004632%	0.062884%	4.567867%
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39														
O&M EXCLUDING A&G - RETAIL	40														
A&G	41														
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42														
DISTRIBUTION EXPENSE EX PROFORMAS	43	100.000000%	67.237066%	39.057792%	28.179276%	15.582700%	12.898755%	2.241490%	0.322626%	0.118828%	8.372864%	3.953382%	4.068566%	0.054318%	8.076265%
DISTRIBUTION SALARY & WAGES	44	100.000000%	67.237066%	39.057792%	28.179276%	15.582700%	12.898755%	2.241490%	0.322626%	0.118828%	8.372864%	3.953382%	4.068566%	0.054318%	8.076265%
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
CUST ACCOUNTING SALARY & WAGES	46	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	100.000000%	77.193546%	46.802083%	30.391464%	20.955197%	19.952433%	0.404962%	0.488526%	0.109276%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
CUST SERVICE & INFO SALARY & WAGES	48	100.000000%	77.193546%	46.802083%	30.391464%	20.955197%	19.952433%	0.404962%	0.488526%	0.109276%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
SALES EXPENSE EX PROFORMAS	49	100.000000%	80.000000%	40.000000%	40.000000%	20.000000%	20.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
TOTAL DISTR SALARY & WAGES	50	100.000000%	71.828485%	43.506923%	28.321562%	15.230797%	13.221182%	1.654748%	0.337261%	0.117607%	6.678411%	3.770853%	2.610483%	0.059855%	6.441191%
OTHER PRODUCTION EXP-DEMAND	51	100.000000%	38.519769%	22.686776%	15.832994%	15.903618%	8.308940%	6.733641%	0.402197%	0.458841%	0.993342%	0.648779%	0.299258%	0.014167%	0.962205%
POWER PROD SALARY & WAGES	52	100.000000%	38.519769%	22.686776%	15.832994%	15.903618%	8.308940%	6.733641%	0.402197%	0.458841%	0.993342%	0.648779%	0.299258%	0.014167%	0.962205%
TRANSMISSION EXPENSE	53	100.000000%	40.878243%	25.564612%	15.311631%	17.716478%	9.827712%	7.048113%	0.427946%	0.412705%	0.317685%	0.198221%	0.091487%	0.005083%	0.294790%
TRANSMISSION SALARY & WAGES	54	100.000000%	40.878243%	25.564612%	15.311631%	17.716478%	9.827712%	7.048113%	0.427946%	0.412705%	0.317685%	0.198221%	0.091487%	0.005083%	0.294790%
TOTAL WAGES & SALARIES EX A&G	55	100.000000%	44.857420%	28.699972%	16.157448%	15.844127%	9.286733%	5.773331%	0.390959%	0.393104%	2.035339%	1.218085%	0.725339%	0.022407%	1.965831%
RATE INCREASE REVENUE	56	100.000000%	43.154343%	26.009653%	17.144690%	24.922915%	8.985414%	5.309167%	5.309167%	5.309167%	3.840777%	2.460074%	0.660344%	0.660344%	3.780762%
RATIO	57														
A&G WAGES & SALARIES	58	100.000000%	47.846758%	30.140075%	17.706683%	18.020442%	11.061359%	6.190106%	0.423310%	0.345667%	1.281629%	0.714734%	0.493507%	0.011700%	1.219940%
WTD GROSS PROD PLANT RATIOS	59														
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	100.000000%	38.519769%	22.686776%	15.832994%	15.903618%	8.308940%	6.733641%	0.402197%	0.458841%	0.993342%	0.648779%	0.299258%	0.014167%	0.962205%
WTD GROSS PROD PLANT RATIOS EX AFUDC	61														
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62														
WTD GROSS TRANS PLANT RATIOS	63	100.000000%	41.993594%	26.878939%	15.114655%	18.559084%	10.520036%	7.205896%	0.439640%	0.393512%	0.019778%	0.000000%	0.000000%	0.000000%	0.000000%
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	100.000000%	41.981488%	26.871190%	15.110298%	18.554361%	10.517626%	7.203824%	0.439513%	0.393399%	0.019773%	0.000000%	0.000000%	0.000000%	0.000000%
WTD GROSS DIST PLANT RATIOS	65	100.000000%	63.790809%	35.834181%	27.956648%	12.832902%	9.182763%	3.101643%	0.389284%	0.159213%	10.501274%	7.623368%	2.570657%	0.128426%	10.322450%
DISTRIBUTION PLANT EX. PL AND OL	66														
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	100.000000%	71.133532%	39.958898%	31.174634%	14.330050%	10.239756%	3.458661%	0.434094%	0.177539%	0.199408%	0.000000%	0.000000%	0.000000%	0.000000%
WTD GR DIST PLT EX. PROFORMA	68	100.000000%	63.790809%	35.834181%	27.956648%	12.832902%	9.182763%	3.101643%	0.389284%	0.159213%	10.501274%	7.623368%	2.570657%	0.128426%	10.322450%
WTD GROSS G & I PLT RATIOS	69	100.000000%	47.408401%	27.786409%	19.621991%	15.618311%	9.245296%	5.606453%	0.402274%	0.364288%	3.536545%	2.431038%	0.984679%	0.042194%	3.457911%
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	100.000000%	47.408401%	27.786409%	19.621991%	15.618311%	9.245296%	5.606453%	0.402274%	0.364288%	3.536545%	2.431038%	0.984679%	0.042194%	3.457911%
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	100.000000%	47.408401%	27.786409%	19.621991%	15.618311%	9.245296%	5.606453%	0.402274%	0.364288%	3.536545%	2.431038%	0.984679%	0.042194%	3.457911%
WTD GROSS G & I PLT EX. MISC.& PROFORMA-St	72														
WTD NET PLANT RATIOS	73	100.000000%	47.765000%	27.384443%	20.380557%	14.665549%	8.625689%	5.310260%	0.391433%	0.341167%	4.988854%	3.762610%	1.072950%	0.067502%	4.903063%
WTD NET PLANT RATIOS EX PROFORMAS	74	100.000000%	48.171403%	27.574085%	20.597318%	14.693102%	8.628287%	5.238496%	0.390513%	0.335807%	5.193200%	3.928182%	1.108363%	0.070417%	5.106963%
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	100.000000%	47.521507%	27.241527%	20.279980%	14.675968%	8.600653%	5.338869%	0.391361%	0.344365%	4.902113%	3.695683%	1.057390%	0.066360%	4.819452%
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	100.000000%	47.898939%	27.415383%	20.483557%	14.602327%	8.601247%	5.271236%	0.390456%	0.339386%	5.086761%	3.851950%	1.090717%	0.069135%	5.011803%
Base Intermediate Peak	77	100.000000%	38.519769%	22.686776%	15.832994%	15.903618%	8.308940%	6.733641%	0.402197%	0.458841%	0.993342%	0.648779%	0.299258%	0.014167%	0.962205%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(BIP Allocator Percents)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
TOTAL KW	1	0.019957%	4.253358%	3.593143%	0.523981%	0.138234%	34.429122%	16.014289%	3.688014%	13.777851%	0.948968%	0.217545%
TOTAL TRANSMISSION LEVEL KW	2	0.019857%	4.252051%	3.591835%	0.523981%	0.138234%	34.446562%	16.024851%	3.688014%	13.786730%	0.948968%	0.199412%
DISTRIBUTION NONCOINCIDENT PEAK	3	0.013078%	3.182155%	2.655817%	0.445425%	0.081112%	15.879601%	8.690783%	2.247471%	4.563846%	0.377702%	0.066209%
NONCOINCIDENT PEAK	4	0.011993%	3.913215%	2.757560%	0.452928%	0.102728%	21.209122%	9.729059%	2.185899%	8.748608%	0.545756%	0.211288%
MWH AT GENERATION LEVEL	5	0.034886%	3.614237%	3.151187%	0.388319%	0.074731%	42.599221%	18.408586%	4.199062%	18.793059%	1.198516%	0.275358%
PROD PLANT ENERGY FACTOR	6	0.034891%	3.614234%	3.151188%	0.388317%	0.074729%	42.599213%	18.408583%	4.199057%	18.793056%	1.198517%	0.275360%
MWH SALES	7	0.034719%	3.608529%	3.144400%	0.387193%	0.076935%	42.757109%	18.403307%	4.183498%	18.988005%	1.202299%	0.274035%
DISTRIBUTION SUBSTATIONS (360-2)	8	0.012992%	3.202428%	2.673362%	0.448489%	0.080577%	16.323186%	8.919901%	2.270308%	4.735008%	0.396968%	0.102085%
DISTRIBUTION OH LINES (364, 5, 9)	9	0.146095%	1.151546%	0.970562%	0.155642%	0.025322%	5.627726%	3.291132%	0.625202%	1.567283%	0.140109%	0.024008%
UG COND CONDUC & DEV (366-7)	10	0.012864%	3.155798%	2.634095%	0.441921%	0.079780%	15.871423%	8.691181%	2.234752%	4.581312%	0.384176%	0.065833%
LINE TRANSFORMERS (368)	11	0.077750%	2.592045%	2.251072%	0.367335%	0.073537%	19.737648%	9.292367%	1.842867%	8.061029%	0.541385%	0.566313%
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	0.045482%	3.324233%	2.900988%	0.374954%	0.048290%	30.833991%	14.230366%	3.310062%	12.901914%	0.791629%	0.312519%
AVERAGE BILLS	13	0.260856%	0.192112%	0.174541%	0.017524%	0.000047%	0.788520%	0.570509%	0.137998%	0.056021%	0.004381%	0.001119%
AVERAGE BILLS EXCLUDING OL, PL & TS	14	0.000000%	0.221905%	0.201610%	0.020242%	0.000054%	0.888051%	0.658986%	0.159298%	0.064709%	0.005060%	0.001292%
AVERAGE BILLS N0 OL-RETAIL	15	0.299627%	0.220665%	0.200483%	0.020129%	0.000054%	0.883090%	0.655304%	0.158408%	0.064347%	0.005032%	0.001285%
P&T BILLS	16	0.000000%	15.513126%	13.842482%	1.670644%	0.000000%	61.336516%	13.126492%	1.431981%	42.959427%	3.818616%	0.000000%
P&T BILLS RETAIL	17	0.000000%	15.513126%	13.842482%	1.670644%	0.000000%	61.336516%	13.126492%	1.431981%	42.959427%	3.818616%	0.000000%
DISTRIBUTION BILLS RETAIL N0 OL	18	0.299695%	0.217234%	0.197423%	0.019758%	0.000054%	0.869527%	0.652506%	0.158120%	0.054724%	0.004177%	0.001285%
DISTRIBUTION BILLS RETAIL N0 OL, PL	19	0.300473%	0.217799%	0.197935%	0.019810%	0.000054%	0.871785%	0.654201%	0.158531%	0.054866%	0.004187%	0.001288%
ADJ TOTAL METERS (avg bills + sold. PT and Dist meters)	20	0.260856%	0.192112%	0.174541%	0.017524%	0.000047%	0.788520%	0.570509%	0.137998%	0.056021%	0.004381%	0.001119%
ADJ TOTAL METERS- NO OL, PL	21	0.299627%	0.220592%	0.200416%	0.020122%	0.000054%	0.882795%	0.656088%	0.158353%	0.064326%	0.005030%	0.001284%
DISTR ENG ALLOCATION OF 369	22	0.074553%	0.122783%	0.111621%	0.011162%	0.000000%	0.491716%	0.389016%	0.089463%	0.030904%	0.002332%	0.000750%
DISTR ENG ALLOCATION OF 370	23	0.243309%	1.887189%	1.715514%	0.171675%	0.000000%	7.553695%	5.688976%	1.373399%	0.475502%	0.035817%	0.011116%
DISTRIBUTION OPER EXPENSE (582-587)	24	0.286829%	1.689768%	1.469299%	0.197692%	0.022777%	7.812851%	4.898107%	1.218484%	1.567940%	0.128320%	0.026801%
DISTRIBUTION MAINT EXP (591-598)	25	0.313888%	1.350529%	1.136725%	0.183094%	0.030710%	6.974965%	3.873759%	0.961824%	1.971972%	0.167310%	0.045438%
CUSTOMER RECORD AND COLLECTION 903 EXP	26	0.277762%	0.207586%	0.190047%	0.017543%	0.000000%	0.880065%	0.611075%	0.149114%	0.114028%	0.005848%	0.055552%
CUST ACCOUNTS 902-4 RETAIL	27	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
CUST ACCOUNTS 902-4 RETAIL	28	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
REVENUE FROM ENERGY SALES-RETAIL	29	0.045451%	3.324809%	2.903507%	0.373440%	0.047563%	30.882074%	14.192302%	3.300666%	12.585062%	0.804044%	0.311982%
REVENUE FROM ENERGY SALES-RETAIL STATE	30	0.045534%	3.296259%	2.864904%	0.377211%	0.054144%	31.540786%	14.423234%	3.342248%	12.945591%	0.829712%	0.296248%
PRESENT REVENUE	31	0.045534%	3.296259%	2.864904%	0.377211%	0.054144%	31.540786%	14.423234%	3.342248%	12.945591%	0.829712%	0.296248%
OTHER REVENUE	32	0.046049%	3.182525%	2.754698%	0.362098%	0.065729%	38.527010%	16.321559%	3.439536%	15.715832%	1.050084%	0.638394%
ELECTRIC OPERATING REVENUE	33	0.045565%	3.289383%	2.858241%	0.376287%	0.054844%	31.842222%	14.537995%	3.348130%	13.113062%	0.843034%	0.316932%
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	0.087934%	3.066874%	2.649879%	0.345684%	0.071110%	31.655848%	14.090613%	3.228773%	13.461797%	0.874665%	0.208739%
MATERIALS AND SUPPLIES	35	0.055169%	3.520611%	3.034808%	0.401694%	0.084109%	36.145021%	16.045688%	3.677438%	15.416698%	1.006196%	0.244282%
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	0.087934%	3.066874%	2.649879%	0.345684%	0.071110%	31.655848%	14.090613%	3.228773%	13.461797%	0.874665%	0.208739%
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	0.074253%	3.214902%	2.764650%	0.374418%	0.075834%	31.257968%	14.070442%	3.233654%	13.091812%	0.862060%	0.232743%
RATEBASE INCL CWIP (ex Cash Bond Prem & Prof)	38	0.079749%	3.140726%	2.699215%	0.367780%	0.073731%	30.086692%	13.595993%	3.127340%	12.535078%	0.827482%	0.230149%
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39											
O&M EXCLUDING A&G - RETAIL	40											
A&G	41											
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42											
DISTRIBUTION EXPENSE EX PROFORMAS	43	0.286568%	1.475308%	1.258960%	0.188513%	0.027835%	7.293349%	4.252879%	1.056763%	1.830177%	0.153430%	0.038711%
DISTRIBUTION SALARY & WAGES	44	0.286568%	1.475308%	1.258960%	0.188513%	0.027835%	7.293349%	4.252879%	1.056763%	1.830177%	0.153430%	0.038711%
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
CUST ACCOUNTING SALARY & WAGES	46	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	0.000000%	0.372823%	0.340663%	0.032140%	0.000000%	1.478434%	1.092756%	0.263547%	0.109276%	0.012856%	0.000000%
CUST SERVICE & INFO SALARY & WAGES	48	0.000000%	0.372823%	0.340663%	0.032140%	0.000000%	1.478434%	1.092756%	0.263547%	0.109276%	0.012856%	0.000000%
SALES EXPENSE EX PROFORMAS	49	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
TOTAL DISTR SALARY & WAGES	50	0.237220%	1.025201%	0.880735%	0.126852%	0.017604%	5.203970%	3.082434%	0.749919%	1.271436%	0.100182%	0.033135%
OTHER PRODUCTION EXP-DEMAND	51	0.031137%	3.774720%	3.282162%	0.422384%	0.090175%	40.547709%	17.807378%	4.070737%	17.533740%	1.135854%	0.260841%
POWER PROD SALARY & WAGES	52	0.031137%	3.774720%	3.282162%	0.422384%	0.090175%	40.547709%	17.807378%	4.070737%	17.533740%	1.135854%	0.260841%
TRANSMISSION EXPENSE	53	0.022875%	4.083167%	3.471010%	0.490260%	0.121897%	36.678218%	16.697770%	3.778514%	15.191192%	1.008742%	0.330228%
TRANSMISSION SALARY & WAGES	54	0.022875%	4.083167%	3.471010%	0.490260%	0.121897%	36.678218%	16.697770%	3.778514%	15.191192%	1.008742%	0.330228%
TOTAL WAGES & SALARIES EX A&G	55	0.089507%	3.270095%	2.822946%	0.369425%	0.077724%	33.772355%	15.003162%	3.436775%	14.395604%	0.936813%	0.220665%
RATE INCREASE REVENUE	56	0.060015%	3.426063%	2.646587%	0.389738%	0.389738%	24.472443%	11.547487%	2.670126%	9.589994%	0.664836%	0.163459%
RATIO	57											
A&G WAGES & SALARIES	58	0.061588%	3.639612%	3.079099%	0.447772%	0.112741%	29.025430%	13.611653%	3.139724%	11.461478%	0.792376%	0.186129%
WTD GROSS PROD PLANT RATIOS	59											
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	0.031137%	3.774720%	3.282162%	0.422384%	0.090175%	40.547709%	17.807378%	4.070737%	17.533740%	1.135854%	0.260841%
WTD GROSS PROD PLANT RATIOS EX AFUDC	61											
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62											
WTD GROSS TRANS PLANT RATIOS	63	0.019778%	4.223910%	3.568477%	0.520418%	0.135015%	34.862389%	16.187273%	3.860882%	14.062352%	0.951901%	0.341245%
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	0.019773%	4.223012%	3.567732%	0.520304%	0.134976%	34.875594%	16.192456%	3.659996%	14.071147%	0.951995%	0.345771%
WTD GROSS DIST PLANT RATIOS	65	0.178824%	1.9646557%	1.650831%	0.267236%	0.046590%	10.792573%	5.788591%	1.394418%	3.341195%	0.295369%	0.117784%
DISTRIBUTION PLANT EX. PL AND OL	66											
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	0.169408%	2.190801%	1.840852%	0.297997%	0.051952%	12.034866%	6.454894%	1.554925%	3.729139%	0.295915%	0.131342%
WTD GR DIST PLT EX. PROFORMA	68	0.178824%	1.9646557%	1.650831%	0.267236%	0.046590%	10.792573%	5.788591%	1.394418%	3.341195%	0.295369%	0.117784%
WTD GROSS G & I PLT RATIOS	69	0.078634%	3.153573%	2.715032%	0.366298%	0.072243%	30.056972%	13.613522%	3.135284%	12.487345%	0.820622%	0.226197%
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	0.078634%	3.153573%	2.715032%	0.366298%	0.072243%	30.056972%	13.613522%	3.135284%	12.487345%	0.820622%	0.226197%
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	0.078634%	3.153573%	2.715032%	0.366298%	0.072243%	30.056972%	13.613522%	3.135284%	12.487345%	0.820622%	0.226197%
WTD GROSS G & I PLT EX. MISC.& PROFORMA-SI	72											
WTD NET PLANT RATIOS	73	0.083791%	3.0551299%	2.625338%	0.356300%	0.071494%	29.299776%	13.248880%	3.045669%	12.199951%	0.805277%	0.224689%
WTD NET PLANT RATIOS EX PROFORMAS	74	0.088237%	3.017349%	2.592529%	0.354596%	0.070284%	28.801040%	13.042530%	2.998846%	11.969059%	0.790605%	0.223905%
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	0.082661%	3.068049%	2.637487%	0.358094%	0.071588%	29.607102%	13.368111%	3.072821%	12.352305%	0.814364%	0.225860%
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	0.084959%	3.032210%	2.606435%	0.355377%	0.070395%	29.144675%	13.176129%	3.028728%	12.138957%	0.800761%	0.225188%
Base Intermediate Peak	77	0.031137%	3.774720%	3.262162%	0.422384%	0.090175%	40.547709%	17.807378%	4.070737%	17.533740%	1.135854%	0.260841%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Summary)

	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
SUMMARY OF RESULTS													
NET INCOME COMPUTATION:													
RATE REVENUE @ CURRENT RATES	3,948,719	1,774,493	1,043,372	731,121	679,728	378,208	265,552	17,947	18,021	107,183	74,459	29,718	1,209
OTHER REVENUE	254,075	109,229	66,044	43,185	34,447	19,225	13,391	881	950	7,885	6,852	869	47
TOTAL OPERATING REVENUE	4,202,794	1,883,722	1,109,416	774,306	714,175	397,433	278,943	18,828	18,971	115,068	81,310	30,587	1,256
EXPENSES													
TOTAL O&M EXPENSE	(2,651,441)	(1,109,248)	(650,204)	(459,044)	(409,054)	(225,934)	(161,480)	(10,308)	(11,331)	(47,172)	(29,454)	(15,654)	(568)
TOTAL DEPRECIATION EXPENSE	(527,698)	(247,602)	(145,818)	(101,764)	(82,701)	(48,173)	(30,493)	(2,152)	(1,883)	(18,730)	(13,351)	(4,764)	(235)
TOTAL OTHER TAX & MISC EXPENSE	(253,893)	(115,793)	(68,391)	(47,402)	(42,385)	(24,376)	(15,913)	(1,076)	(1,019)	(7,167)	(4,992)	(1,946)	(85)
TOTAL OP EXP EXC INC & OTHER TAX	(3,433,032)	(1,472,643)	(864,413)	(608,229)	(534,140)	(298,484)	(207,886)	(13,537)	(14,233)	(73,069)	(47,796)	(22,365)	(888)
EARNINGS BEFORE INTEREST AND TAXES	769,762	411,079	245,003	166,077	180,035	98,949	71,057	5,291	4,738	41,999	33,514	8,222	370
INCOME TAXES	(188,083)	(106,742)	(64,241)	(42,500)	(53,224)	(28,557)	(21,580)	(1,619)	(1,468)	(11,431)	(9,333)	(2,150)	(77)
AMORTIZATION OF ITC	5,741	2,702	1,589	1,113	895	522	330	23	20	210	151	53	3
INTEREST ON CUSTOMER DEPOSITS	(3,382)	(2,947)	(2,462)	(485)	(258)	(210)	(25)	(11)	(11)	(30)	(30)	0	0
NET OPERATING INCOME	584,038	304,093	179,889	124,204	127,449	70,704	49,781	3,685	3,279	30,748	24,302	6,125	296
RATE BASE:													
GROSS ELECTRIC PLANT IN SERVICE	17,399,094	8,416,587	4,930,462	3,486,125	2,680,691	1,586,734	964,419	70,662	58,876	728,276	520,746	182,316	9,010
TOTAL DEPRECIATION RESERVE	(7,747,621)	(3,749,124)	(2,221,350)	(1,527,774)	(1,223,170)	(720,142)	(443,893)	(32,266)	(26,869)	(259,481)	(167,269)	(83,221)	(2,706)
NET ELECTRIC PLANT IN SERVICE	9,651,473	4,667,463	2,709,112	1,958,351	1,457,521	866,592	520,526	38,396	32,007	466,795	353,476	99,095	6,304
CWIP	699,277	275,782	166,035	109,747	115,863	61,914	47,982	2,881	3,106	5,324	3,455	1,594	75
ACCUMULATED DEFERRED INCOME TAXES	(1,419,930)	(709,791)	(401,916)	(307,875)	(200,125)	(121,042)	(69,166)	(5,464)	(4,454)	(87,818)	(68,651)	(18,570)	(1,189)
RESERVES	10,895	5,429	3,149	2,280	1,637	992	567	43	34	587	447	123	8
CUSTOMER DEPOSITS	(55,849)	(48,644)	(40,640)	(8,004)	(4,266)	(3,474)	(430)	(183)	(179)	(505)	(497)	0	(8)
WORKING CAPITAL	993,005	413,130	240,160	172,950	157,491	85,269	63,833	4,048	4,341	18,416	12,776	4,936	249
OTHER DEFERRED ITEMS	(24,371)	(11,471)	(6,612)	(4,859)	(3,628)	(2,116)	(1,330)	(96)	(85)	(1,120)	(844)	(241)	(16)
TOTAL RATE BASE	9,854,500	4,591,898	2,669,308	1,922,590	1,524,512	888,133	561,983	39,628	34,771	401,680	302,163	86,935	5,424
RATE OF RETURN	5.93%	6.62%	6.74%	6.46%	8.36%	7.96%	8.86%	9.30%	9.43%	7.65%	8.04%	7.05%	5.45%
INDEXED RATE OF RETURN	100%	112%	114%	109%	141%	134%	149%	157%	159%	129%	136%	119%	92%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Summary)

	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
SUMMARY OF RESULTS												
NET INCOME COMPUTATION:												
RATE REVENUE @ CURRENT RATES	105,385	1,798	130,160	113,127	14,895	2,138	1,245,457	569,533	131,976	511,185	32,763	11,698
OTHER REVENUE	7,768	117	8,086	6,999	920	167	92,806	41,469	8,738	39,930	2,668	1,622
TOTAL OPERATING REVENUE	113,153	1,915	138,246	120,126	15,815	2,305	1,338,263	611,002	140,715	551,115	35,431	13,320
EXPENSES												
TOTAL O&M EXPENSE	(45,676)	(1,495)	(80,427)	(78,378)	(10,011)	(2,039)	(989,109)	(433,842)	(99,160)	(428,496)	(27,611)	(6,431)
TOTAL DEPRECIATION EXPENSE	(18,347)	(383)	(17,619)	(15,060)	(2,101)	(458)	(159,942)	(72,949)	(16,816)	(85,775)	(4,400)	(1,103)
TOTAL OTHER TAX & MISC EXPENSE	(7,023)	(144)	(8,534)	(7,372)	(986)	(176)	(79,342)	(36,276)	(8,385)	(32,565)	(2,117)	(671)
TOTAL OP EXP EXC INC & OTHER TAX	(71,046)	(2,022)	(116,580)	(100,810)	(13,098)	(2,673)	(1,228,394)	(543,067)	(124,364)	(526,836)	(34,128)	(8,205)
EARNINGS BEFORE INTEREST AND TAXES	42,107	(107)	21,666	19,316	2,717	(368)	109,869	67,935	16,351	24,279	1,303	5,114
INCOME TAXES	(11,560)	129	(4,881)	(4,480)	(638)	234	(10,053)	(11,554)	(2,941)	4,050	393	(1,752)
AMORTIZATION OF ITC	206	4	191	183	23	5	1,729	790	182	711	48	13
INTEREST ON CUSTOMER DEPOSITS	(30)	0	(2)	(2)	0	0	(145)	(84)	(11)	(50)	0	0
NET OPERATING INCOME	30,722	26	16,973	14,998	2,105	(129)	101,401	57,087	13,581	28,989	1,743	3,375
RATE BASE:												
GROSS ELECTRIC PLANT IN SERVICE	712,071	14,205	560,913	478,833	67,460	14,620	4,978,023	2,284,465	526,766	2,030,391	136,401	38,604
TOTAL DEPRECIATION RESERVE	(253,197)	(6,284)	(258,913)	(220,516)	(31,364)	(7,033)	(2,241,369)	(1,032,481)	(238,519)	(908,903)	(61,466)	(15,564)
NET ELECTRIC PLANT IN SERVICE	458,875	7,920	302,000	258,317	36,096	7,587	2,736,654	1,251,983	288,247	1,121,488	74,935	21,040
CWIP	5,125	199	27,194	23,363	3,123	707	273,343	121,534	27,828	116,349	7,831	1,752
ACCUMULATED DEFERRED INCOME TAXES	(88,411)	(1,407)	(39,978)	(34,378)	(4,714)	(887)	(379,106)	(172,344)	(39,668)	(156,737)	(10,358)	(3,112)
RESERVES	578	10	331	283	40	8	2,887	1,334	308	1,167	79	23
CUSTOMER DEPOSITS	(605)	0	(28)	(28)	0	0	(2,406)	(1,394)	(187)	(825)	0	0
WORKING CAPITAL	17,961	455	34,973	30,313	3,916	744	366,340	162,319	37,244	156,659	10,118	2,655
OTHER DEFERRED ITEMS	(1,101)	(19)	(763)	(657)	(89)	(17)	(7,334)	(3,313)	(760)	(3,060)	(202)	(55)
TOTAL RATE BASE	394,522	7,159	323,728	277,215	38,372	8,142	2,990,377	1,360,120	313,011	1,235,041	82,205	22,303
RATE OF RETURN	7.79%	0.36%	5.24%	5.41%	5.49%	-1.58%	3.39%	4.20%	4.34%	2.35%	2.12%	15.13%
INDEXED RATE OF RETURN	131%	6%	88%	91%	93%	-27%	57%	71%	73%	40%	36%	255%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
PLANT - IN - SERVICE															
PRODUCTION PLANT															
PRODUCTION - CONTRA AFUDC	77	(42,197)	(16,642)	(10,019)	(6,623)	(6,993)	(3,736)	(2,895)	(174)	(187)	(321)	(209)	(96)	(5)	(309)
PRODUCTION - DEMAND	77	7,829,532	3,087,824	1,859,032	1,228,792	1,297,496	693,223	537,238	32,263	34,772	59,609	38,689	17,846	845	57,380
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	77	1,046,259	412,825	248,422	164,203	173,384	92,635	71,791	4,311	4,647	7,966	5,170	2,385	113	7,668
PRODUCTION - PROFORMA -DEMAND	77	565,294	234,773	141,346	93,427	98,651	52,707	40,847	2,453	2,644	4,532	2,942	1,357	64	4,363
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION PLANT IN SERVICE		9,428,888	3,718,581	2,238,781	1,479,800	1,562,539	834,830	646,980	38,853	41,875	71,786	46,592	21,491	1,017	69,101
TRANSMISSION PLANT															
TRANSMISSION - CONTRA AFUDC	2	-223	(94)	(60)	(34)	(42)	(24)	(16)	(1)	(1)	(0)	0	0	0	0
TRANSMISSION - DIRECT	Dir	11,906	0	0	0	259	257	2	0	0	0	0	0	0	0
TRANSMISSION - ALLOCATED	2	1,277,109	541,149	346,374	194,774	238,910	135,317	92,857	5,665	5,071	255	0	0	0	0
TRANSMISSION - PROFORMA	2	41,127	17,427	11,154	6,272	7,694	4,358	2,990	182	163	8	0	0	0	0
TRANSMISSION PLANT IN SERVICE		1,329,919	558,481	357,468	201,013	246,821	139,908	95,833	5,847	5,233	263	0	0	0	0
TOTAL PROD & TRANS PLANT		10,758,807	4,277,062	2,596,249	1,680,813	1,809,359	974,738	742,813	44,700	47,109	72,049	46,592	21,491	1,017	69,101
DISTRIBUTION PLANT															
360-LAND & LAND RIGHTS-DIRECT	Dir	2,140	0	0	0	140	65	75	0	0	0	0	0	0	0
360-LAND & LAND RIGHTS-ALLOCATED	3	33,664	22,270	11,791	10,479	4,967	2,865	1,812	201	88	4	0	0	0	0
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	26,381	17,441	9,234	8,207	3,890	2,244	1,419	158	69	3	0	0	0	0
362-STATION EQUIPMENT-DIRECT	Dir	2,258	0	0	0	86	56	30	0	0	0	0	0	0	0
362-STATION EQUIPMENT-ALLOCATED	3	601,966	397,994	210,718	187,276	88,764	51,207	32,385	3,599	1,574	79	0	0	0	0
364-POLES, TOWERS & FIXTURES-DIRECT	Dir	87,755	0	0	0	282	131	151	0	0	83472	82791	0	681	83472
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	637,678	547,238	331,808	215,428	79,938	76,104	1,548	1,871	415	3,563	0	1,652	0	1,652
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	124,999	82,641	43,754	38,887	18,431	10,633	6,725	747	327	16	0	0	0	0
365-OH CONDUCTORS-DIRECT	Dir	24,359	0	0	0	282	131	151	0	0	20076	19912	0	164	20076
365-OH CONDUCTORS-MINIMUM SYSTEM	18	387,957	332,934	201,689	131,065	48,634	46,301	942	1,138	253	2,168	0	1,005	0	1,005
365-OH CONDUCTORS-ALLOCATED	3	839,438	422,755	223,828	198,927	94,287	54,393	34,400	3,823	1,672	84	0	0	0	0
366-UG CONDUITS-DIRECT	Dir	2,968	0	0	0	56	26	30	0	0	2112	2095	0	17	2112
366 UG CONDUITS-ALLOCATED	3	123,648	81,748	43,282	38,467	18,232	10,518	6,652	739	323	16	0	0	0	0
367-UG CONDUITS-DIRECT	Dir	16,145	0	0	0	198	92	106	0	0	15147	15023	0	124	15147
367 UG CONDUITS-ALLOCATED	3	1,140,781	754,210	399,317	354,893	168,211	97,038	61,370	6,820	2,982	149	0	0	0	0
368-TRANSFORMERS-DIRECT	Dir	40,675	0	0	0	1826	1069	757	0	0	0	0	0	0	0
368-TRANSFORMERS-MINIMUM SYSTEM	15	176,812	153,417	93,022	60,395	22,420	21,343	436	524	116	999	0	463	0	463
368-TRANSFORMERS-ALLOCATED	4	555,260	336,649	178,239	158,410	75,578	43,314	27,889	3,044	1,331	5,697	3,840	1,759	32	5,631
369-SERVICES-DIRECT	Dir	2,998	0	0	0	198	92	106	0	0	0	0	0	0	0
369-SERVICES-ALLOCATED	22	545,660	505,037	306,221	198,816	36,859	36,021	750	0	89	407	0	0	0	0
370-METERS-DIRECT	Dir	5,961	0	0	0	432	306	126	0	0	0	0	0	0	0
370-METERS-ALLOCATED	23	248,588	127,396	77,244	50,152	97,090	91,276	5,244	436	132	605	0	0	0	0
371-CUSTOMER PREMISES-DIRECT	Dir	349,238	11100	0	11100	58	28	30	0	0	337283	330648	0	6635	337283
371CUSTOMER PREMISES-ALLOCATED	60	26,395	10,410	6,267	4,143	4,374	2,337	1,811	109	117	201	130	60	3	193
373-STREET LIGHTS	Dir	153,908	0	0	0	0	0	0	0	0	153908	0	148295	0	148295
DISTRIBUTION PLANT - PROFORMA	68	71,304	45,488	25,555	19,934	9,152	6,549	2,212	278	113	7,487	5,435	1,833	92	7,360
DISTRIBUTION PLANT IN SERVICE		6,032,973	3,848,728	2,162,148	1,686,580	774,384	554,138	187,155	23,488	9,601	633,477	459,874	155,068	7,747	622,689
TOTAL TRANS & DIST PLANT		7,362,892	4,407,208	2,519,616	1,887,593	1,021,205	694,047	282,988	29,335	14,835	633,740	459,874	155,068	7,747	622,689
TOTAL GROSS PTD PLANT		18,791,780	8,125,769	4,758,397	3,367,393	2,583,743	1,528,877	929,968	68,188	56,710	705,526	506,467	176,559	8,764	691,790
GENERAL & INTANGIBLE PLANT															
PRODUCTION-DEMAND	80	110,221	43,469	26,171	17,298	18,286	9,759	7,563	454	490	839	545	251	12	808
PRODUCTION-ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	64	28,580	11,998	7,680	4,319	5,303	3,006	2,059	126	112	8	0	0	0	0
DISTRIBUTION	68	121,272	77,365	43,462	33,903	15,566	11,139	3,762	472	193	12,734	9,244	3,117	156	12,517
DISTRIBUTION - INTANGIBLE PLANT	29	85,776	38,816	22,797	16,018	15,031	8,566	5,711	380	373	2,321	1,619	636	26	2,282
WAGES & SALARIES RELATED	55	261,465	119,149	71,955	47,194	42,782	25,387	15,355	1,042	998	4,851	2,871	1,752	52	4,675
CUSTOMER ACCOUNTING		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL & INTANGIBLE PLANT IN SERVICE		607,314	290,798	172,066	118,732	96,948	57,857	34,450	2,474	2,166	20,750	14,279	5,756	246	20,281
GROSS ELECTRIC PLANT IN SERVICE		17,399,094	8,416,567	4,930,462	3,486,125	2,680,691	1,586,734	964,419	70,662	58,876	726,276	520,746	182,316	9,010	712,071

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
PLANT - IN - SERVICE												
PRODUCTION PLANT												
PRODUCTION - CONTRA AFUDC	77	(12)	(1,641)	(1,410)	(188)	(43)	(16,495)	(7,334)	(1,679)	(7,021)	(460)	(108)
PRODUCTION - DEMAND	77	2,229	304,475	261,589	34,967	7,920	3,060,513	1,360,772	311,577	1,302,719	85,444	19,815
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	77	298	40,687	34,956	4,673	1,058	408,976	181,840	41,636	174,082	11,418	2,621
PRODUCTION - PROFORMA -DEMAND	77	169	23,150	19,889	2,659	602	232,697	103,482	23,690	99,048	6,497	1,491
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0
PRODUCTION PLANT IN SERVICE		2,685	366,671	315,024	42,109	9,538	3,685,691	1,638,740	375,224	1,568,828	102,898	23,621
TRANSMISSION PLANT												
TRANSMISSION - CONTRA AFUDC	2	(0)	(9)	(8)	(1)	(0)	(77)	(36)	(8)	(31)	(2)	(0)
TRANSMISSION - DIRECT	Dir	0	132	117	15	0	9,605	4,068	78	5,307	152	1,910
TRANSMISSION - ALLOCATED	2	255	54,303	45,672	6,692	1,740	439,948	204,655	47,100	176,072	12,119	2,547
TRANSMISSION - PROFORMA	2	8	1,749	1,477	215	56	14,166	6,591	1,517	5,670	390	82
TRANSMISSION PLANT IN SERVICE		263	56,175	47,458	6,921	1,796	463,642	215,278	48,687	187,018	12,660	4,538
TOTAL PROD & TRANS PLANT		2,948	422,846	362,482	49,030	11,333	4,149,332	1,854,018	423,911	1,755,846	115,558	28,160
DISTRIBUTION PLANT												
360-LAND & LAND RIGHTS-DIRECT	Dir	0	185	158	27	0	1803	1022	173	517	91	12
360-LAND & LAND RIGHTS-ALLOCATED	3	4	1,072	895	150	27	5,349	2,927	757	1,537	127	22
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	3	839	701	118	21	4,189	2,293	593	1,204	100	17
362-STATION EQUIPMENT-DIRECT	Dir	0	90	77	13	0	1850	887	78	831	54	230
362-STATION EQUIPMENT-ALLOCATED	3	79	19,158	15,986	2,681	488	85,594	52,317	13,529	27,474	2,274	399
364-POLES, TOWERS & FIXTURES-DIRECT	Dir	0	370	316	54	0	3607	2044	348	1035	182	24
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	1,911	1,385	1,259	126	0	5,545	4,161	1,008	349	27	8
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	16	3,978	3,319	557	101	19,850	10,663	2,809	5,705	472	83
365-OH CONDUCTORS-DIRECT	Dir	0	370	316	54	0	3607	2044	346	1035	182	24
365-OH CONDUCTORS-MINIMUM SYSTEM	18	1,163	843	766	77	0	3,373	2,531	613	212	16	5
365-OH CONDUCTORS-ALLOCATED	3	84	20,348	16,981	2,848	519	101,541	55,572	14,371	29,183	2,415	423
366-UG CONDUITS-DIRECT	Dir	0	74	63	11	0	721	409	69	207	36	5
366 UG CONDUITS-ALLOCATED	3	16	3,935	3,284	551	100	19,635	10,746	2,779	5,643	467	82
367-UG CONDUITS-DIRECT	Dir	0	259	221	38	0	2524	1431	242	724	127	17
367 UG CONDUITS-ALLOCATED	3	149	36,301	30,295	5,081	925	181,154	99,143	25,639	52,063	4,309	755
368-TRANSFORMERS-DIRECT	Dir	0	2065	1770	295	0	33572	16799	1858	13760	1155	3212
368-TRANSFORMERS-MINIMUM SYSTEM	15	536	395	358	36	0	1,579	1,172	283	115	9	2
368-TRANSFORMERS-ALLOCATED	4	67	18,397	15,312	2,515	570	117,766	54,022	12,136	48,578	3,030	1,175
369-SERVICES-DIRECT	Dir	0	259	221	38	0	2524	1431	242	724	127	17
369-SERVICES-ALLOCATED	22	407	670	609	61	0	2,663	2,014	468	169	13	4
370-METERS-DIRECT	Dir	0	374	322	52	0	4750	2067	212	2288	183	405
370-METERS-ALLOCATED	23	605	4,691	4,265	427	0	18,778	14,092	3,414	1,182	89	28
371-CUSTOMER PREMISES-DIRECT	Dir	0	74	63	11	0	721	409	69	207	36	5
371CUSTOMER PREMISES-ALLOCATED	60	8	1,026	882	118	27	10,318	4,587	1,050	4,392	288	66
373-STREET LIGHTS	Dir	5613	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT - PROFORMA	68	128	1,401	1,177	191	33	7,691	4,126	994	2,362	189	84
DISTRIBUTION PLANT IN SERVICE		10,788	118,558	99,615	16,129	2,814	650,724	349,110	84,101	201,515	15,998	7,103
TOTAL TRANS & DIST PLANT		11,051	174,732	147,073	23,050	4,609	1,114,366	564,388	132,787	388,533	28,657	11,641
TOTAL GROSS PTD PLANT		13,735	541,403	462,097	66,159	14,147	4,800,056	2,203,128	508,011	1,957,361	131,556	35,263
GENERAL & INTANGIBLE PLANT												
PRODUCTION-DEMAND	60	31	4,266	3,683	492	111	43,085	19,158	4,386	18,339	1,203	276
PRODUCTION-ENERGY		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION	64	6	1,207	1,020	149	39	9,967	4,628	1,046	4,022	272	99
DISTRIBUTION	68	217	2,383	2,002	324	57	13,081	7,016	1,691	4,051	322	143
DISTRIBUTION - INTANGIBLE PLANT	29	39	2,852	2,491	320	41	26,489	12,174	2,831	10,795	690	268
WAGES & SALARIES RELATED	55	176	8,782	7,641	1,015	225	85,345	38,361	8,801	35,824	2,359	556
CUSTOMER ACCOUNTING		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT PROFORMA		0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
GENERAL & INTANGIBLE PLANT IN SERVICE		469	19,510	16,736	2,301	473	177,967	81,337	18,755	73,030	4,845	1,341
GROSS ELECTRIC PLANT IN SERVICE		14,205	560,913	478,833	67,460	14,620	4,978,023	2,284,465	526,766	2,030,391	136,401	36,604

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
DEPRECIATION RESERVE															
PRODUCTION PLANT															
PRODUCTION - CONTRA AFUDC	Dir	(32,450)	-13750	-8801	-4949	-6070	-3438	-2359	-144	-129	-6	0	0	0	0
PRODUCTION - DEMAND	77	3,448,358	1,359,973	818,775	541,198	571,457	305,317	236,616	14,210	15,315	26,254	17,040	7,880	372	25,272
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	Dir	1,046,259	443331	283764	159567	195724	110857	76072	4641	4154	209	0	0	0	0
PRODUCTION - PROFORMA -DEMAND	77	37,462	14,774	8,895	5,879	6,208	3,317	2,571	154	166	285	185	85	4	275
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD DEPREC RESERVE		4,499,639	1,804,328	1,102,633	701,695	767,320	416,053	312,900	18,861	19,508	26,742	17,225	7,945	376	25,546
TRANSMISSION PLANT															
TRANSMISSION - CONTRA AFUDC	Dir	-158	-67	-43	-24	-30	-17	-11	-1	-1	0	0	0	0	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION ALLOCATED	2	599,855	254,176	162,691	91,485	112,216	63,558	43,614	2,661	2,382	120	0	0	0	0
TRANSMISSION PROFORMA	2	(7,873)	(3,336)	(2,135)	(1,201)	(1,473)	(834)	(572)	(35)	(31)	(2)	0	0	0	0
TOTAL TRANS DEPREC RESERVE		591,824	250,773	160,513	90,260	110,713	62,707	43,031	2,625	2,350	118	0	0	0	0
TOTAL PROD & TRANS DEPREC RESERVE		5,091,463	2,055,102	1,263,146	791,956	878,032	478,760	355,931	21,486	21,856	26,860	17,225	7,945	376	25,546
DISTRIBUTION PLANT															
360-LAND & LAND RIGHTS-DIRECT	RBD0	28	0	0	0	2	1	1	0	0	0	0	0	0	0
360-LAND & LAND RIGHTS-ALLOCATED	3	442	292	-155	139	65	38	24	3	1	0	0	0	0	0
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	10,591	7,002	3,707	3,295	1,562	901	570	63	28	1	0	0	0	0
362-STATION EQUIPMENT-DIRECT	RBD2	923	0	0	0	35	23	12	0	0	0	0	0	0	0
362-STATION EQUIPMENT-ALLOCATED	3	246,270	162,818	86,204	76,614	36,313	20,948	13,248	1,472	644	32	0	0	0	0
364-POLES, TOWERS & FIXTURES-DIRECT	RBD3	45,852	0	0	0	147	68	79	0	0	43,614	43,258	0	356	43,614
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	333,188	285,933	173,371	112,562	41,768	39,765	809	977	217	1,882	0	883	0	883
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	65,312	43,180	22,862	20,318	9,630	5,556	3,514	390	171	9	0	0	0	0
365-OH CONDUCTORS-DIRECT	RBD6	8,554	0	0	0	99	48	53	0	0	7,050	6,892	0	58	7,050
365-OH CONDUCTORS-MINIMUM SYSTEM	18	138,242	118,919	70,892	46,027	17,079	16,280	331	400	89	761	0	353	0	353
365-OH CONDUCTORS-ALLOCATED	3	224,557	148,463	78,604	69,859	33,111	19,102	12,080	1,343	587	29	0	0	0	0
366-UG CONDUITS-DIRECT	RBD9	1,581	0	0	0	30	14	16	0	0	1,125	1,116	0	9	1,125
366 UG CONDUITS-ALLOCATED	3	65,865	43,546	23,055	20,490	9,712	5,603	3,543	394	172	9	0	0	0	0
367-UG CONDUITS-DIRECT	RBD11	7,907	0	0	0	86	40	46	0	0	6,601	6,547	0	54	6,601
367 UG CONDUITS-ALLOCATED	3	497,090	328,644	174,000	154,643	73,297	42,284	26,742	2,972	1,299	65	0	0	0	0
368-TRANSFORMERS-DIRECT	RBD13	18,239	0	0	0	819	479	339	0	0	0	0	0	0	0
368-TRANSFORMERS-MINIMUM SYSTEM	15	80,181	68,794	41,712	27,082	10,053	9,571	195	235	52	448	0	208	0	208
368-TRANSFORMERS-ALLOCATED	4	248,984	150,957	79,924	71,033	33,890	19,422	12,508	1,365	597	2,555	1,722	789	14	2,525
369-SERVICES-DIRECT	RBD16	1,326	0	0	0	88	41	47	0	0	0	0	0	0	0
369-SERVICES-ALLOCATED	22	241,331	223,365	135,433	87,931	16,302	15,931	331	0	39	180	0	0	0	0
370-METERS-DIRECT	RBD18	1,734	0	0	0	126	89	37	0	0	0	0	0	0	0
370-METERS-ALLOCATED	23	72,328	37,066	22,474	14,592	28,248	26,557	1,526	127	38	176	0	0	0	0
371-CUSTOMER PREMISES-DIRECT	RBD20	95,573	3,038	0	3,038	16	7	8	0	0	92,301	90,485	0	1,816	92,301
371CUSTOMER PREMISES-ALLOCATED	60	7,223	2,849	1,715	1,134	1,197	640	496	30	32	55	36	16	1	53
373-STREET LIGHTS	RBD22	75,617	0	0	0	0	0	0	0	0	75,617	0	72,859	0	72,859
DISTRIBUTION PLANT - PROFORMA	68	(40,061)	(25,557)	(14,357)	(11,199)	(5,142)	(3,680)	(1,243)	(156)	(64)	(4,207)	(3,054)	(1,030)	(51)	(4,135)
TOTAL DIST DEPREC RESERVE		2,446,875	1,597,306	899,750	697,556	308,533	219,705	75,310	9,615	3,903	228,283	147,102	74,059	2,256	223,417
TOTAL TRANS & DIST DEPREC RESERVE		3,038,699	1,848,079	1,060,263	787,816	419,245	282,411	118,341	12,240	6,252	228,401	147,102	74,059	2,256	223,417
TOTAL GROSS PTD PLANT DEPREC RESERVE		7,538,338	3,652,408	2,162,896	1,489,511	1,186,565	698,464	431,241	31,101	25,759	255,143	164,327	82,004	2,632	248,963
GENERAL & INTANGIBLE PLANT															
GENERAL PLANT ALLOCATED	70	34,908	16,715	9,890	6,825	5,572	3,326	1,980	142	125	1,193	821	331	14	1,166
GENERAL PLANT PROFORMA	70	8,223	3,937	2,330	1,608	1,313	783	466	33	29	281	193	78	3	275
INTANGIBLE PLANT		166,152	76064	46234	29830	29720	17569	10205	989	957	2864	1928	808	57	2793
TOTAL GEN & INTANGIBLE DEPREC RES.		209,283	96,716	58,454	38,262	36,605	21,678	12,652	1,165	1,111	4,338	2,942	1,217	74	4,233
TOTAL DEPRECIATION RESERVE		7,747,621	3,749,124	2,221,350	1,527,774	1,223,170	720,142	443,893	32,266	26,869	259,481	167,269	83,221	2,706	253,197
NET ELECTRIC PLANT IN SERVICE		9,651,473	4,667,463	2,709,112	1,958,351	1,457,521	866,592	520,526	38,998	32,007	466,795	353,476	99,095	6,304	458,875

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
DEPRECIATION RESERVE												
PRODUCTION PLANT												
PRODUCTION - CONTRA AFUDC	Dir	-6	-1380	-1166	-170	-44	-11173	-5197	-1197	-4471	-398	-71
PRODUCTION - DEMAND	77	982	134,100	115,212	15,400	3,488	1,347,945	599,326	137,228	573,758	37,632	8,639
PRODUCTION - ENERGY		0	0	0	0	0	0	0	0	0	0	0
PRODUCTION - DIRECT	Dir	209	44501	37594	5482	1425	360218	167551	38588	144152	9929	2276
PRODUCTION - PROFORMA -DEMAND	77	11	1,457	1,252	167	38	14,644	6,511	1,491	6,233	409	94
PRODUCTION - PROFORMA -ENERGY		0	0	0	0	0	0	0	0	0	0	0
TOTAL PROD DEPREC RESERVE		1,196	178,678	152,891	20,880	4,907	1,711,633	768,191	176,108	719,672	47,662	10,938
TRANSMISSION PLANT												
TRANSMISSION - CONTRA AFUDC	Dir	0	-7	-6	-1	0	-54	-25	-6	-22	-1	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION ALLOCATED	2	120	25,506	21,548	3,143	817	206,641	96,126	22,123	82,700	5,692	1,196
TRANSMISSION PROFORMA	2	(2)	(335)	(283)	(41)	(11)	(2,712)	(1,262)	(290)	(1,085)	(75)	(16)
TOTAL TRANS DEPREC RESERVE		118	25,164	21,257	3,101	806	203,875	94,839	21,826	81,593	5,617	1,180
TOTAL PROD & TRANS DEPREC RESERVE		1,314	203,842	174,148	23,981	5,713	1,915,508	863,030	197,935	801,265	53,279	12,118
DISTRIBUTION PLANT												
360-LAND & LAND RIGHTS-DIRECT	RBD0	0	2	2	0	0	24	13	2	7	1	0
360-LAND & LAND RIGHTS-ALLOCATED	3	0	14	12	2	0	70	38	10	20	2	0
361-STRUCTURES-DIRECT		0	0	0	0	0	0	0	0	0	0	0
361-STRUCTURES-ALLOCATED	3	1	337	281	47	9	1,662	920	238	483	40	7
362-STATION EQUIPMENT-DIRECT	RBD2	0	37	32	5	0	757	383	32	340	22	94
362-STATION EQUIPMENT-ALLOCATED	3	32	7,837	6,540	1,097	200	39,107	21,403	5,535	11,239	930	163
364-POLES, TOWERS & FIXTURES-DIRECT	RBD3	0	193	165	28	0	1,885	1,068	181	541	95	13
364-POLES, TOWERS & FIXTURES-MINIMUM SYSTEM	18	999	724	658	66	0	2,897	2,174	527	182	14	4
364-POLES, TOWERS & FIXTURES-ALLOCATED	3	9	2,078	1,734	291	53	10,371	5,676	1,468	2,981	247	43
365-OH CONDUCTORS-DIRECT	RBD6	0	130	111	19	0	1,267	718	122	363	64	8
365-OH CONDUCTORS-MINIMUM SYSTEM	18	408	296	269	27	0	1,185	889	215	75	6	2
365-OH CONDUCTORS-ALLOCATED	3	29	7,146	5,963	1,000	182	35,659	19,516	5,047	10,248	848	149
366-UG CONDUITS-DIRECT	RBD9	0	38	34	6	0	384	218	37	110	19	3
366 UG CONDUITS-ALLOCATED	3	9	2,096	1,749	293	53	10,459	5,724	1,480	3,006	249	44
367-UG CONDUITS-DIRECT	RBD11	0	113	96	17	0	1,100	624	105	315	55	7
367 UG CONDUITS-ALLOCATED	3	65	15,818	13,201	2,214	403	78,937	43,201	11,172	22,686	1,878	329
368-TRANSFORMERS-DIRECT	RBD13	0	926	794	132	0	16,054	7,533	633	6,170	518	1,440
368-TRANSFORMERS-MINIMUM SYSTEM	15	240	177	161	16	0	708	525	127	52	4	1
368-TRANSFORMERS-ALLOCATED	4	30	8,249	6,866	1,128	256	52,807	24,224	5,442	21,783	1,359	526
369-SERVICES-DIRECT	RBD16	0	115	98	17	0	1,116	633	107	320	56	8
369-SERVICES-ALLOCATED	22	180	296	269	27	0	1,187	891	216	75	6	2
370-METERS-DIRECT	RBD18	0	109	94	15	0	1,382	601	62	666	53	118
370-METERS-ALLOCATED	23	176	1,365	1,241	124	0	5,463	4,100	993	344	26	8
371-CUSTOMER PREMISES-DIRECT	RBD20	0	20	17	3	0	197	112	19	57	10	1
371CUSTOMER PREMISES-ALLOCATED	60	2	281	241	32	7	2,823	1,255	287	1,202	79	18
373-STREET LIGHTS	RBD22	2,758	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT - PROFORMA	68	(72)	(787)	(661)	(107)	(19)	(4,321)	(2,318)	(558)	(1,338)	(106)	(47)
TOTAL DIST DEPREC RESERVE		4,866	47,611	39,966	6,500	1,145	252,201	140,101	33,699	81,927	6,474	2,841
TOTAL TRANS & DIST DEPREC RESERVE		4,984	72,776	61,223	9,601	1,952	456,076	234,941	55,525	163,520	12,090	4,122
TOTAL GROSS PTD PLANT DEPREC RESERVE		6,180	251,454	214,114	30,481	6,859	2,177,709	1,003,132	231,633	883,192	59,752	15,059
GENERAL & INTANGIBLE PLANT												
GENERAL PLANT ALLOCATED	70	27	1,121	962	132	27	10,229	4,675	1,078	4,198	279	77
GENERAL PLANT PROFORMA	70	6	264	227	31	6	2,410	1,101	254	989	66	18
INTANGIBLE PLANT		71	6074	5213	720	141	51021	23573	5554	20525	1369	409
TOTAL GEN & INTANGIBLE DEPREC RES.		104	7,460	6,402	883	175	63,660	29,349	6,886	25,712	1,713	504
TOTAL DEPRECIATION RESERVE		6,284	258,913	220,516	31,364	7,033	2,241,369	1,032,481	238,519	908,903	61,466	15,564
NET ELECTRIC PLANT IN SERVICE		7,920	302,000	258,317	36,096	7,587	2,736,854	1,251,983	288,247	1,121,488	74,935	21,040

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
RATE BASE ADJUSTMENTS															
RATE BASE ADJUSTMENTS															
ACCUMULATED DEFERRED TAX ITEMS															
ACCUMULATED DEFERRED TAXES	76	1,774,354	860,026	498,105	361,921	266,467	158,628	94,943	7,037	5,860	87,876	66,642	18,566	1,189	86,398
DIRECT		(354,424)	(150,235)	(98,189)	(54,046)	(66,342)	(37,586)	(25,777)	(1,573)	(1,406)	-58	9	4	0	13
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ACCUM DEFERRED TAXES		1,419,930	709,791	401,916	307,875	200,125	121,042	69,166	5,464	4,454	87,818	66,651	18,570	1,189	86,411
RESERVES ITEMS															
RESERVES	76	40,719	19,736	11,431	8,306	6,115	3,640	2,179	161	134	2,017	1,529	426	27	1,983
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER RATE BASE PROFORMA	74	(51,614)	(25,165)	(14,580)	(10,585)	(7,752)	(4,633)	(2,746)	(205)	(168)	(2,604)	(1,977)	(549)	(35)	(2,560)
TOTAL RESERVES		(10,895)	(5,429)	(3,149)	(2,280)	(1,637)	(992)	(567)	(43)	(34)	(587)	(447)	(123)	(8)	(578)
CUSTOMER DEPOSITS															
DIRECT		55,849	48,644	40,640	8,004	4,266	3,474	430	183	179	505	497	0	8	505
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		55,849	48,644	40,640	8,004	4,266	3,474	430	183	179	505	497	0	8	505
LESS:															
LAND HELD FOR FUTURE USE															
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LAND HELD FOR FUTURE USE		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION WORK IN PROGRESS															
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CWIP PRODUCTION PROFORMA	77	699,277	275,782	166,035	109,747	115,883	61,914	47,982	2,881	3,106	5,324	3,455	1,594	75	5,125
TOTAL RATE BASE CWIP		699,277	275,782	166,035	109,747	115,883	61,914	47,982	2,881	3,106	5,324	3,455	1,594	75	5,125
TOTAL ADDITIVE & SUBSTRACTIVE ADJUSTMENTS		765,607	477,224	273,371	203,853	86,871	61,610	21,046	2,722	1,493	82,411	63,245	16,854	1,114	81,213
TOTAL RATE BASE EXCL. WORKING CAPITAL		8,885,866	4,190,239	2,435,740	1,754,499	1,370,650	804,982	499,480	35,674	30,514	384,384	290,231	82,241	5,190	377,662
WORKING CAPITAL															
MATERIALS & SUPPLIES															
FUEL INVENTORIES															
FUEL -COAL	5	159,768	59,478	33,870	25,608	23,907	12,050	10,470	620	766	2,108	1,384	638	30	2,053
FUEL - OIL	5	22,458	8,361	4,761	3,600	3,361	1,694	1,472	87	108	296	195	90	4	289
TOTAL FUEL STOCK		182,226	67,839	38,631	29,207	27,268	13,744	11,942	708	874	2,405	1,579	728	34	2,341
NUCLEAR FUEL															
120.2 IN STOCK		0	0	0	0	0	0	0	0	0	0	0	0	0	0
120.3 IN REACTOR	5	430,022	160,088	91,164	68,924	64,347	32,433	28,182	1,670	2,062	5,675	3,725	1,718	81	5,525
120.4 SPENT FUEL	5	129,853	48,341	27,529	20,813	19,431	9,794	8,510	504	623	1,714	1,125	519	25	1,668
TOTAL		559,875	208,429	118,692	89,737	83,778	42,227	36,692	2,174	2,685	7,389	4,850	2,237	106	7,193
LESS: 120.6 NUCLEAR FUEL BURNED	5	331,573	123,437	70,293	53,145	49,615	25,008	21,730	1,288	1,590	4,376	2,872	1,325	63	4,260
TOTAL NUCLEAR FUEL STOCKS		228,302	84,992	48,399	36,592	34,162	17,219	14,962	887	1,095	3,013	1,978	912	43	2,933
PLANT MATERIALS & SUPPLIES															
PRODUCTION	60	221,657	87,417	52,630	34,788	35,733	19,625	15,209	913	984	1,688	1,095	505	24	1,624
TRANSMISSION	84	9,341	3,921	2,510	1,411	1,733	982	673	41	37	2	0	0	0	0
DISTRIBUTION															
DIRECT		1,983	0	0	0	0	0	0	0	0	1,983	1,503	445	35	1,983

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	1 INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
RATE BASE ADJUSTMENTS												
RATE BASE ADJUSTMENTS												
ACCUMULATED DEFERRED TAX ITEMS												
ACCUMULATED DEFERRED TAXES	76	1,478	55,060	47,118	6,573	1,370	501,043	229,077	52,734	205,514	13,717	3,882
DIRECT		-71	(15,082)	(12,740)	(1,859)	-483	(121,937)	(56,733)	(13,066)	(48,777)	(3,361)	-770
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0
TOTAL ACCUM DEFERRED TAXES		1,407	39,978	34,378	4,714	887	379,106	172,344	39,668	156,737	10,356	3,112
RESERVES ITEMS												
RESERVES	76	34	1,264	1,081	151	31	11,498	5,257	1,210	4,716	315	89
DIRECT		0	0	0	0	0	0	0	0	0	0	0
OTHER RATE BASE PROFORMA	74	(44)	(1,595)	(1,364)	(191)	(40)	(14,386)	(6,591)	(1,518)	(5,883)	(393)	(112)
TOTAL RESERVES		(10)	(331)	(283)	(40)	(8)	(2,887)	(1,334)	(308)	(1,167)	(79)	(23)
CUSTOMER DEPOSITS												
DIRECT		0	28	28	0	0	2,406	1,394	187	825	0	0
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		0	28	28	0	0	2,406	1,394	187	825	0	0
LESS:												
LAND HELD FOR FUTURE USE												
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0
TOTAL LAND HELD FOR FUTURE USE		0	0	0	0	0	0	0	0	0	0	0
CONSTRUCTION WORK IN PROGRESS												
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0
GENERAL		0	0	0	0	0	0	0	0	0	0	0
CWIP PRODUCTION PROFORMA	77	199	27,194	23,363	3,123	707	273,343	121,534	27,828	116,349	7,631	1,752
TOTAL RATE BASE CWIP		199	27,194	23,363	3,123	707	273,343	121,534	27,828	116,349	7,631	1,752
TOTAL ADDITIVE & SUBSTRACTIVE ADJUSTMENTS		1,198	12,482	10,760	1,551	171	105,282	50,870	11,720	40,046	2,646	1,337
TOTAL RATE BASE EXCL. WORKING CAPITAL		6,722	289,516	247,558	34,645	7,415	2,631,372	1,201,114	276,527	1,081,442	72,289	19,704
WORKING CAPITAL												
MATERIALS & SUPPLIES												
FUEL INVENTORIES												
FUEL-COAL	5	56	5,774	5,035	620	119	68,060	29,411	6,709	30,025	1,915	440
FUEL - OIL	5	8	812	708	87	17	9,567	4,134	943	4,221	269	62
TOTAL FUEL STOCK		64	6,586	5,742	708	136	77,627	33,546	7,652	34,246	2,184	502
NUCLEAR FUEL												
120.2 IN STOCK		0	0	0	0	0	0	0	0	0	0	0
120.3 IN REACTOR	5	150	15,542	13,551	1,670	321	183,188	79,161	18,057	80,814	5,154	1,184
120.4 SPENT FUEL	5	45	4,693	4,092	504	97	55,316	23,904	5,453	24,403	1,556	358
TOTAL		195	20,235	17,643	2,174	418	238,502	103,065	23,509	105,218	6,710	1,542
LESS: 120.5 NUCLEAR FUEL BURNED	5	116	11,984	10,448	1,288	248	141,248	61,038	13,923	62,313	3,974	913
TOTAL NUCLEAR FUEL STOCKS		80	8,251	7,194	887	171	97,255	42,027	9,587	42,905	2,736	629
PLANT MATERIALS & SUPPLIES												
PRODUCTION	60	63	8,620	7,406	990	224	86,644	38,524	8,821	38,880	2,419	555
TRANSMISSION	64	2	394	333	49	13	3,258	1,513	342	1,314	89	32
DISTRIBUTION												
DIRECT		0	0	0	0	0	0	0	0	0	0	0

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
ALLOCATED	67	43,203	30,733	17,266	13,468	6,184	4,425	1,495	188	77	86	0	0	0	0
GENERAL	70	2,235	1,070	633	437	357	213	127	9	8	76	53	21	1	75
EMISSION ALLOWANCE INVENTORY	5	741	276	157	119	111	58	49	3	4	10	6	3	0	10
RENEWABLE ENERGY CREDITS	5	46	17	10	7	7	3	3	0	0	1	0	0	0	1
M&S COAL PROFORMA	5	24,497	9,120	5,193	3,928	3,668	1,848	1,605	95	117	323	212	98	5	315
TOTAL PLANT MATERIALS & SUPPLIES		303,703	132,555	78,399	54,156	48,790	27,153	19,161	1,249	1,227	4,169	2,870	1,072	65	4,007
BOND PREMIUMS - ALLOCATED	38	71,002	33,714	19,514	14,200	10,881	6,411	3,943	284	242	3,205	2,422	684	43	3,149
BOND PREMIUMS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH	38	1,219	579	335	244	187	110	68	5	4	55	42	12	1	54
OTHER CASH REQUIREMENT DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIRECT		206,553	93,451	54,901	38,550	36,208	20,632	13,757	915	899	5,570	3,886	1,527	63	5,476
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: FIT ACCRUALS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-RETAIL		0	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH WORKING CAPITAL		278,774	127,744	74,750	52,994	47,271	27,153	17,768	1,204	1,145	8,830	6,349	2,223	107	8,679
DEFERRED ITEMS RELATED TO:															
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET PLANT RELATED	76	(21,677)	(10,507)	(6,085)	(4,422)	(3,255)	(1,938)	(1,160)	(86)	(72)	(1,074)	(814)	(227)	(16)	(1,056)
WAGES & SALARIES		0	0	0	0	0	0	0	0	0	0	0	0	0	0
A&G RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER DIRECT	Dir	(2,694)	-964	-527	-437	-373	-180	-170	-10	-13	-46	-30	-14	-1	-45
TOTAL DEFERRED ITEMS		(24,371)	(11,471)	(6,612)	(4,859)	(3,628)	(2,118)	(1,330)	(96)	(85)	(1,120)	(844)	(241)	(16)	(1,101)
PREPAYMENTS															
RENT															
PREPAID OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
UNEXPIRED INSURANCE REL TO:															
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0	0
WAGE AND SALARY RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PREPAYMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RATE BASE ADJUSTMENTS		203,027	(75,565)	(39,804)	(35,781)	66,991	21,542	41,457	1,230	2,764	(65,115)	(51,313)	(12,159)	(880)	(64,353)
TOTAL RATE BASE		9,854,500	4,591,898	2,669,308	1,922,590	1,524,512	888,133	561,983	38,626	34,771	401,680	302,163	86,935	5,424	394,522

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Rate Base)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
ALLOCATED	67	86	947	795	129	22	5,196	2,788	672	1,609	128	57
GENERAL	70	2	72	62	8	2	655	299	68	289	18	5
EMISSION ALLOWANCE INVENTORY	5	0	27	23	3	1	316	136	31	139	9	2
RENEWABLE ENERGY CREDITS	5	0	2	1	0	0	20	8	2	9	1	0
M&S COAL PROFORMA	5	9	885	772	95	18	10,436	4,510	1,029	4,604	294	67
TOTAL PLANT MATERIALS & SUPPLIES		162	10,947	9,393	1,274	280	106,524	47,778	10,965	44,824	2,957	719
BOND PREMIUMS - ALLOCATED	38	56	2,277	1,949	271	57	20,766	9,479	2,183	8,534	569	159
BOND PREMIUMS		0	0	0	0	0	0	0	0	0	0	0
CASH	38	1	39	33	5	1	357	163	37	147	10	3
OTHER CASH REQUIREMENT DIRECT		0	0	0	0	0	0	0	0	0	0	0
DIRECT		94	6,873	6,002	772	99	63,812	29,327	6,820	26,003	1,662	644
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0
LESS: FIT ACCRUALS		0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-RETAIL		0	0	0	0	0	0	0	0	0	0	0
LESS: AVERAGE TAX ACCRUAL-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0
CASH WORKING CAPITAL		150	9,189	7,984	1,048	157	84,934	38,969	9,041	34,683	2,241	806
DEFERRED ITEMS RELATED TO:												
PRODUCTION PLANT		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION PLANT		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION PLANT		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
NET PLANT RELATED	76	(18)	(673)	(576)	(80)	(17)	(6,121)	(2,799)	(644)	(2,511)	(168)	(47)
WAGES & SALARIES		0	0	0	0	0	0	0	0	0	0	0
A&G RELATED		0	0	0	0	0	0	0	0	0	0	0
OTHER DIRECT	Dir	-1	-90	-81	-9	0	(1,213)	-514	-116	-549	-34	-8
TOTAL DEFERRED ITEMS		(19)	(783)	(657)	(89)	(17)	(7,334)	(3,313)	(760)	(3,060)	(202)	(55)
PREPAYMENTS												
RENT												
PREPAID OTHER		0	0	0	0	0	0	0	0	0	0	0
ALLOCATED		0	0	0	0	0	0	0	0	0	0	0
UNEXPIRED INSURANCE REL TO:												
PRODUCTION		0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0
WAGE AND SALARY RELATED		0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0
TOTAL PREPAYMENTS		0	0	0	0	0	0	0	0	0	0	0
TOTAL RATE BASE ADJUSTMENTS		(762)	21,729	18,897	2,276	555	253,724	108,137	24,764	113,553	7,270	1,263
TOTAL RATE BASE		7,158	323,728	277,215	38,372	8,142	2,990,377	1,360,120	313,011	1,235,041	82,205	22,303

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
O&M EXPENSES														
PRODUCTION O&M														
ENERGY RELATED PRODUCTION O&M														
FOSSIL FUEL EXPENSE	7	883,527	328,261	188,931	141,329	131,588	66,317	57,640	3,414	4,217	11,604	7,617	3,514	166
NUCLEAR FUEL DISPOSAL COST	7	25,606	9,514	5,418	4,096	3,814	1,922	1,671	99	122	336	221	102	5
NUCLEAR FUEL EXPENSE	7	95,825	35,602	20,274	15,328	14,272	7,193	6,252	370	457	1,259	826	381	18
FUEL EXPENSE DIRECTLY ASSIGNED-RETAIL	7	98,523	36,605	20,845	15,760	14,674	7,395	6,428	381	470	1,294	849	392	19
FUEL EXPENSE DIRECTLY ASSIGNED-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0	0	0
FUEL IN PURCHASED POWER & INTERCHANGE	7	98,172	36,474	20,771	15,704	14,621	7,369	6,405	379	469	1,289	846	390	18
FUEL PROFORMA	7	160,893	59,777	34,041	25,736	23,963	12,077	10,496	622	768	2,113	1,387	640	30
LINE LOSS	Dir	2,548	1,809	1,030	779	1,192	612	510	31	39	107	70	32	2
NET INTERCHANGE - ENERGY	5	5,755	2,142	1,220	922	861	434	377	22	28	76	50	23	1
OTHER PRODUCTION EXPENSE DIRECTLY ASSIGNED	Dir	15,625	5,805	3,306	2,499	2,327	1,173	1,019	60	75	205	135	62	3
PURCHASE POWER PROFORMA	7	358	133	76	57	53	27	23	1	2	5	3	1	0
PURCHASE POWER RECOVERED THROUGH FUEL	7	40,421	15,018	8,552	6,466	6,020	3,034	2,637	156	193	531	348	161	8
O&M RECOVERED THROUGH FUEL	7	15,501	5,759	3,280	2,480	2,309	1,164	1,011	60	74	204	134	62	3
OTHER PROD EXPENSE	5	87,424	32,546	18,534	14,012	13,082	6,594	5,729	339	419	1,154	757	349	17
OTHER PROD EXPENSE PROFORMA	5	7,714	2,872	1,635	1,236	1,154	582	506	30	37	102	67	31	1
TOTAL ENERGY RELATED		1,537,892	572,317	325,912	246,405	229,930	115,891	100,704	5,966	7,369	20,278	13,311	6,139	291
DEMAND RELATED PROD O&M														
NET INTERCHANGE - DEMAND	77	46,215	18,226	10,973	7,253	7,659	4,092	3,171	160	205	352	228	105	5
PURCHASED POWER		0	0	0	0	0	0	0	0	0	0	0	0	0
PURCHASED POWER DIR. ASSIGNED (LEVELIZATION)		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROD EXPENSE	77	427,700	168,677	101,552	67,125	70,878	37,868	29,347	1,752	1,899	3,258	2,113	975	46
OTHER PROD EXPENSE PROFORMA	77	12,047	4,751	2,860	1,891	1,996	1,067	827	50	54	92	60	27	1
TOTAL DEMAND RELATED		485,962	191,655	115,386	76,268	80,633	43,027	33,345	2,002	2,158	3,700	2,401	1,108	52
TOTAL PRODUCTION O&M		2,023,854	763,971	441,298	322,673	310,462	158,918	134,049	7,968	9,527	23,978	15,713	7,247	344
TRANSMISSION O & M														
DIRECT	Dir	8,999	3,343	1,904	1,439	1,340	675	587	35	43	119	78	36	2
ALLOCATED	64	30,351	12,742	8,156	4,586	5,631	3,192	2,186	133	119	6	0	0	0
MISCELLANEOUS ADJUSTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION O & M		39,350	16,085	10,060	6,025	6,971	3,867	2,773	168	162	125	78	36	2
DISTRIBUTION O & M														
OPERATION:														
580-SUPERVISION	24	237	145	85	61	53	47	6	1	0	16	9	6	0
582-SUBSTATION	8	1,851	1,084	574	510	242	140	88	10	4	0	0	0	0
583-OH LINES	9	1,564	1,208	707	500	178	143	29	5	2	70	66	2	1
584-UG LINES	10	4,350	2,829	1,498	1,331	632	364	231	26	11	59	58	0	0
585-STREET LIGHTS	Dir	578	0	0	0	0	0	0	0	0	578	0	557	0
586-METERS	23	8,966	4,595	2,786	1,809	3,502	3,292	189	16	5	22	0	0	0
587-CUSTOMER INSTALLATIONS - DIRECT	Dir	5,994	4,478	2,715	1,763	654	623	13	15	3	806	761	14	15
587-CUSTOMER INSTALLATIONS - ALLOCATED	60	97	38	23	15	16	9	7	0	0	1	0	0	0
588-MISC EXPENSES	24	24,933	15,284	8,923	6,371	5,614	4,912	588	77	27	1,651	951	616	17
588-MISC EXPENSES - ALLOC DEMAND	60	49	19	12	8	6	4	3	0	0	0	0	0	0
589-RENTS	24	61	37	22	16	14	12	1	0	0	4	2	2	0
MISC OPER. EXPENSES & RENTS PROFORMA	24	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE:														
590-SUPERVISION	25	3,066	2,168	1,256	911	356	276	66	10	4	288	124	153	1
591-STRUCTURES		0	0	0	0	0	0	0	0	0	0	0	0	0
592-SUBSTATIONS	8	5,949	3,907	2,069	1,839	873	504	319	35	15	1	0	0	0
593-OH LINES	9	55,422	42,753	25,044	17,709	6,307	5,061	1,012	171	62	2,483	2,322	60	18
594-UG LINES	10	5,375	3,495	1,851	1,645	781	450	285	32	14	73	72	0	1
595-LINE TRANSFORMERS	11	2,416	1,528	846	682	311	205	91	11	5	21	12	7	0
596-STREET LIGHTS	Dir	4,114	0	0	0	0	0	0	0	0	4,114	0	3,964	0
597-METERS	23	977	501	304	197	382	359	21	2	1	2	0	0	0
598-MISC EXPENSES	13	6,821	5,095	3,088	2,006	745	709	14	17	4	916	865	15	17
DIST MAINTENANCE PROFORMA	9	14,722	11,357	6,653	4,704	1,675	1,344	269	46	17	659	617	16	5
TOTAL DISTRIBUTION O & M		147,344	100,530	58,454	42,076	22,343	18,454	3,242	473	174	11,763	5,860	5,412	77

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
O&M EXPENSES													
PRODUCTION O&M													
ENERGY RELATED PRODUCTION O&M													
FOSSIL FUEL EXPENSE	7	11,297	307	31,882	27,782	3,421	680	377,771	162,598	36,962	167,587	10,623	2,421
NUCLEAR FUEL DISPOSAL COST	7	327	9	924	805	99	20	10,948	4,712	1,071	4,857	308	70
NUCLEAR FUEL EXPENSE	7	1,225	33	3,458	3,013	371	74	40,972	17,635	4,009	18,176	1,152	263
FUEL EXPENSE DIRECTLY ASSIGNED-RETAIL	7	1,260	34	3,555	3,098	381	76	42,126	18,131	4,122	18,688	1,185	270
FUEL EXPENSE DIRECTLY ASSIGNED-WHOLESALE		0	0	0	0	0	0	0	0	0	0	0	0
FUEL IN PURCHASED POWER & INTERCHANGE	7	1,255	34	3,543	3,087	380	76	41,976	18,067	4,107	18,621	1,180	269
FUEL PROFORMA	7	2,057	56	5,806	5,059	623	124	68,793	29,610	6,731	30,518	1,934	441
LINE LOSS	Dir	104	3	158	159	23	-24	-740	530	287	(1,544)	-13	22
NET INTERCHANGE - ENERGY	5	74	2	208	181	22	4	2,452	1,059	242	1,082	69	16
OTHER PRODUCTION EXPENSE DIRECTLY ASSIGNED	Dir	200	5	563	491	60	12	6,882	2,876	654	2,984	188	43
PURCHASE POWER PROFORMA	7	5	0	13	11	1	0	153	66	15	69	4	1
PURCHASE POWER RECOVERED THROUGH FUEL	7	517	14	1,459	1,271	157	31	17,283	7,439	1,691	7,667	486	111
O&M RECOVERED THROUGH FUEL	7	198	5	559	487	60	12	6,628	2,853	648	2,940	186	42
OTHER PROD EXPENSE	5	1,123	30	3,160	2,755	339	65	37,242	16,094	3,671	16,430	1,048	241
OTHER PROD EXPENSE PROFORMA	5	99	3	279	243	30	6	3,286	1,420	324	1,450	92	21
TOTAL ENERGY RELATED		19,742	536	55,566	48,443	5,968	1,155	655,571	283,090	64,634	289,604	18,443	4,231
DEMAND RELATED PROD O&M													
NET INTERCHANGE - DEMAND	77	339	13	1,797	1,544	206	47	18,065	8,032	1,839	7,689	504	116
PURCHASED POWER		0	0	0	0	0	0	0	0	0	0	0	0
PURCHASED POWER DIR. ASSIGNED (LEVELIZATION)		0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROD EXPENSE	77	3,134	122	16,632	14,290	1,910	433	167,165	74,334	17,020	71,163	4,668	1,071
OTHER PROD EXPENSE PROFORMA	77	88	3	468	402	54	12	4,709	2,094	479	2,004	131	30
TOTAL DEMAND RELATED		3,561	138	18,898	16,236	2,170	492	189,959	84,460	19,339	80,857	5,303	1,217
TOTAL PRODUCTION O&M		23,303	674	74,464	64,679	8,139	1,647	845,530	367,550	83,973	370,361	23,746	5,448
TRANSMISSION O & M													
DIRECT	Dir	116	3	325	283	35	7	3,847	1,656	378	1,707	108	25
ALLOCATED	64	0	6	1,282	1,083	158	41	10,585	4,915	1,111	4,271	289	105
MISCELLANEOUS ADJUSTMENTS		0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSMISSION O & M		116	9	1,607	1,366	193	48	14,432	6,571	1,487	5,978	397	130
DISTRIBUTION O & M													
OPERATION:													
580-SUPERVISION	24	15	1	4	3	0	0	19	12	3	4	0	0
582-SUBSTATION	8	0	0	53	44	7	1	269	147	37	78	7	2
583-OH LINES	9	68	2	18	15	2	0	91	51	13	25	2	0
584-UG LINES	10	58	1	137	115	19	3	690	378	97	198	17	3
585-STREET LIGHTS	Dir	557	21	0	0	0	0	0	0	0	0	0	0
586-METERS	23	0	22	169	154	15	0	677	508	123	43	3	1
587-CUSTOMER INSTALLATIONS - DIRECT	Dir	790	16	11	10	1	0	45	34	8	3	0	0
587-CUSTOMER INSTALLATIONS - ALLOCATED	60	1	0	4	3	0	0	38	17	4	16	1	0
588-MISC EXPENSES	24	1,584	67	421	366	49	6	1,946	1,221	304	390	32	7
588-MISC EXPENSES - ALLOC DEMAND	60	0	0	2	2	0	0	19	9	2	8	1	0
589-RENTS	24	4	0	1	1	0	0	5	3	1	1	0	0
MISC OPER. EXPENSES & RENTS PROFORMA	24	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE:													
590-SUPERVISION	25	278	10	41	35	6	1	214	119	30	61	5	1
591-STRUCTURES		0	0	0	0	0	0	0	0	0	0	0	0
592-SUBSTATIONS	8	0	1	191	159	27	5	971	531	135	282	24	6
593-OH LINES	9	2,402	81	638	538	86	14	3,228	1,824	457	869	78	13
594-UG LINES	10	72	1	170	142	24	4	853	467	120	245	21	4
595-LINE TRANSFORMERS	11	19	2	65	54	9	2	477	225	45	195	13	14
596-STREET LIGHTS	Dir	3,964	150	0	0	0	0	0	0	0	0	0	0
597-METERS	23	0	2	18	17	2	0	74	55	13	5	0	0
598-MISC EXPENSES	13	898	18	13	12	1	0	52	39	9	4	0	0
DIST MAINTENANCE PROFORMA	9	638	22	170	143	23	4	857	486	121	231	21	4
TOTAL DISTRIBUTION O & M		11,348	415	2,126	1,613	273	41	10,626	6,124	1,523	2,656	224	55

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
CUSTOMER ACCOUNTING														
SUPERVISION	28	1,017	828	547	279	110	102	4	3	1	61	56	2	1
METER READING	Dir	4,826	4,151	2,517	1,634	607	578	12	14	3	14	0	0	0
CUSTOMER RECORD & COLLECTION EXPENSE	Dir	34,202	26,928	16,383	10,565	3,962	3,771	77	93	21	2,921	2,690	82	54
UNCOLLECTIBLE ACCOUNTS	Dir	11,279	9,801	8,184	1,617	864	702	69	37	36	102	100	0	2
MISC CUSTOMER ACCOUNT EXPENSE	28	2,144	1,742	1,153	589	232	215	8	6	3	129	119	3	2
CUSTOMER ACCOUNTING PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCT EXPENSE		53,468	43,449	28,765	14,684	5,774	5,368	189	153	64	3,228	2,965	87	60
CUSTOMER SERVICE & INFORMATION														
CUSTOMER ASSISTANCE EXPENSE	Dir	3,354	1,480	897	583	1,721	1,639	33	40	9	0	0	0	0
INFORMATIONAL & INSTRUCTIONAL ADV		0	0	0	0	0	0	0	0	0	0	0	0	0
MISC. CUSTOMER SERVICE & INFORMATION	Dir	12,203	10,529	6,384	4,145	1,539	1,465	30	36	8	0	0	0	0
CUSTOMER SERVICE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER SERV & INFORMATION		15,557	12,009	7,281	4,728	3,260	3,104	63	76	17	0	0	0	0
SALES														
SALES EXPENSE	Dir	5	4	2	2	1	1	0	0	0	0	0	0	0
SALES EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SALES EXPENSE		5	4	2	2	1	1	0	0	0	0	0	0	0
SUBTOTAL O&M EXCL. A&G		2,279,578	936,048	545,859	390,188	348,812	189,712	140,316	8,839	9,945	39,094	24,616	12,782	482
ADMINISTRATIVE & GENERAL														
A&G EXPENSE EXCL. REGULATORY EXP														
WAGES & SALARIES - PRODUCTION	52	207,163	81,701	49,188	32,513	34,331	18,342	14,215	854	920	1,577	1,024	472	22
WAGES & SALARIES - TRANSMISSION	54	9,839	4,022	2,515	1,507	1,743	967	693	42	41	31	20	9	1
WAGES & SALARIES - DISTRIBUTION	44	31,705	21,318	12,384	8,934	4,941	4,090	711	102	38	2,654	1,253	1,290	17
WAGES & SALARIES - CA	46	11,485	9,333	6,179	3,154	1,240	1,153	41	33	14	693	637	19	13
WAGES & SALARIES - CUST SERV & INFO	48	6,941	5,358	3,249	2,109	1,455	1,385	28	34	8	0	0	0	0
WAGES & SALARIES - SALES		0	0	0	0	0	0	0	0	0	0	0	0	0
A&G O&M RELATED EXPENSES	34	97,803	46,402	27,900	18,502	15,563	9,473	5,355	379	356	2,385	1,419	865	25
PRODUCTION-DEMAND RELATED	60	(17,632)	(6,914)	(4,163)	(2,752)	(2,905)	(1,552)	(1,203)	(72)	(78)	(133)	(87)	(40)	(2)
PRODUCTION-ENERGY RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL	70	2,459	1,177	697	481	393	234	139	10	9	84	58	23	1
OTHER	74	3,724	1,816	1,052	764	559	334	198	15	12	188	143	40	3
I&D REGULATORY LIABILITY		0	0	0	0	0	0	0	0	0	0	0	0	0
RATE REVIEW EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
REGULATORY COMMISSION	33	1,090	489	288	201	185	103	72	5	5	30	21	8	0
RENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE OF GENERAL PLANT	70	1,966	941	557	384	314	187	112	8	7	67	46	19	1
ADJUSTMENT MERGER CONDITION #23	60	(10,101)	(3,984)	(2,398)	(1,585)	(1,674)	(894)	(693)	(42)	(45)	(77)	(50)	(23)	(1)
EPRI	34	295	140	84	56	47	29	16	1	1	7	4	3	0
ADVANCED ENERGY	5	1,896	743	423	320	299	151	131	8	10	26	17	8	0
NCUC FEES	33	4,920	2,205	1,299	906	838	465	327	22	22	135	95	36	1
BPM SALARIES		0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
NCUC FEES PROFORMA	33	93	42	25	17	16	9	6	0	0	3	2	1	0
O&M NON-LABOR EXCL FUEL & PP PROFORMA	34	10,691	5,072	3,050	2,022	1,701	1,035	585	41	39	262	155	95	3
O&M LABOR PROFORMA	55	7,328	3,338	2,016	1,322	1,198	711	430	29	28	136	80	49	1
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ADMIN. & GENERAL		371,863	173,200	104,344	68,856	60,241	36,222	21,164	1,469	1,386	8,078	4,838	2,873	86
TOTAL O&M EXPENSE		2,651,441	1,109,248	650,204	459,044	409,054	225,934	161,480	10,308	11,331	47,172	29,454	15,654	568
DEPRECIATION EXPENSE														
PRODUCTION DEPRECIATION														
CONTRA AFUDC	Dir	-830	-352	-225	-127	-156	-88	-60	-4	-3	0	0	0	0
DIRECT	Dir	9,835	4,168	2,668	1,500	1,840	1,042	715	44	39	2	0	0	0
ALLOCATED - DEMAND	77	247,167	97,478	58,687	38,791	40,960	21,884	16,960	1,018	1,098	1,882	1,221	563	27
ALLOCATED - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0
PROFORMA EXPENSE - DEMAND	77	57,722	22,765	13,705	9,059	9,566	5,111	3,961	238	256	439	285	132	6

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
CUSTOMER ACCOUNTING													
SUPERVISION	28	59	2	2	2	0	0	17	11	2	4	0	0
METER READING	Dir	0	14	11	10	1	0	43	32	8	3	0	0
CUSTOMER RECORD & COLLECTION EXPENSE	Dir	2,826	95	71	65	6	0	301	209	51	39	2	19
UNCOLLECTIBLE ACCOUNTS	Dir	102	0	7	7	0	0	505	289	40	175	1	0
MISC CUSTOMER ACCOUNT EXPENSE	28	126	5	4	3	0	0	36	23	4	9	0	1
CUSTOMER ACCOUNTING PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER ACCT EXPENSE		3,112	116	95	87	7	0	902	563	105	231	3	20
CUSTOMER SERVICE & INFORMATION													
CUSTOMER ASSISTANCE EXPENSE	Dir	0	0	31	28	3	0	122	90	22	9	1	0
INFORMATIONAL & INSTRUCTIONAL ADV		0	0	0	0	0	0	0	0	0	0	0	0
MISC. CUSTOMER SERVICE & INFORMATION	Dir	0	0	27	25	2	0	108	80	19	8	1	0
CUSTOMER SERVICE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER SERV & INFORMATION		0	0	58	53	5	0	230	170	41	17	2	0
SALES													
SALES EXPENSE	Dir	0	0	0	0	0	0	0	0	0	0	0	0
SALES EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SALES EXPENSE		0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL O&M EXCL. A&G		37,880	1,214	78,350	67,996	8,617	1,735	871,621	380,978	87,029	379,242	24,372	5,653
ADMINISTRATIVE & GENERAL													
A&G EXPENSE EXCL. REGULATORY EXP													
WAGES & SALARIES - PRODUCTION	52	1,518	59	8,056	6,921	925	210	80,979	36,005	8,244	34,469	2,261	519
WAGES & SALARIES - TRANSMISSION	54	29	2	402	342	48	12	3,609	1,643	372	1,495	98	32
WAGES & SALARIES - DISTRIBUTION	44	2,560	94	468	398	60	9	2,311	1,348	335	580	49	12
WAGES & SALARIES - CA	46	668	25	20	18	2	0	194	121	23	50	1	4
WAGES & SALARIES - CUST SERV & INFO	48	0	0	26	24	2	0	103	76	18	8	1	0
WAGES & SALARIES - SALES		0	0	0	0	0	0	0	0	0	0	0	0
A&G O&M RELATED EXPENSES	34	2,310	85	3,060	2,634	351	75	30,185	13,554	3,109	12,690	832	199
PRODUCTION-DEMAND RELATED	60	(128)	(5)	(682)	(586)	(78)	(18)	(6,853)	(3,047)	(698)	(2,917)	(191)	(44)
PRODUCTION-ENERGY RELATED		0	0	0	0	0	0	0	0	0	0	0	0
TRANSMISSION		0	0	0	0	0	0	0	0	0	0	0	0
DISTRIBUTION		0	0	0	0	0	0	0	0	0	0	0	0
GENERAL	70	82	2	79	68	9	2	721	329	76	296	20	5
OTHER	74	165	3	115	98	14	3	1,038	476	110	424	28	8
I&D REGULATORY LIABILITY		0	0	0	0	0	0	0	0	0	0	0	0
RATE REVIEW EXPENSE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
REGULATORY COMMISSION	33	29	0	36	31	4	1	347	158	36	143	9	3
RENTS		0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE OF GENERAL PLANT	70	66	2	63	54	7	2	576	263	61	236	16	4
ADJUSTMENT MERGER CONDITION #23	60	(74)	(3)	(393)	(337)	(45)	(10)	(3,948)	(1,756)	(402)	(1,681)	(110)	(25)
EPRI	34	7	0	9	8	1	0	91	41	9	38	3	1
ADVANCED ENERGY	5	26	1	72	63	8	1	850	367	84	375	24	5
NCUC FEES	33	132	2	162	141	19	3	1,567	715	165	645	41	16
BPM SALARIES		0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
NCUC FEES PROFORMA	33	3	0	3	3	0	0	30	14	3	12	1	0
O&M NON-LABOR EXCL FUEL & PP PROFORMA	34	253	9	334	288	38	8	3,300	1,482	340	1,387	91	22
O&M LABOR PROFORMA	55	131	5	246	211	28	6	2,391	1,075	247	1,004	66	16
MISCELLANEOUS A&G ITEMS PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ADMIN. & GENERAL		7,797	281	12,077	10,380	1,394	304	117,489	52,864	12,132	49,254	3,239	778
TOTAL O&M EXPENSE		45,676	1,495	90,427	78,376	10,011	2,039	989,109	433,842	99,160	428,496	27,611	6,431
DEPRECIATION EXPENSE													
PRODUCTION DEPRECIATION													
CONTRA AFUDC	Dir	0	0	-35	-30	-4	-1	-286	-133	-31	-114	-8	-2
DIRECT	Dir	0	2	418	353	52	13	3,386	1,575	363	1,355	93	21
ALLOCATED - DEMAND	77	1,811	70	9,612	8,258	1,104	250	96,616	42,958	9,836	41,125	2,697	619
ALLOCATED - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0
PROFORMA EXPENSE - DEMAND	77	423	16	2,245	1,929	258	58	22,563	10,032	2,297	9,604	630	145

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
PROFORMA EXPENSE - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRODUCTION DEPREC EXP.		313,894	124,059	74,835	49,223	52,211	27,949	21,576	1,296	1,390	2,323	1,507	695	33
TRANSMISSION DEPRECIATION														
CONTRA AFUDC	Dir	-8	-3	-2	-1	-1	-1	0	0	0	0	0	0	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	2	33,818	14,330	9,172	5,158	6,326	3,583	2,459	150	134	7	0	0	0
PROFORMA EXPENSE	2	(7,873)	(3,336)	(2,135)	(1,201)	(1,473)	(834)	(572)	(35)	(31)	(2)	0	0	0
TOTAL TRANSMISSION DEP. EXP.		25,939	10,991	7,035	3,956	4,853	2,748	1,886	115	103	5	0	0	0
DISTRIBUTION DEPRECIATION														
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	68	180,130	114,914	64,557	50,357	23,121	16,545	5,588	701	287	16,914	13,731	4,630	231
PROFORMA EXPENSE	65	(40,061)	(25,557)	(14,357)	(11,199)	(5,142)	(3,680)	(1,243)	(156)	(64)	(4,207)	(3,054)	(1,030)	(51)
TOTAL DIST. DEPREC EXP.		140,069	89,357	50,199	39,158	17,979	12,866	4,345	545	223	14,708	10,677	3,600	180
GENERAL & INTANGIBLE DEPRECIATION														
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	70	42,331	20,269	11,993	8,276	6,757	4,033	2,401	172	151	1,446	995	401	17
AMORTIZATION OF EA GAINS	5	(2,908)	(1,083)	(616)	(466)	(435)	(219)	(191)	(11)	(14)	(38)	(25)	(12)	(1)
PROFORMA EXPENSE	71	8,373	4,009	2,372	1,637	1,337	798	475	34	30	286	197	79	3
TOTAL GENERAL DEPREC EXP.		47,796	23,196	13,749	9,447	7,659	4,611	2,686	195	167	1,694	1,167	469	20
TOTAL DEPRECIATION EXPENSE		527,698	247,602	145,818	101,784	82,701	48,173	30,493	2,152	1,883	18,730	13,351	4,764	233
TAXES OTHER THAN INC & REV														
REAL ESTATE & PROPERTY TAX														
PRODUCTION	60	57,691	22,752	13,698	9,054	9,560	5,109	3,959	238	256	439	285	131	6
TRANSMISSION	64	6,883	2,890	1,850	1,040	1,277	724	498	30	27	1	0	0	0
DISTRIBUTION	68	23,726	15,136	8,503	6,633	3,045	2,179	738	92	38	2,491	1,809	610	30
GENERAL	70	2,914	1,395	828	570	465	278	165	12	10	100	69	28	1
PRODUCTION PROFORMA	77	8,181	3,226	1,942	1,284	1,356	724	561	34	36	62	40	19	1
TRANSMISSION PROFORMA	63	706	296	190	107	131	74	51	3	3	0	0	0	0
DISTRIBUTION PROFORMA	65	2,227	1,421	798	623	286	205	69	9	4	234	170	57	3
GENERAL PROFORMA	69	33	16	9	6	5	3	2	0	0	1	1	0	0
TOTAL REAL EST & PROP TAX		102,361	47,133	27,816	19,316	16,126	9,295	6,039	418	374	3,329	2,373	845	42
REVENUE RELATED TAXES:														
FRANCHISE TAXES	12	118,570	53,656	31,634	22,122	20,836	11,875	7,917	526	517	3,206	2,237	879	36
MUNICIPAL LICENSES	30	31	14	8	6	5	3	2	0	0	1	1	0	0
OTHER REVENUE RELATED		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE RELATED-DIRECT		103	39	22	17	16	8	7	0	1	1	1	0	0
PROFORMA REVENUE RELATED TAXES	12	2,494	1,129	663	465	438	250	167	11	11	67	47	18	1
TOTAL MISCELLANEOUS TAXES		121,198	54,837	32,227	22,610	21,296	12,136	8,093	538	529	3,276	2,286	898	37
SC KWH TAX		0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES REL TO WAGES & SALARIES														
FED SOCIAL SEC AND UNEMPLOYMENT TAXES	55	27,516	12,539	7,572	4,967	4,502	2,672	1,616	110	105	511	302	184	5
STATE UNEMPLOYMENT TAXES	55	527	240	145	95	86	51	31	2	2	10	6	4	0
STATE WORKMENS COMPENSATION	55	177	81	49	32	29	17	10	1	1	3	2	1	0
PROFORMA REL TO WAGES & SALARIES	55	2,114	963	582	382	346	205	124	8	8	39	23	14	0
TOTAL MISCELLANEOUS EXPENSES		30,334	13,823	8,348	5,475	4,963	2,945	1,781	121	116	563	333	203	6
TOTAL OTHER TAX & MISC EXPENSE		253,893	115,793	68,391	47,402	42,385	24,376	15,913	1,076	1,019	7,167	4,992	1,946	85
INCOME TAX BASED ON RETURN														
ADJUSTMENTS TO BOOK INCOME														
LESS: INTEREST ALLOCATED TO ELECTRIC OPER:														
OTHER INTEREST EXPENSE:														
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	38	233,683	110,961	64,226	46,735	35,813	21,101	12,979	936	797	10,548	7,971	2,252	143
INTEREST PROFORMA	38	36,340	17,256	9,988	7,268	5,569	3,281	2,018	146	124	1,640	1,240	350	22
TOTAL OTHER INTEREST EXPENSE		270,023	128,216	74,213	54,003	41,383	24,382	14,997	1,082	921	12,188	9,210	2,602	165

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
PROFORMA EXPENSE - ENERGY		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRODUCTION DEPREC EXP.		2,234	89	12,240	10,509	1,410	320	122,279	54,432	12,465	51,970	3,412	783
TRANSMISSION DEPRECIATION													
CONTRA AFUDC	Dir	0	0	0	0	0	0	-2	-1	0	-1	0	0
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	2	0	7	1,436	1,215	177	46	11,650	5,419	1,247	4,662	321	67
PROFORMA EXPENSE	2	0	(2)	(335)	(283)	(41)	(11)	(2,712)	(1,262)	(290)	(1,085)	(75)	(16)
TOTAL TRANSMISSION DEP. EXP.		0	5	1,103	932	136	35	8,936	4,157	957	3,576	246	52
DISTRIBUTION DEPRECIATION													
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	68	18,592	322	3,540	2,974	482	84	19,429	10,424	2,511	6,017	478	212
PROFORMA EXPENSE	65	(4,135)	(72)	(787)	(661)	(107)	(19)	(4,321)	(2,318)	(558)	(1,338)	(106)	(47)
TOTAL DIST. DEPREC EXP.		14,457	250	2,753	2,313	374	65	15,108	8,105	1,953	4,679	371	165
GENERAL & INTANGIBLE DEPRECIATION													
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	70	1,414	33	1,360	1,167	160	33	12,405	5,669	1,307	5,090	338	93
AMORTIZATION OF EA GAINS	5	(37)	(1)	(105)	(92)	(11)	(2)	(1,239)	(535)	(122)	(547)	(35)	(8)
PROFORMA EXPENSE	71	280	6	269	231	32	7	2,454	1,121	258	1,007	67	18
TOTAL GENERAL DEPREC EXP.		1,656	38	1,524	1,306	181	37	13,619	6,255	1,444	5,551	370	104
TOTAL DEPRECIATION EXPENSE		18,347	383	17,619	15,060	2,101	458	159,942	72,949	16,818	65,775	4,400	1,103
TAXES OTHER THAN INC & REV													
REAL ESTATE & PROPERTY TAX													
PRODUCTION	60	423	16	2,243	1,927	258	58	22,551	10,027	2,296	9,599	630	145
TRANSMISSION	64	0	1	291	246	38	9	2,400	1,115	252	969	66	24
DISTRIBUTION	68	2,449	42	468	392	63	11	2,589	1,373	331	793	63	28
GENERAL	70	97	2	94	80	11	2	854	390	90	350	23	6
PRODUCTION PROFORMA	77	60	2	318	273	37	8	3,198	1,422	326	1,361	89	20
TRANSMISSION PROFORMA	63	0	0	30	25	4	1	246	114	26	99	7	2
DISTRIBUTION PROFORMA	65	230	4	44	37	6	1	240	129	31	74	6	3
GENERAL PROFORMA	69	1	0	1	1	0	0	10	4	1	4	0	0
TOTAL REAL EST & PROP TAX		3,260	69	3,487	2,981	414	91	32,058	14,574	3,352	13,249	883	228
REVENUE RELATED TAXES:													
FRANCHISE TAXES	12	3,152	54	3,942	3,440	445	57	36,560	16,873	3,925	14,824	939	371
MUNICIPAL LICENSES	30	1	0	1	1	0	0	10	4	1	4	0	0
OTHER REVENUE RELATED		0	0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE RELATED-DIRECT		1	0	3	3	0	0	44	19	4	20	1	0
PROFORMA REVENUE RELATED TAXES	12	66	1	83	72	9	1	769	355	83	312	20	8
TOTAL MISCELLANEOUS TAXES		3,220	55	4,028	3,516	454	58	37,383	17,251	4,012	15,159	960	378
SC KWH TAX		0	0	0	0	0	0	0	0	0	0	0	0
TAXES REL TO WAGES & SALARIES													
FED SOCIAL SEC AND UNEMPLOYMENT TAXES	55	492	19	924	794	107	24	8,982	4,037	926	3,770	248	59
STATE UNEMPLOYMENT TAXES	55	9	0	18	15	2	0	172	77	18	72	5	1
STATE WORKMENS COMPENSATION	55	3	0	6	5	1	0	58	26	6	24	2	0
PROFORMA REL TO WAGES & SALARIES	55	38	1	71	61	8	2	690	310	71	290	19	4
TOTAL MISCELLANEOUS EXPENSES		542	20	1,019	875	118	26	9,901	4,450	1,021	4,156	274	65
TOTAL OTHER TAX & MISC EXPENSE		7,023	144	8,534	7,372	986	176	79,342	36,276	8,385	32,565	2,117	671
INCOME TAX BASED ON RETURN													
ADJUSTMENTS TO BOOK INCOME													
LESS: INTEREST ALLOCATED TO ELECTRIC OPER:													
OTHER INTEREST EXPENSE:													
DIRECT		0	0	0	0	0	0	0	0	0	0	0	0
ALLOCATED	38	10,365	183	7,493	6,414	892	187	68,344	31,198	7,185	28,087	1,874	524
INTEREST PROFORMA	38	1,612	28	1,165	997	139	29	10,628	4,852	1,117	4,368	291	81
TOTAL OTHER INTEREST EXPENSE		11,977	211	8,658	7,411	1,031	216	78,972	36,050	8,303	32,455	2,165	605

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT
CUSTOMER DEPOSITS														
INTEREST ON CUSTOMER DEPOSITS	Dir	3,382	2,947	2,462	485	258	210	26	11	11	30	30	0	0
INTEREST ON CUSTOMER DEPOSITS-ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		3,382	2,947	2,462	485	258	210	26	11	11	30	30	0	0
AMORTIZED INV TAX CREDIT														
PRODUCTION PLANT	60	(3,519)	(1,386)	(836)	(552)	(683)	(312)	(241)	(15)	(16)	(27)	(17)	(6)	(0)
TRANSMISSION PLANT	64	-474	(199)	(127)	(72)	(88)	(50)	(34)	(2)	(2)	(0)	0	0	0
DISTRIBUTION PLANT	68	(1,748)	(1,115)	(626)	(489)	(224)	(161)	(54)	(7)	(3)	(184)	(133)	(45)	(2)
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0
ENERGY ALLOCATION		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL AMORTIZED ITC		(5,741)	(2,702)	(1,589)	(1,113)	(895)	(522)	(330)	(23)	(20)	(210)	(151)	(53)	(3)
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0	0
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0	0
INCOME TAX COMPUTATION														
RETURN ON RATE BASE @ SYSTEM AVG ROR	RB	584,029	272,140	158,197	113,943	90,351	52,835	33,306	2,348	2,061	23,806	17,908	5,152	321
TOTAL AMORTIZED ITC		(5,741)	(2,702)	(1,589)	(1,113)	(895)	(522)	(330)	(23)	(20)	(210)	(151)	(53)	(3)
TOTAL OTHER INTEREST EXPENSE		(270,023)	(128,216)	(74,213)	(54,003)	(41,383)	(24,382)	(14,997)	(1,082)	(921)	(12,188)	(9,210)	(2,602)	(165)
ADJUSTMENTS TO DETERMINE TAXABLE INCOME		0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0	0	0
BASE FOR TAX COMPUTATION		308,265	141,221	82,395	58,827	48,072	27,731	17,979	1,243	1,119	11,407	8,547	2,498	154
SYSTEM TAX FACTOR INCL DEF (TF/1-TF)		0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115
PRELIMINARY INCOME TAX		188,077	86,161	50,270	35,891	29,330	16,919	10,969	759	683	6,960	5,215	1,524	94
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME TAX		188,077	86,161	50,270	35,891	29,330	16,919	10,969	759	683	6,960	5,216	1,524	94
COST OF SERVICE COMPUTATION														
TOTAL OTHER OPERATING REVENUES		254,075	109,229	66,044	43,185	34,447	19,225	13,391	881	950	7,885	6,852	869	47
COST OF SERVICE COMPUTATION														
TOTAL OP EXP EXC INC & REV TAX		3,433,032	1,472,643	864,413	608,229	534,140	298,484	207,896	13,537	14,233	73,069	47,786	22,365	886
RETURN ON RATE BASE @ SYSTEM AVG ROR		584,029	272,140	158,197	113,943	90,351	52,835	33,306	2,348	2,061	23,806	17,908	5,152	321
NET INCOME TAX		188,077	86,161	50,270	35,891	29,330	16,919	10,969	759	683	6,960	5,215	1,524	94
INTEREST ON CUSTOMER DEPOSITS		3,382	2,947	2,462	485	258	210	26	11	11	30	30	0	0
TOTAL AMORTIZED ITC		(5,741)	(2,702)	(1,589)	(1,113)	(895)	(522)	(330)	(23)	(20)	(210)	(151)	(53)	(3)
TOTAL OTHER OPERATING REVENUES		(254,075)	(109,229)	(66,044)	(43,185)	(34,447)	(19,225)	(13,391)	(881)	(950)	(7,885)	(6,852)	(869)	(47)
SUBTOTAL		3,948,704	1,721,960	1,007,709	714,251	618,736	348,502	238,466	15,750	16,017	95,769	63,946	28,119	1,251
OTHER DEDUCTIONS TO COST OF SERVICE		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ELECTRIC COST OF SERVICE		3,948,704	1,721,960	1,007,709	714,251	618,736	348,502	238,466	15,750	16,017	95,769	63,946	28,119	1,251

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Expenses)

DESCRIPTION	ALLOC	Total OL_PL OD & ST LTS	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
CUSTOMER DEPOSITS													
INTEREST ON CUSTOMER DEPOSITS	Dir	30	0	2	2	0	0	145	84	11	50	0	0
INTEREST ON CUSTOMER DEPOSITS-ALLOCATED		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER DEPOSITS		30	0	2	2	0	0	145	84	11	50	0	0
AMORTIZED INV TAX CREDIT													
PRODUCTION PLANT	60	(26)	(1)	(137)	(118)	(16)	(4)	(1,376)	(612)	(140)	(585)	(38)	(9)
TRANSMISSION PLANT	64	0	(0)	(20)	(17)	(2)	(1)	(165)	(77)	(17)	(67)	(5)	(2)
DISTRIBUTION PLANT	68	(180)	(3)	(34)	(29)	(5)	(1)	(189)	(101)	(24)	(58)	(5)	(2)
GENERAL PLANT		0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0
ENERGY ALLOCATION		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL AMORTIZED ITC		(206)	(4)	(191)	(163)	(23)	(5)	(1,729)	(790)	(182)	(711)	(48)	(13)
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0
INCOME TAX COMPUTATION													
RETURN ON RATE BASE @ SYSTEM AVG ROR	RB	23,381	424	19,186	16,429	2,274	483	177,225	80,608	18,551	73,195	4,872	1,322
TOTAL AMORTIZED ITC		(206)	(4)	(191)	(163)	(23)	(5)	(1,729)	(790)	(182)	(711)	(48)	(13)
TOTAL OTHER INTEREST EXPENSE		(11,977)	(211)	(8,658)	(7,411)	(1,031)	(219)	(78,972)	(36,050)	(8,303)	(32,455)	(2,165)	(605)
ADJUSTMENTS TO DETERMINE TAXABLE INCOME		0	0	0	0	0	0	0	0	0	0	0	0
OTHER		0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0	0	0	0	0	0	0	0
BASE FOR TAX COMPUTATION		11,198	209	10,336	8,855	1,220	261	96,524	43,768	10,066	40,030	2,659	704
SYSTEM TAX FACTOR INCL DEF (TF/1-TF)		0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115	0.610115
PRELIMINARY INCOME TAX		6,832	127	6,306	5,402	745	159	58,891	26,704	6,142	24,423	1,622	429
TEST YEAR INV TAX CREDIT		0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME TAX		6,832	127	6,306	5,402	745	159	58,891	26,704	6,142	24,423	1,622	429
COST OF SERVICE COMPUTATION													
TOTAL OTHER OPERATING REVENUES		7,768	117	8,086	6,999	920	167	92,806	41,469	8,739	39,930	2,668	1,622
COST OF SERVICE COMPUTATION													
TOTAL OP EXP EXC INC & REV TAX		71,046	2,022	116,580	100,810	13,098	2,673	1,228,394	543,067	124,384	526,836	34,128	8,206
RETURN ON RATE BASE @ SYSTEM AVG ROR		23,381	424	19,186	16,429	2,274	483	177,225	80,608	18,551	73,195	4,872	1,322
NET INCOME TAX		6,832	127	6,306	5,402	745	159	58,891	26,704	6,142	24,423	1,622	429
INTEREST ON CUSTOMER DEPOSITS		30	0	2	2	0	0	145	84	11	50	0	0
TOTAL AMORTIZED ITC		(206)	(4)	(191)	(163)	(23)	(5)	(1,729)	(790)	(182)	(711)	(48)	(13)
TOTAL OTHER OPERATING REVENUES		(7,768)	(117)	(8,086)	(6,999)	(920)	(167)	(92,806)	(41,469)	(8,739)	(39,930)	(2,668)	(1,622)
SUBTOTAL		93,316	2,453	133,797	115,481	15,173	3,143	1,370,120	608,204	140,147	583,863	37,906	8,323
OTHER DEDUCTIONS TO COST OF SERVICE		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ELECTRIC COST OF SERVICE		93,316	2,453	133,797	115,481	15,173	3,143	1,370,120	608,204	140,147	583,863	37,906	8,323

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Revenues)

	Alloc	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
REVENUE FROM SALES	Dir	3,948,719	1,774,493	1,043,372	731,121	679,728	378,208	265,652	17,947	18,021	107,183	74,458	29,718	1,209	105,385
OTHER OPERATING REVENUES															
450-LATE PAYMENT CHARGE		11,192	9,747	5,143	1,604	855	695	88	37	36	102	100	0	2	102
451-MISCELLANEOUS SERVICE REVENUES		3,026	3,026	1,778	1,248	0	0	0	0	0	0	0	0	0	0
454-RENTAL REVENUE - POLE ATTACHMENTS	9	26,551	20,482	11,998	8,484	3,022	2,425	485	82	30	1,189	1,113	29	9	1,151
454-RENT-REAL ESTATE	55	1,501	684	413	271	246	148	88	6	8	28	16	10	0	27
454-EXTRA FACILITIES CHARGE		18,672	0	0	0	678	391	287	0	0	3,908	3,908	0	0	3,908
456-CIAC & OTHER DIST RELATED ITEMS-ALLOC	60	1,213	478	288	190	201	107	83	5	5	9	6	3	0	9
456-CIAC & OTHER DIST RELATED ITEMS-DIR WHSALE		0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE PROFORMA		0	0	0	0	0	0	0	0	0	0	0	0	0	0
BILL CREDITS - DSM PROFORMA	77	(4,336)	(1,710)	(1,030)	(681)	(719)	(384)	(298)	(18)	(19)	(33)	(21)	(10)	(0)	(32)
BPM PROFORMA	7	(23,178)	(8,611)	(4,904)	(3,708)	(3,452)	(1,740)	(1,512)	(90)	(111)	(304)	(200)	(92)	(4)	(296)
456-SALES OF M&S	35	8	3	2	1	1	1	1	0	0	0	0	0	0	0
456-REV FROM TRANSMISSON OF ELECTRICITY		10,437	4,071	2,429	1,642	1,696	898	709	42	47	89	58	27	1	86
456-SERVICE PROVIDED OTHER	55	30,828	14,048	8,484	5,564	5,044	2,993	1,810	123	118	572	339	207	6	551
456-MISC OTHER ELECTRIC REVENUE		178,181	66,106	37,595	28,511	26,473	13,322	11,611	688	852	2,361	1,550	715	34	2,299
TOTAL OTHER OPERATING REVS		254,075	109,229	66,044	43,185	34,447	19,225	13,391	881	950	7,885	6,852	869	47	7,768
ELECTRIC OPERATING REVENUE		4,202,794	1,883,722	1,109,416	774,306	714,175	397,433	278,943	18,828	18,971	115,068	81,310	30,587	1,256	113,153

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Revenues)

	Alloc	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
REVENUE FROM SALES	Dir	1,798	130,160	113,127	14,895	2,138	1,245,457	569,533	131,976	511,185	32,763	11,698
OTHER OPERATING REVENUES												
450-LATE PAYMENT CHARGE		0	6	6	0	0	482	279	38	185	0	0
451-MISCELLANEOUS SERVICE REVENUES		0	0	0	0	0	0	0	0	0	0	0
454-RENTAL REVENUE - POLE ATTACHMENTS	9	39	306	258	41	7	1,546	874	219	416	37	6
454-RENT-REAL ESTATE	55	1	50	43	6	1	490	220	51	206	14	3
454-EXTRA FACILITIES CHARGE		0	776	666	111	0	12,198	6,145	700	4,923	430	1,112
456-CIAC & OTHER DIST RELATED ITEMS-ALLOC	60	0	47	41	5	1	474	211	48	202	13	3
456-CIAC & OTHER DIST RELATED ITEMS-DIR WHSALE		0	0	0	0	0	0	0	0	0	0	0
OTHER REVENUE PROFORMA		0	0	0	0	0	0	0	0	0	0	0
BILL CREDITS - DSM PROFORMA	77	(1)	(169)	(145)	(19)	(4)	(1,695)	(754)	(173)	(721)	(47)	(11)
BPM PROFORMA	7	(8)	(835)	(729)	(90)	(18)	(9,910)	(4,266)	(970)	(4,395)	(279)	(84)
456-SALES OF M&S	35	0	0	0	0	0	3	1	0	1	0	0
456-REV FROM TRANSMISSON OF ELECTRICITY		3	400	345	45	10	4,155	1,833	418	1,788	116	26
456-SERVICE PROVIDED OTHER	55	21	1,035	889	120	27	10,063	4,523	1,038	4,224	278	66
456-MISC OTHER ELECTRIC REVENUE		62	6,419	5,595	688	136	78,313	32,827	7,462	33,878	2,146	489
TOTAL OTHER OPERATING REVS		117	8,086	6,999	920	167	92,808	41,469	8,739	39,930	2,668	1,622
ELECTRIC OPERATING REVENUE		1,915	138,246	120,126	15,815	2,305	1,338,263	611,002	140,715	551,115	35,431	13,320

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Allocator Amounts)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
TOTAL KW	1	12,005,784	5,087,203	3,256,178	1,831,025	2,245,932	1,272,081	872,921	53,259	47,671	2,396	0	0	0	0
TOTAL TRANSMISSION LEVEL KW	2	12,005,784	5,087,203	3,256,178	1,831,025	2,245,932	1,272,081	872,921	53,259	47,671	2,396	0	0	0	0
DISTRIBUTION NONCOINCIDENT PEAK	3	18,962,561	12,536,816	6,637,621	5,899,195	2,796,075	1,613,014	1,020,119	113,370	49,572	2,480	0	0	0	0
NONCOINCIDENT PEAK	4	20,677,919	12,536,816	6,637,621	5,899,195	2,814,540	1,613,014	1,036,584	113,370	49,572212,164		142,988	65,519	1,177	209,684
MWH AT GENERATION LEVEL	5	58,960,770	21,949,818	12,499,548	9,450,272	8,822,677	4,446,970	3,864,008	228,951	282,749	778,111	510,783	235,805	11,154	757,542
PROD PLANT ENERGY FACTOR	6	6,712,293	2,498,841	1,422,990	1,075,851	1,004,404	506,258	439,862	26,065	32,189	88,583	58,149	26,822	1,270	88,241
MWH SALES	7	55,964,055	20,792,562	11,840,535	8,952,027	8,335,029	4,200,645	3,651,029	216,270	267,086	735,012	482,490	222,655	10,537	715,582
DISTRIBUTION SUBSTATIONS (360-2)	8	666,447	437,705	231,743	205,962	87,847	56,437	35,721	3,958	1,731	87	0	0	0	0
DISTRIBUTION OH LINES (364, 5, 9)	9	2,456,842	1,690,604	1,107,480	783,124	278,911	223,605	44,772	7,579	2,755	109,788	102,703	2,657	845	108,205
UG COND CONDUC & DEV (366-7)	10	1,285,542	835,958	442,598	393,360	186,687	107,674	68,158	7,560	3,305	17,424	17,118	0	141	17,259
LINE TRANSFORMERS (368)	11	774,747	490,066	271,261	218,805	99,824	65,726	29,081	3,569	1,448	6,696	3,840	2,223	32	6,094
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	3,775,126	1,708,333	1,004,001	704,332	663,395	378,098	252,065	16,783	16,469102,084		71,221	27,989	1,157	100,367
AVERAGE BILLS	13	2,145,627	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	288,076	272,178	4,839	5,462	282,479
AVERAGE BILLS EXCLUDING OL, PL & TS	14	1,857,551	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	0	0	0	0	0
AVERAGE BILLS N0 OL-RETAIL	15	1,867,987	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	10,436	0	4,639	0	4,639
P&T BILLS	16	419	0	0	0	97	82	15	0	0	0	0	0	0	0
P&T BILLS RETAIL	17	419	0	0	0	97	82	15	0	0	0	0	0	0	0
DISTRIBUTION BILLS RETAIL N0 OL	18	1,867,568	1,602,696	971,768	630,928	234,116	222,886	4,535	5,479	1,216	10,436	0	4,639	0	4,639
DISTRIBUTION BILLS RETAIL N0 OL, PL	19	1,862,729	1,602,696	971,768	630,928	234,116	222,886	4,535	5,479	1,216	5,597	0	0	0	0
ADJ TOTAL METERS (avg bills + add. PT and Dist meters)	20	2,145,627	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	288,076	272,178	4,839	5,462	282,479
ADJ TOTAL METERS- NO OL, PL	21	1,868,610	1,602,696	971,768	630,928	234,213	222,968	4,550	5,479	1,216	11,059	0	0	5,462	5,462
DISTR ENG ALLOCATION OF 369	22	1,200,490	1,111,117	673,707	437,410	81,092	79,248	1,649	0	195	896	0	0	0	0
DISTR ENG ALLOCATION OF 370	23	60,967	41,494	25,159	16,335	31,623	29,730	1,708	142	43	197	0	0	0	0
DISTRIBUTION OPER EXPENSE (582-587)	24	23,200	14,231	8,303	5,928	5,224	4,571	556	71	26	1,536	885	573	16	1,474
DISTRIBUTION MAINT EXP (591-598)	25	81,074	57,279	33,202	24,078	9,399	7,288	1,742	269	100	7,609	3,271	4,046	37	7,355
CUSTOMER RECORD AND COLLECTION 903 EXP	26	34,202	26,928	16,383	10,565	3,962	3,771	77	83	21	2,921	2,690	82	54	2,828
CUST ACCOUNTS 902-4 RETAIL	27	50,307	40,880	27,064	13,816	5,433	5,051	178	144	60	3,037	2,790	82	56	2,928
CUST ACCOUNTS 902-4 RETAIL	28	50,307	40,880	27,064	13,816	5,433	5,051	178	144	60	3,037	2,790	82	56	2,928
REVENUE FROM ENERGY SALES-RETAIL	29	3,773,299	1,707,514	1,002,865	704,649	661,201	376,827	251,244	16,709	16,421102,084		71,223	27,989	1,157	100,369
REVENUE FROM ENERGY SALES-RETAIL STATE	30	3,948,719	1,774,493	1,043,372	731,121	679,726	378,208	265,552	17,947	18,021	107,183	74,458	29,718	1,209	105,385
PRESENT REVENUE	31	3,948,719	1,774,493	1,043,372	731,121	679,726	378,208	265,552	17,947	18,021107,183		74,458	29,718	1,209	105,385
OTHER REVENUE	32	254,075	109,229	66,044	43,185	34,447	19,225	13,391	881	950	7,835	6,852	869	47	7,768
ELECTRIC OPERATING REVENUE	33	4,202,794	1,883,722	1,109,416	774,306	714,175	397,433	278,943	18,828	18,971	115,068	81,310	30,587	1,256	113,153
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	787,252	373,507	224,581	148,926	125,270	76,248	43,106	3,047	2,868	19,275	11,425	6,967	202	18,594
MATERIALS AND SUPPLIES	35	303,703	132,555	78,399	54,156	48,790	27,153	19,161	1,249	1,227	4,169	2,870	1,072	65	4,007
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	787,252	373,507	224,581	148,926	125,270	76,248	43,106	3,047	2,868	19,275	11,425	6,967	202	18,594
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	9,782,279	4,557,605	2,849,459	1,908,146	1,513,444	881,612	557,971	39,337	34,524	399,421	299,700	86,240	5,379	391,319
RATEBASE INCL CWIP (ex Cash Bond Prem & Prof)	38	8,296,917	3,939,669	2,280,328	1,659,341	1,271,552	749,190	460,810	33,239	28,313	374,500	283,003	79,943	5,064	368,011
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39														
O&M EXCLUDING A&G - RETAIL	40														
A&G	41														
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42														
DISTRIBUTION EXPENSE EX PROFORMAS	43	132,622	89,173	51,802	37,372	20,868	17,109	2,873	426	158	11,104	5,243	5,399	72	10,710
DISTRIBUTION SALARY & WAGES	44	38,168	25,664	14,908	10,755	5,948	4,924	856	123	45	3,196	1,509	1,553	21	3,082
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	53,468	43,449	28,785	14,684	5,774	5,368	189	153	64	3,228	2,965	87	60	3,112
CUST ACCOUNTING SALARY & WAGES	46	13,828	11,235	7,438	3,797	1,493	1,388	49	40	16	835	767	23	15	805
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	15,557	12,009	7,281	4,728	3,260	3,104	63	78	17	0	0	0	0	0
CUST SERVICE & INFO SALARY & WAGES	48	8,356	6,450	3,911	2,540	1,751	1,667	34	41	9	0	0	0	0	0
SALES EXPENSE EX PROFORMAS	49	5	4	2	2	1	1	0	0	0	0	0	0	0	0
TOTAL DISTR SALARY & WAGES	50	80,350	43,349	26,257	17,092	9,192	7,979	938	204	71	4,030	2,276	1,575	36	3,887
OTHER PRODUCTION EXP-DEMAND	51	427,700	188,677	101,552	87,125	70,878	37,868	29,347	1,762	1,899	3,256	2,113	975	46	3,134
POWER PROD SALARY & WAGES	52	249,590	98,355	59,215	39,140	41,328	22,081	17,112	1,028	1,108	1,899	1,232	568	27	1,828
TRANSMISSION EXPENSE	53	39,350	16,085	10,060	6,025	6,971	3,867	2,773	168	182	125	78	38	2	116
TRANSMISSION SALARY & WAGES	54	11,845	4,842	3,028	1,814	2,099	1,164	835	51	49	38	23	11	1	35
TOTAL WAGES & SALARIES EX A&G	55	321,585	146,546	88,500	58,046	52,619	31,224	18,886	1,262	1,227	5,967	3,531	2,155	84	5,750
RATE INCREASE REVENUE	56	556,528	240,166	144,751	95,415	138,703	59,062	29,547	29,547	29,547	21,375	13,691	3,675	3,675	21,041
RATIO	57	1.121928208	0.431543428	0.260096529	0.171446899	0.246229148	0.089954144	0.053091668	0.053091668	0.053091668	0.03840777	0.024600739	0.008603441	0.008603441	0.037807621
A&G WAGES & SALARIES	58	94,021	44,986	28,338	16,648	16,943	10,400	5,820	398	325	1,205	672	464	11	1,147
WTD GROSS PROD PLANT RATIOS	59														
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	8,833,594	3,463,806	2,097,435	1,366,373	1,463,868	782,123	606,133	36,400	39,231	67,253	43,651	20,134	953	64,738
WTD GROSS PROD PLANT RATIOS EX AFUDC	61														
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62														
WTD GROSS TRANS PLANT RATIOS	63	1,329,919	558,481	357,488	201,013	248,821	139,908	95,833	5,847	5,233	263	0	0	0	0
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	1,288,792	541,054	346,314	194,740	238,127	135,550	92,642	5,664	5,070	255	0	0	0	0
WTD GROSS DIST PLANT RATIOS	65	6,032,973	3,848,728	2,162,149	1,686,580	774,384	554,139	187,195	23,488	9,601	633,477	459,874	155,068	7,747	622,689
DISTRIBUTION PLANT EX. PL AND OL	66														
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	5,346,339	3,803,239	2,138,593	1,666,646	765,232	547,590	184,943	23,210	9,488	10,669	0	0	0	0
WTD GR DIST PLT EX. PROFORMA	68	5,961,669	3,803,239	2,138,593	1,666,646	765,232	547,590	184,943	23,210	9,488	625,990	454,439	153,235	7,655	615,330
WTD GROSS G & I PLT RATIOS	69	607,314	290,798	172,068	118,732	96,948	57,857	34,450	2,474	2,166	20,750	14,279	5,756	248	20,281
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	607,314	290,798	172,068	118,732	96,948	57,857	34,450	2,474	2,166	20,750	14,279	5,756	248	20,281
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	607,314	290,798	172,068	118,732	96,948	57,857	34,450	2,474	2,166	20,750	14,279	5,756	248	20,281
WTD GROSS G & I PLT EX. MISC.& PROFORMA-St	72														
WTD NET PLANT RATIOS	73	9,651,473	4,687,463	2,709,112	1,958,351	1,457,521	866,592	520,526	38,396	32,007	466,795	353,476	99,095	6,304	458,875
WTD NET PLANT RATIOS EX PROFORMAS	74	8,941,499	4,359,594	2,525,789	1,833,805	1,342,929	802,564	475,698	35,480	29,187	451,126	342,424	95,039	6,104	443,567
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	9,879,775	4,752,455	2,757,511	1,994,944	1,491,663	883,811	539,488	38,283	33,102	469,808	355,454	100,007	6,347	461,808
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	9,169,801	4,444,586	2,574,189	1,870,397	1,377,062	819,783	490,660	36,367	30,282	454,139	344,402	95,951	6,147	448,500
Peak & Average (Summer 1 CP)	77	100.000000%	39.438170%	23.743648%	15.694321%	18.571823%	8.853957%	6.861682%	0.412068%	0.444117%	0.781336%	0.494143%	0.227930%	0.010791%	0.732863%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Allocator Amounts)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
TOTAL KW	1	2,398	510,649	431,385	62,908	16,356	4,133,488	1,922,641	442,775	1,654,139	113,931	26,118
TOTAL TRANSMISSION LEVEL KW	2	2,398	510,492	431,228	62,908	16,356	4,135,620	1,923,909	442,775	1,655,205	113,931	23,941
DISTRIBUTION NONCOINCIDENT PEAK	3	2,480	603,418	503,573	84,464	15,381	3,011,217	1,647,995	426,178	865,42271,622		12,555
NONCOINCIDENT PEAK	4	2,480	685,104	570,206	93,656	21,242	4,385,605	2,011,767	451,057	1,809,030	112,851	43,690
MWH AT GENERATION LEVEL	5	20,569	2,130,982	1,857,964	228,956	44,062	25,116,829	10,853,844	2,476,799	11,080,632	706,654	162,359
PROD PLANT ENERGY FACTOR	6	2,342	242,698	211,517	26,065	5,016	2,859,384	1,235,638	281,853	1,261,445	80,448	18,483
MWH SALES	7	19,430	2,019,479	1,759,734	216,689	43,056	23,928,612	10,299,237	2,341,255	10,615,265	672,855	153,361
DISTRIBUTION SUBSTATIONS (350-2)	8	67	21,342	17,817	2,989	537	108,785	59,446	15,130	31,563	2,646	680
DISTRIBUTION OH LINES (364, 5, 9)	9	3,581	28,223	23,787	3,815	621	142,730	80,860	20,224	38,412	3,434	566
UG COND CONDUC & DEV (366-7)	10	165	40,569	33,882	5,691	1,026	204,034	111,729	28,729	58,638	4,939	859
LINE TRANSFORMERS (368)	11	602	20,857	17,440	2,846	571	152,917	71,992	14,278	62,453	4,194	4,387
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	1,717	125,494	109,516	14,155	1,823	1,164,022	537,215	124,959	471,96329,885		11,798
AVERAGE BILLS	13	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
AVERAGE BILLS EXCLUDING OL, PL & TS	14	0	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
AVERAGE BILLS N0 OL-RETAIL	15	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
P&T BILLS	16	0	65	58	7	0	257	55	8	180	16	0
P&T BILLS RETAIL	17	0	65	58	7	0	257	55	8	180	16	0
DISTRIBUTION BILLS RETAIL N0 OL	18	5,597	4,057	3,687	369	1	16,239	12,186	2,953	1,022	78	24
DISTRIBUTION BILLS RETAIL N0 OL, PL	19	5,597	4,057	3,687	369	1	16,239	12,186	2,953	1,022	78	24
ADJ TOTAL METERS (avg bills + add. PT and Dist meters)	20	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
ADJ TOTAL METERS- NO OL, PL	21	5,597	4,122	3,745	376	1	16,496	12,241	2,959	1,202	94	24
DISTR ENG ALLOCATION OF 369	22	895	1,474	1,340	134	0	5,903	4,430	1,074	371	28	9
DISTR ENG ALLOCATION OF 370	23	197	1,528	1,389	139	0	6,116	4,590	1,112	385	29	9
DISTRIBUTION OPER EXPENSE (582-587)	24	62	392	341	46	5	1,811	1,136	283	363	30	6
DISTRIBUTION MAINT EXP (591-598)	25	254	1,095	922	148	25	5,655	3,141	760	1,599	136	37
CUSTOMER RECORD AND COLLECTION 903 EXP	26	95	71	65	6	0	301	209	51	39	2	19
CUST ACCOUNTS 902-4 RETAIL	27	109	89	82	7	0	649	530	99	217	3	19
CUST ACCOUNTS 902-4 RETAIL	28	108	89	82	7	0	649	530	99	217	3	19
REVENUE FROM ENERGY SALES-RETAIL	29	1,715	125,456	109,558	14,091	1,806	1,165,273	535,518	124,544	474,87230,339		11,772
REVENUE FROM ENERGY SALES-RETAIL STATE	30	1,798	130,160	113,127	14,895	2,138	1,245,457	569,533	131,976	511,185	32,763	11,698
PRESENT REVENUE	31	1,798	130,160	113,127	14,895	2,138	1,245,457	569,533	131,976	511,18532,783		11,698
OTHER REVENUE	32	117	8,086	6,999	920	167	92,806	41,469	8,738	39,930	2,658	1,622
ELECTRIC OPERATING REVENUE	33	1,915	138,246	120,126	15,815	2,305	1,338,263	611,002	140,715	551,115	35,431	13,320
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	681	24,631	21,199	2,825	607	242,970	109,100	25,028	102,147	6,695	1,599
MATERIALS AND SUPPLIES	35	162	10,947	9,363	1,274	280	106,524	47,778	10,965	44,824	2,957	719
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	681	24,631	21,199	2,825	607	242,970	109,100	25,028	102,147	6,695	1,599
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	7,102	321,413	275,232	38,098	8,084	2,989,255	1,350,478	310,780	1,228,360	81,628	22,141
RATEBASE INCL CWIP (ex Cash Bond Prem & Prof)	38	6,469	266,038	227,723	31,872	6,642	2,426,566	1,107,697	255,111	997,222	66,528	18,602
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39											
O&M EXCLUDING A&G - RETAIL	40											
A&G	41											
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42											
DISTRIBUTION EXPENSE EX PROFORMAS	43	393	1,957	1,670	250	37	9,669	5,638	1,401	2,425	203	51
DISTRIBUTION SALARY & WAGES	44	113	563	481	72	11	2,783	1,623	403	698	58	15
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	116	95	87	7	0	902	563	105	231	3	20
CUST ACCOUNTING SALARY & WAGES	46	30	24	23	2	0	233	146	27	60	1	5
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	0	58	53	5	0	238	170	41	17	2	0
CUST SERVICE & INFO SALARY & WAGES	48	0	31	28	3	0	124	91	22	9	1	0
SALES EXPENSE EX PROFORMAS	49	0	0	0	0	0	0	0	0	0	0	0
TOTAL DISTR SALARY & WAGES	50	143	619	532	77	11	3,146	1,860	453	767	60	20
OTHER PRODUCTION EXP-DEMAND	51	122	16,632	14,290	1,910	433	167,185	74,334	17,020	71,163	4,668	1,071
POWER PROD SALARY & WAGES	52	71	9,698	8,332	1,114	252	97,485	43,344	9,925	41,495	2,722	625
TRANSMISSION EXPENSE	53	9	1,607	1,386	193	48	14,432	6,571	1,487	5,978	397	130
TRANSMISSION SALARY & WAGES	54	3	464	411	59	14	4,344	1,978	448	1,799	119	39
TOTAL WAGES & SALARIES EX A&G	55	217	10,601	9,275	1,248	277	104,999	47,182	10,825	44,061	2,902	684
RATE INCREASE REVENUE	56	334	19,067	14,729	2,169	169	136,196	64,265	14,860	53,371	3,700	1,021
RATIO	57	0.000600149	0.03426063	0.026465874	0.003897378	0.003897378	0.244724435	0.115474873	0.026701262	0.095899937	0.006648363	0.0018346
A&G WAGES & SALARIES	58	58	3,422	2,895	421	106	27,290	12,798	2,952	10,795	745	175
WTD GROSS PROD PLANT RATIOS	59											
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	2,515	343,521	295,135	39,451	8,935	3,452,994	1,535,278	351,534	1,469,760	96,402	22,130
WTD GROSS PROD PLANT RATIOS EX AFUDC	61											
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62											
WTD GROSS TRANS PLANT RATIOS	63	263	56,175	47,458	6,921	1,796	463,842	215,278	48,887	187,018	12,860	4,538
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	255	54,426	45,981	6,706	1,740	449,474	208,687	47,170	181,348	12,259	4,458
WTD GROSS DIST PLANT RATIOS	65	10,786	118,558	99,615	16,129	2,814	650,724	349,110	84,101	201,515	15,998	7,103
DISTRIBUTION PLANT EX. PL AND OL	66											
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	10,660	117,156	98,438	15,938	2,760	643,033	344,984	83,107	199,134	15,809	7,019
WTD GR DIST PLT EX. PROFORMA	68	10,660	117,156	98,438	15,938	2,760	643,033	344,984	83,107	199,134	15,809	7,019
WTD GROSS G & I PLT RATIOS	69	469	19,510	16,736	2,301	473	177,967	81,337	18,755	73,030	4,845	1,341
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	469	19,510	16,736	2,301	473	177,967	81,337	18,755	73,030	4,845	1,341
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	469	19,510	16,736	2,301	473	177,967	81,337	18,755	73,030	4,845	1,341
WTD GROSS G & I PLT EX. MISC.& PROFORMA-St	72											
WTD NET PLANT RATIOS	73	7,920	302,000	258,317	36,096	7,587	2,736,654	1,251,983	288,247	1,121,488	74,935	21,040
WTD NET PLANT RATIOS EX PROFORMAS	74	7,559	276,299	236,308	33,081	6,910	2,492,119	1,141,837	262,942	1,019,186	68,153	19,432
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	8,000	310,251	265,512	36,982	7,757	2,833,908	1,294,011	297,833	1,164,393	77,872	21,569
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	7,639	284,550	243,502	33,968	7,081	2,589,374	1,183,864	272,529	1,062,091	70,889	20,061
Peak & Average (Summer 1 CP)	77	0.028472%	3.888804%	3.341051%	0.446599%	0.101153%	39.089347%	17.379986%	3.978516%	16.638525%	1.091310%	0.25052156

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Allocator Percents)

DESCRIPTION	ALLOC	TOT_RETAIL NORTH CAROLINA	RS TOTAL RESIDENTIAL	RS_1 RS-1 CATEG 1	RE_1 RE-1 CATEG 1	GS TOTAL GEN'L SERV.	SGS GENERAL SERVICE	LGS GENERAL GENERAL	NPL_SG NPL SG	NPL_LG NPL LG	LT TOTAL LIGHTING	OL OUTDOOR LIGHTING	PL STREET LIGHTING	NPL_LT NPL LT	Total OL_PL OD & ST LTS
TOTAL KW	1	100.000000%	42.372935%	27.121744%	15.251191%	18.707083%	10.595566%	7.270837%	0.443611%	0.397067%	0.019957%	0.000000%	0.000000%	0.000000%	0.000000%
TOTAL TRANSMISSION LEVEL KW	2	100.000000%	42.372935%	27.121744%	15.251191%	18.707083%	10.595566%	7.270837%	0.443611%	0.397067%	0.019957%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION NONCOINCIDENT PEAK	3	100.000000%	66.113517%	35.003821%	31.109696%	14.745239%	8.508309%	5.379648%	0.597862%	0.261420%	0.013078%	0.000000%	0.000000%	0.000000%	0.000000%
NONCOINCIDENT PEAK	4	100.000000%	60.829002%	32.100044%	28.528959%	13.611331%	7.806659%	5.022672%	0.548266%	0.238734%	1.026041%	0.691501%	0.316855%	0.005692%	1.014048%
MWH AT GENERATION LEVEL	5	100.000000%	37.227835%	21.199767%	16.028067%	14.963639%	7.542252%	6.553524%	0.388311%	0.479553%	1.319710%	0.866310%	0.399596%	0.016918%	1.284524%
PROD PLANT ENERGY FACTOR	6	100.000000%	37.227830%	21.199760%	16.028070%	14.963650%	7.542251%	6.553528%	0.388317%	0.479553%	1.319713%	0.866306%	0.399595%	0.016921%	1.284622%
MWH SALES	7	100.000000%	37.153423%	21.157393%	15.996030%	14.863540%	7.505970%	6.523880%	0.386444%	0.477246%	1.313364%	0.862143%	0.397675%	0.018828%	1.278646%
DISTRIBUTION SUBSTATIONS (360-2)	8	100.000000%	65.677421%	34.772930%	30.904491%	14.681888%	8.488356%	5.359916%	0.593919%	0.259696%	0.012992%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION OH LINES (364, 5, 9)	9	100.000000%	77.140936%	45.187716%	31.953271%	11.360210%	9.131752%	1.828604%	0.309251%	0.112403%	4.479523%	4.190519%	0.108432%	0.034478%	4.333429%
UG COND CONDUC & DEV (366-7)	10	100.000000%	65.027707%	34.428939%	30.598768%	14.522830%	8.375785%	5.301675%	0.588043%	0.257127%	1.355410%	1.331578%	0.000000%	0.010968%	1.342547%
LINE TRANSFORMERS (368)	11	100.000000%	63.254942%	35.012803%	28.242139%	12.684746%	8.483599%	3.753668%	0.480638%	0.188841%	0.884305%	0.495598%	0.286878%	0.004078%	0.786555%
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	100.000000%	45.252344%	26.595165%	18.657179%	17.572791%	10.015507%	6.876996%	0.444038%	0.435250%	2.704122%	1.886586%	0.741406%	0.030848%	2.658840%
AVERAGE BILLS	13	100.000000%	74.885928%	45.280631%	29.405297%	10.915830%	10.391741%	0.212059%	0.255357%	0.058673%	13.426192%	12.685243%	0.225528%	0.254564%	13.165336%
AVERAGE BILLS EXCLUDING OL, PL & TS	14	100.000000%	86.280054%	52.314472%	33.965582%	12.608698%	12.003331%	0.244946%	0.284958%	0.065463%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
AVERAGE BILLS N0 OL-RETAIL	15	100.000000%	85.798028%	52.022204%	33.775824%	12.538255%	11.936272%	0.243578%	0.293310%	0.065097%	0.558876%	0.000000%	0.259049%	0.000000%	0.259049%
P&T BILLS	16	100.000000%	0.000000%	0.000000%	0.000000%	23.150358%	19.570406%	3.579952%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
P&T BILLS RETAIL	17	100.000000%	0.000000%	0.000000%	0.000000%	23.150358%	19.570406%	3.579952%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION BILLS RETAIL N0 OL	18	100.000000%	85.817277%	52.033875%	33.783402%	12.535876%	11.934559%	0.242829%	0.293376%	0.065111%	0.558802%	0.000000%	0.259107%	0.000000%	0.259107%
DISTRIBUTION BILLS RETAIL N0 OL, PL	19	100.000000%	86.040213%	52.169049%	33.871164%	12.568441%	11.965562%	0.243460%	0.294138%	0.065281%	0.300473%	0.000000%	0.000000%	0.000000%	0.000000%
ADJ TOTAL METERS (avg bills + add. PT and Dist meters)	20	100.000000%	74.695928%	45.280631%	29.405297%	10.915830%	10.391741%	0.212059%	0.255357%	0.056673%	13.426192%	12.685243%	0.225528%	0.254564%	13.165336%
ADJ TOTAL METERS- NO OL, PL	21	100.000000%	85.769422%	52.004859%	33.764563%	12.534076%	11.932292%	0.243497%	0.293213%	0.065075%	0.591830%	0.000000%	0.000000%	0.292303%	0.292303%
DISTR ENG ALLOCATION OF 369	22	100.000000%	92.555290%	56.119335%	36.435955%	6.754806%	6.601304%	0.137361%	0.000000%	0.018243%	0.074553%	0.000000%	0.000000%	0.000000%	0.000000%
DISTR ENG ALLOCATION OF 370	23	100.000000%	51.248039%	31.073153%	20.174886%	39.056653%	36.718663%	2.109501%	0.175380%	0.053106%	0.243309%	0.000000%	0.000000%	0.000000%	0.000000%
DISTRIBUTION OPER EXPENSE (582-587)	24	100.000000%	61.339132%	35.786837%	25.552295%	22.517335%	19.701567%	2.398658%	0.307528%	0.109582%	6.619777%	3.814408%	2.469470%	0.069081%	6.352959%
DISTRIBUTION MAINT EXP (591-598)	25	100.000000%	70.650774%	40.952588%	29.698186%	11.592638%	8.988710%	2.148718%	0.331298%	0.123917%	9.385656%	4.034928%	4.991007%	0.045835%	9.071768%
CUSTOMER RECORD AND COLLECTION 903 EXP	26	100.000000%	78.732236%	47.842231%	30.890006%	11.584118%	11.025671%	0.225133%	0.271914%	0.061400%	8.540436%	7.865037%	0.239752%	0.157886%	8.282675%
CUST ACCOUNTS 902-4 RETAIL	27	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
CUST ACCOUNTS 902-4 RETAIL	28	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
REVENUE FROM ENERGY SALES-RETAIL	29	100.000000%	45.252550%	26.577936%	18.674613%	17.523154%	9.986672%	6.658470%	0.442822%	0.435189%	2.705431%	1.887553%	0.741765%	0.030683%	2.659980%
REVENUE FROM ENERGY SALES-RETAIL STATE	30	100.000000%	44.938447%	26.423050%	18.515397%	17.213885%	9.577992%	6.725016%	0.454502%	0.456376%	2.714374%	1.885624%	0.752999%	0.030618%	2.668840%
PRESENT REVENUE	31	100.000000%	44.938447%	26.423050%	18.515397%	17.213885%	9.577992%	6.725016%	0.454502%	0.456376%	2.714374%	1.885624%	0.752999%	0.030618%	2.668840%
OTHER REVENUE	32	100.000000%	42.990849%	25.993899%	16.996950%	13.557608%	7.569663%	5.270481%	0.346746%	0.373905%	3.103414%	2.696841%	0.342025%	0.018496%	3.057385%
ELECTRIC OPERATING REVENUE	33	100.000000%	44.820707%	26.397106%	18.423601%	16.992862%	9.458400%	6.637085%	0.447986%	0.451390%	2.737893%	1.934665%	0.727778%	0.029885%	2.692328%
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	100.000000%	47.444425%	28.527165%	18.917240%	15.912278%	9.685398%	5.475461%	0.387060%	0.364361%	2.448398%	1.451305%	0.884930%	0.025679%	2.381913%
MATERIALS AND SUPPLIES	35	100.000000%	43.846341%	25.814904%	17.832037%	16.064932%	8.940566%	6.308987%	0.411348%	0.404031%	1.372588%	0.944966%	0.353121%	0.021273%	1.319360%
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	100.000000%	47.444425%	28.527165%	18.917240%	15.912278%	9.685398%	5.475461%	0.387060%	0.364361%	2.448398%	1.451305%	0.884930%	0.025679%	2.381913%
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	100.000000%	46.590423%	27.084270%	19.506153%	15.471283%	9.012336%	5.703900%	0.402122%	0.352925%	4.072880%	3.063698%	0.881590%	0.054992%	4.000280%
RATEBASE INCL CWIP (ex Cash Bond Prem & Pref)	38	100.000000%	47.463527%	27.484038%	19.999489%	15.325598%	9.029741%	5.553993%	0.400621%	0.341243%	4.513724%	3.410943%	0.983530%	0.061036%	4.435510%
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39														
O&M EXCLUDING A&G - RETAIL	40														
A&G	41														
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42														
DISTRIBUTION EXPENSE EX PROFORMAS	43	100.000000%	67.238810%	39.059797%	28.179013%	15.583967%	12.900789%	2.241733%	0.322644%	0.118801%	8.372424%	3.953089%	4.068430%	0.054311%	8.075830%
DISTRIBUTION SALARY & WAGES	44	100.000000%	67.238810%	39.059797%	28.179013%	15.583967%	12.900789%	2.241733%	0.322644%	0.118801%	8.372424%	3.953089%	4.068430%	0.054311%	8.075830%
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
CUST ACCOUNTING SALARY & WAGES	46	100.000000%	81.261057%	53.797682%	27.463375%	10.799690%	10.040352%	0.353827%	0.286242%	0.119268%	6.036933%	5.545948%	0.162999%	0.111317%	5.820264%
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	100.000000%	77.193546%	45.802083%	30.391464%	20.955197%	19.952433%	0.404962%	0.488526%	0.109276%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
CUST SERVICE & INFO SALARY & WAGES	48	100.000000%	77.193546%	45.802083%	30.391464%	20.955197%	19.952433%	0.404962%	0.488526%	0.109276%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
SALES EXPENSE EX PROFORMAS	49	100.000000%	60.000000%	40.000000%	40.000000%	20.000000%	20.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
TOTAL DISTR SALARY & WAGES	50	100.000000%	71.829586%	43.508190%	28.321396%	15.231599%	13.221635%	1.554602%	0.337273%	0.117589%	6.978133%	3.770667%	2.610397%	0.059651%	6.440916%
OTHER PRODUCTION EXP-DEMAND	51	100.000000%	39.438170%	23.743848%	15.694321%	16.571823%	8.853957%	6.861682%	0.412068%	0.444117%	0.761336%	0.494143%	0.227930%	0.010791%	0.732863%
POWER PROD SALARY & WAGES	52	100.000000%	39.438170%	23.743848%	15.694321%	16.571823%	8.853957%	6.861682%	0.412068%	0.444117%	0.761336%	0.494143%	0.227930%	0.010791%	0.732863%
TRANSMISSION EXPENSE	53	100.000000%	40.876243%	25.564612%	15.311631%	17.716478%	9.827712%	7.046113%	0.427946%	0.412706%	0.317665%	0.198221%	0.091487%	0.005083%	0.294790%
TRANSMISSION SALARY & WAGES	54	100.000000%	40.876243%	25.564612%	15.311631%	17.716478%	9.827712%	7.046113%	0.427946%	0.412706%	0.317665%	0.198221%	0.091487%	0.005083%	0.294790%
TOTAL WAGES & SALARIES EX A&G	55	100.000000%	45.569849%	27.519973%	18.049876%	16.362472%	9.709518%	5.872656%	0.398616%	0.381682%	1.855365%	1.098130%	0.670008%	0.019767%	1.787925%
RATE INCREASE REVENUE	56	100.000000%	43.154343%	26.009653%	17.144690%	24.822915%	6.995414%	5.309167%	5.309167%	5.309167%	3.840777%	2.460074%	0.660344%	0.680344%	3.780782%
RATIO	57														
A&G WAGES & SALARIES	58	100.000000%	47.846758%	30.140075%	17.706683%	18.020442%	11.061359%	6.190106%	0.423310%	0.345667%	1.281628%	0.714734%	0.493507%	0.011700%	1.219940%
WTD GROSS PROD PLANT RATIOS	59														
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	100.000000%	39.438170%	23.743848%	15.694321%	16.571823%	8.853957%	6.861682%	0.412068%	0.444117%	0.761336%	0.494143%	0.227930%	0.010791%	0.732863%
WTD GROSS PROD PLANT RATIOS EX AFUDC	61														
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62														
WTD GROSS TRANS PLANT RATIOS	63	100.000000%	41.993594%	26.878939%	15.114655%	18.559084%	10.520036%	7.205898%	0.439640%	0.393512%	0.019778%	0.000000%	0.000000%	0.000000%	0.000000%
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	100.000000%	41.981489%	26.871190%	15.110298%	18.554361%	10.517626%	7.203824%	0.439513%	0.393398%	0.019773%	0.000000%	0.000000%	0.000000%	0.000000%
WTD GROSS DIST PLANT RATIOS	65	100.000000%	63.794876%	35.836841%	27.956034%	12.835661%	9.185176%	3.102209%	0.389328%	0.159147%	10.500247%	7.622682%	2.570341%	0.128411%	10.321434%
DISTRIBUTION PLANT EX. PL AND OL	66														
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	100.000000%	71.137261%	39.963665%	31.173596%	14.313187%	10.242331%	3.459254%	0.434137%	0.177464%	0.199393%	0.000000%	0.000000%	0.000000%	0.000000%
WTD GR DIST PLT EX. PROFORMA	68	100.000000%	63.794876%	35.836841%	27.956034%	12.835661%	9.185176%	3.102209%	0.389328%	0.159147%	10.500247%	7.622682%	2.570341%	0.128411%	10.321434%
WTD GROSS G & I PLT RATIOS	69	100.000000%	47.882612%	28.332224%	19.550389%	15.963335%	9.526713%	5.672566%	0.407371%	0.356685%	3.416750%	2.351192%	0.947850%	0.040450%	3.339492%
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	100.000000%	47.882612%	28.332224%	19.550389%	15.963335%	9.526713%	5.672566%	0.407371%	0.356685%	3.416750%	2.351192%	0.947850%	0.040450%	3.339492%
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	100.000000%	47.882612%	28.332224%	19.550389%	15.963335%	9.526713%	5.672566%	0.407371%	0.356685%	3.416750%	2.351192%	0.947850%	0.040450%	3.339492%
WTD GROSS G & I PLT EX. MISC.& PROFORMA-St	72														
WTD NET PLANT RATIOS	73	100.000000%	48.360112%	28.069413%	20.290699%	15.101538%	8.976653%	5.393228%	0.397830%	0.331627%	4.835517%	3.662408%	1.026730%	0.065314%	4.754453%
WTD NET PLANT RATIOS EX PROFORMAS	74	100.000000%	48.759658%	28.247940%	20.508918%	15.019064%	8.975720%	5.320118%	0.396805%	0.326421%	5.045303%	3.829606%	1.062894%	0.068265%	4.960764%
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	100.000000%	48.102867%	27.910669%	20.192198%	15.098351%	8.945656%	5.420040%	0.397610%	0.335049%	4.755250%	3.597706%	1.012239%	0.064242%	4.674276%
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	100.000000%	48.469818%	28.072460%	20.397358%	15.017684%	8.940030%	5.350826%	0.396594%	0.330234%	4.952546%	3.755828%	1.046579%	0.067036%	4.869244%
Peak & Average (Summer 1 CP)	77	100.000000%	39.438170%	23.743848%	15.694321%	16.571823%	8.853957%	6.861682%	0.412068%	0.444117%	0.761336%	0.494143%	0.227930%	0.010791%	0.732863%

Duke Energy Carolinas
Watkins NC Retail Class Cost of Service @ Current Rates
(Summer Peak & Average Allocator Percents)

DESCRIPTION	ALLOC	TS TRAFFIC SIGNALS	IND TOTAL INDUSTRIAL	I INDUSTRIAL	GA_IND INDUSTRIAL ALL ELECTRIC	NPL_IND NPL INDUSTRIAL	OPT TOTAL OPT PWR SERV	OPT_G GENERAL	OPT_GA GENERAL G-ALL ELEC	OPT_I OPT I INDUSTRIAL	OPT_GA_I OPT GA I-ALL ELE	HP INCREM RTP
TOTAL KW	1	0.019957%	4.253358%	3.593143%	0.523981%	0.136234%	34.429122%	16.014269%	3.688014%	13.777851%	0.948968%	0.217545%
TOTAL TRANSMISSION LEVEL KW	2	0.019957%	4.252061%	3.591835%	0.523981%	0.136234%	34.448562%	16.024851%	3.688014%	13.786730%	0.948968%	0.199412%
DISTRIBUTION NONCOINCIDENT PEAK	3	0.013076%	3.182155%	2.655817%	0.445425%	0.081112%	15.879801%	8.690783%	2.247471%	4.583846%	0.377702%	0.066209%
NONCOINCIDENT PEAK	4	0.011933%	3.313215%	2.757560%	0.452928%	0.102726%	21.209122%	9.729050%	2.185699%	8.746608%	0.545756%	0.211288%
MWH AT GENERATION LEVEL	5	0.034886%	3.614237%	3.151187%	0.583199%	0.074731%	42.599221%	18.405586%	4.199062%	18.793059%	1.198516%	0.275358%
PROD PLANT ENERGY FACTOR	6	0.034891%	3.614234%	3.151188%	0.583317%	0.074729%	42.599213%	18.405583%	4.199057%	18.793056%	1.198517%	0.275360%
MWH SALES	7	0.034719%	3.608529%	3.144400%	0.387193%	0.076935%	42.757109%	18.403307%	4.183496%	18.968005%	1.202299%	0.274035%
DISTRIBUTION SUBSTATIONS (360-2)	8	0.012992%	3.202428%	2.673362%	0.448489%	0.080577%	16.323186%	8.919901%	2.270308%	4.736008%	0.396968%	0.102085%
DISTRIBUTION OH LINES (364, 5, 9)	9	0.146095%	1.151546%	0.970582%	0.155642%	0.025322%	5.823726%	3.291132%	0.825202%	1.567283%	0.140109%	0.024006%
UG COND CONDUC & DEV (366-7)	10	0.012864%	3.155796%	2.634085%	0.441921%	0.079780%	15.871423%	8.691181%	2.234752%	4.561312%	0.384178%	0.066833%
LINE TRANSFORMERS (368)	11	0.077750%	2.892045%	2.251072%	0.367335%	0.073837%	19.737648%	9.292367%	1.842857%	8.061025%	0.541385%	0.566313%
BOOK RETAIL & 10A REV FROM SALE OF ELEC	12	0.045482%	3.324233%	2.900989%	0.374954%	0.048290%	30.833991%	14.230386%	3.310062%	12.501914%	0.791629%	0.312519%
AVERAGE BILLS	13	0.260856%	0.192112%	0.174541%	0.017524%	0.000047%	0.768820%	0.570509%	0.137908%	0.056021%	0.004381%	0.001119%
AVERAGE BILLS EXCLUDING OL, PL & TS	14	0.000000%	0.221905%	0.201610%	0.020242%	0.000054%	0.888051%	0.658986%	0.159296%	0.064708%	0.005060%	0.001292%
AVERAGE BILLS NO OL-RETAIL	15	0.299527%	0.220685%	0.200463%	0.020129%	0.000054%	0.883093%	0.655304%	0.158406%	0.064347%	0.005032%	0.001285%
P&T BILLS	16	0.000000%	15.513126%	13.842482%	1.670644%	0.000000%	61.336516%	13.126492%	1.431981%	42.959427%	3.818616%	0.000000%
P&T BILLS RETAIL	17	0.000000%	15.513126%	13.842482%	1.670644%	0.000000%	61.336516%	13.126492%	1.431981%	42.959427%	3.818616%	0.000000%
DISTRIBUTION BILLS RETAIL NO OL	18	0.299695%	0.217234%	0.197423%	0.019756%	0.000054%	0.869527%	0.652506%	0.159120%	0.064724%	0.004177%	0.001285%
DISTRIBUTION BILLS RETAIL NO OL, PL	19	0.300473%	0.217799%	0.197935%	0.019810%	0.000054%	0.871785%	0.654201%	0.158531%	0.064866%	0.004187%	0.001288%
ADJ TOTAL METERS (avg bills + add. PT and Dist meters)	20	0.260856%	0.192112%	0.174541%	0.017524%	0.000047%	0.768820%	0.570509%	0.137908%	0.056021%	0.004381%	0.001119%
ADJ TOTAL METERS- NO OL, PL	21	0.299527%	0.220592%	0.200416%	0.020122%	0.000054%	0.882795%	0.655086%	0.158353%	0.064326%	0.005030%	0.001284%
DISTR ENG ALLOCATION OF 369	22	0.074553%	0.122783%	0.111621%	0.011162%	0.000000%	0.491716%	0.369016%	0.089463%	0.030904%	0.002332%	0.000750%
DISTR ENG ALLOCATION OF 370	23	0.243309%	1.887186%	1.715514%	0.171675%	0.000000%	7.553695%	5.668976%	1.373399%	0.475502%	0.035817%	0.011116%
DISTRIBUTION OPER EXPENSE (582-587)	24	0.266816%	1.690245%	1.469629%	0.197793%	0.022823%	7.806753%	4.895320%	1.218102%	1.564197%	0.128133%	0.028758%
DISTRIBUTION MAINT EXP (591-598)	25	0.313588%	1.350526%	1.135725%	0.183094%	0.030710%	6.974985%	3.873759%	0.861924%	1.971972%	0.167310%	0.045438%
CUSTOMER RECORD AND COLLECTION 903 EXP	26	0.277762%	0.207590%	0.190047%	0.017543%	0.000000%	0.680065%	0.611075%	0.149114%	0.114028%	0.005848%	0.055552%
CUST ACCOUNTS 902-4 RETAIL	27	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
CUST ACCOUNTS 902-4 RETAIL	28	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
REVENUE FROM ENERGY SALES-RETAIL	29	0.045451%	3.324609%	2.903507%	0.373440%	0.047863%	30.882074%	14.192302%	3.300868%	12.589062%	0.804044%	0.311962%
REVENUE FROM ENERGY SALES-RETAIL STATE	30	0.045534%	3.296259%	2.864904%	0.377211%	0.054144%	31.540786%	14.423234%	3.342248%	12.945591%	0.829712%	0.296248%
PRESENT REVENUE	31	0.045534%	3.296259%	2.864904%	0.377211%	0.054144%	31.540786%	14.423234%	3.342248%	12.945591%	0.829712%	0.296248%
OTHER REVENUE	32	0.046049%	3.182525%	2.754698%	0.362098%	0.065729%	36.527010%	16.321559%	3.439536%	15.715832%	1.050084%	0.638394%
ELECTRIC OPERATING REVENUE	33	0.045585%	3.289383%	2.852241%	0.376297%	0.054944%	31.642222%	14.537995%	3.348130%	13.113082%	0.843034%	0.316932%
O&M EX FUEL, PUR PWR, A&G, & PROFORMAS	34	0.086485%	3.128689%	2.692763%	0.358848%	0.077078%	30.863080%	13.858288%	3.179185%	12.975157%	0.850450%	0.203129%
MATERIALS AND SUPPLIES	35	0.053226%	3.604384%	3.092737%	0.419477%	0.092171%	35.075053%	15.731829%	3.610448%	14.759281%	0.973465%	0.238703%
O&M EX FUEL, PUR PWR, A&G,10A & PROFORMAS	36	0.086485%	3.128689%	2.692763%	0.358848%	0.077078%	30.863080%	13.858288%	3.179185%	12.975157%	0.850450%	0.203129%
RATEBASE INCL CWIP (ex Cash & Bond Premiums)	37	0.072600%	3.285862%	2.813561%	0.369436%	0.082643%	30.353409%	13.805355%	3.177073%	12.636550%	0.834431%	0.226343%
RATEBASE INCL CWIP (ex Cash Bond Prem & Prof)	38	0.078213%	3.206468%	2.744676%	0.381735%	0.060058%	29.246482%	13.350705%	3.074772%	12.019193%	0.801812%	0.224202%
O&M EX NUCLEAR AND PUR PWR (incl. A&G)	39											
O&M EXCLUDING A&G - RETAIL	40											
A&G	41											
A&G EXCLUDING ADJUSTMENTS AND PROFORMAS	42											
DISTRIBUTION EXPENSE EX PROFORMAS	43	0.296593%	1.475525%	1.259110%	0.188559%	0.027856%	7.290583%	4.252169%	1.056590%	1.828479%	0.153345%	0.038692%
DISTRIBUTION SALARY & WAGES	44	0.296593%	1.475525%	1.259110%	0.188559%	0.027856%	7.290583%	4.252169%	1.056590%	1.828479%	0.153345%	0.038692%
CUSTOMER ACCOUNTING EXPENSE EX PROFORMAS	45	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
CUST ACCOUNTING SALARY & WAGES	46	0.216670%	0.176914%	0.162999%	0.013915%	0.000000%	1.687638%	1.053531%	0.196792%	0.431352%	0.005963%	0.037768%
CUSTOMER SERVICE & INFO EXP EX PROFORMAS	47	0.000000%	0.372823%	0.340683%	0.032140%	0.000000%	1.478434%	1.092756%	0.263547%	0.109276%	0.012856%	0.000000%
CUST SERVICE & INFO SALARY & WAGES	48	0.000000%	0.372823%	0.340683%	0.032140%	0.000000%	1.478434%	1.092756%	0.263547%	0.109276%	0.012856%	0.000000%
SALES EXPENSE EX PROFORMAS	49	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
TOTAL DISTR SALARY & WAGES	50	0.237217%	1.025338%	0.858830%	0.126691%	0.017617%	5.202221%	3.081921%	0.749809%	1.270362%	0.100128%	0.033123%
OTHER PRODUCTION EXP-DEMAND	51	0.028472%	3.888804%	3.341051%	0.446599%	0.101153%	39.089347%	17.379996%	3.979516%	16.638525%	1.091310%	0.250521%
POWER PROD SALARY & WAGES	52	0.028472%	3.888804%	3.341051%	0.446599%	0.101153%	39.089347%	17.379996%	3.979516%	16.638525%	1.091310%	0.250521%
TRANSMISSION EXPENSE	53	0.022875%	4.063167%	3.471010%	0.490260%	0.121697%	36.676218%	16.697770%	3.778514%	15.191192%	1.006742%	0.330228%
TRANSMISSION SALARY & WAGES	54	0.022875%	4.063167%	3.471010%	0.490260%	0.121697%	36.676218%	16.697770%	3.778514%	15.191192%	1.006742%	0.330228%
TOTAL WAGES & SALARIES EX A&G	55	0.067440%	3.358592%	2.884142%	0.388210%	0.086240%	32.641062%	14.671830%	3.366012%	13.701161%	0.902259%	0.212659%
RATE INCREASE REVENUE	56	0.060015%	3.426063%	2.846587%	0.389738%	0.389738%	24.472443%	11.547487%	2.670128%	9.589994%	0.684836%	0.183459%
RATIO	57											
A&G WAGES & SALARIES	58	0.061888%	3.639912%	3.079099%	0.447772%	0.112741%	29.025430%	13.611853%	3.139724%	11.481478%	0.792378%	0.186129%
WTD GROSS PROD PLANT RATIOS	59											
WTD GROSS PROD PLANT RATIOS EX PROFORMAS	60	0.028472%	3.888804%	3.341051%	0.446599%	0.101153%	39.089347%	17.379996%	3.979516%	16.638525%	1.091310%	0.250521%
WTD GROSS PROD PLANT RATIOS EX AFUDC	61											
WTD GROSS PROD PLT EX AFUDC & PROFORMAS	62											
WTD GROSS TRANS PLANT RATIOS	63	0.019778%	4.223910%	3.568477%	0.520418%	0.135015%	34.862389%	15.187273%	3.660862%	14.082352%	0.951901%	0.341245%
WTD GROSS TRANS PLT RATIOS EX PROFORMAS	64	0.019773%	4.223012%	3.567732%	0.520304%	0.134976%	34.875594%	15.192456%	3.659996%	14.071147%	0.951995%	0.345771%
WTD GROSS DIST PLANT RATIOS	65	0.178613%	1.965162%	1.651180%	0.267344%	0.046638%	10.786117%	5.786699%	1.394014%	3.340232%	0.265172%	0.117738%
DISTRIBUTION PLANT EX. PL AND OL	66											
DISTRIBUTION PLANT EX. PL AND OL AND PROFORMAS	67	0.199393%	2.191340%	1.841221%	0.298113%	0.052006%	12.027530%	6.452711%	1.554457%	3.724671%	0.295691%	0.131289%
WTD GR DIST PLT EX. PROFORMA	68	0.178613%	1.965162%	1.651180%	0.267344%	0.046638%	10.786117%	5.786699%	1.394014%	3.340232%	0.265172%	0.117738%
WTD GROSS G & I PLT RATIOS	69	0.077259%	3.212460%	2.755766%	0.378802%	0.077912%	29.303954%	13.392845%	3.088182%	12.025106%	0.797621%	0.220869%
WTD GROSS G & I PLT RATIOS EX. PROFORMAS	70	0.077259%	3.212460%	2.755766%	0.378802%	0.077912%	29.303954%	13.392845%	3.088182%	12.025106%	0.797621%	0.220869%
WTD GROSS G & I PLT EX. MISCELLANEOUS	71	0.077259%	3.212460%	2.755766%	0.378802%	0.077912%	29.303954%	13.392845%	3.088182%	12.025106%	0.797621%	0.220869%
WTD GROSS G & I PLT EX. MISC.& PROFORMA-St	72											
WTD NET PLANT RATIOS	73	0.082064%	3.129054%	2.676455%	0.373991%	0.078607%	28.354777%	12.971942%	2.986558%	11.619863%	0.776413%	0.218002%
WTD NET PLANT RATIOS EX PROFORMAS	74	0.084539%	3.090074%	2.642819%	0.369972%	0.077283%	27.871374%	12.770086%	2.940695%	11.398384%	0.762209%	0.217327%
WTD NET PLANT RATIOS INCL. NUCLEAR FUEL	75	0.080974%	3.140265%	2.687425%	0.374322%	0.078518%	28.839938%	13.097572%	3.014877%	11.785622%	0.786167%	0.219328%
WTD NET PLANT & NUC FUEL EX PROFORMAS	76	0.083903%	3.103124%	2.655476%	0.370429%	0.077219%	28.298058%	12.910468%	2.972025%	11.582491%	0.773072%	0.218772%
Peak & Average (Summer 1 CP)	77	0.028472%	3.888804%	3.341051%	0.446599%	0.101153%	39.089347%	17.379996%	3.979516%	16.638525%	1.091310%	0.250521%

Duke Energy Carolinas
Watkins Customer Cost Analysis

		Residential	
Gross Plant			
369	Services	$505,037	
370	Meters	$127,396	
371	Installation on Customer Premises	$21,267	
	Total Gross Plant	$653,701	
Depreciation Reserve			
	Services	$223,365	
	Meters	$37,066	
	Installation on Customer Premises	$5,820	
	Total Depreciation Reserve	$266,250	
Total Net Plant		$387,451	
Operation & Maintenance Expense			
	Dist Oper - Meter	$4,595	
	Dist Oper - Customer Installations	$4,515	
	Meter Reading	$4,151	
	Records & Collections	$26,928	
	Misc. Customer Accounting	$1,742	
	Dist Maint - Meters	$501	
	Total O & M Expenses	$42,432	
Depreciation Expense			
	Services @ 2.60% accrual	$13,131	Per Spanos Depr. Study Schedule 3
	Meters @ 3.96% accrual	$5,045	Per Spanos Depr. Study Schedule 3
	Installation on Cust. Premises @ 2.72% accrual	$578	Per Spanos Depr. Study Schedule 3
	Total Depreciation Expense	$18,754	
Revenue Requirement			
	Interest	$10,617	
	Equity Return	$20,535	
	Income Tax	$12,529	
	Revenue for Return	$43,680	
	O&M Expenses	$42,432	
	Depreciation Expense	$18,754	
	Subtotal Customer Revenue Requirement	$104,867	
	Provision for Uncollectibles @ 0.55%	$577	Directly assigned uncollectibles divided by current rate revenues.
	Total Customer Revenue Requirement	$105,443	
	Number of Bills	19,232,352	
	Monthly Cost	**$5.48**	

	PCT	Cost	WGHT Cost
Debt	47.00%	5.83%	2.74%
Common	53.00%	10.00%	5.30%
Total			8.04%

Watkins Exhibit 6

Duke Energy.

CUSTOMER JOHN Q
12345 HICKORY ST

Account Number	111152525802
Verification Code	1
Bill Date	06/06/2001
Current Charges Past Due After	08/20/2001

Service From: JUN 05 to AUG 20 (30 Days) | Your next scheduled meter reading will occur between SEP 04 and SEP 07

PREVIOUS BILL AMOUNT	PAYMENTS (-)	NEW CHARGES (+)	ADJUSTMENTS (+OR-)	AMOUNT DUE (=)
$619.49	$619.49	$557.33	$0.00	$557.33

METER NUMBER	METER READINGS: PREVIOUS	PRESENT	MULTI-PLIER	TOTAL USAGE	RATE SCHEDULE DESCRIPTION	AMOUNT
000000					G - General Service	
	0.00	1.05	40	42 KW	Actual Demand	
				30 KW	Billing Demand	
	500	657	40	4,280 KWH	Electricity Usage	522.28
					Annual Minimum Month 12	
	0	152		152 KWH	OL - Outdoor Lighting	9.41
	0	152		152 KWH	OL - Outdoor Lighting	9.41
					Sales Tax	14.23

Amount Due	557.33

Electricity Usage	This Month	Last Year
Total KWH	6,584	8,104
Days	23	29
AVG KWH per Day	235	279
AVG Cost per Day	319.33	921.13

MESSAGES

* **Check this section of your bill each month along with any bill inserts for important information from Duke Energy.**

For Correspondence:
P.O. BOX 1090
CHARLOTTE, NC 28201-1090
1-800-578-2236
http://www.duke-energy.com

Our records indicate your telephone number is 123-123-4567. If this record is incorrect, please follow the instructions on the back of the bill.

A late payment charge of 1.5 % will be added to any past due utility balance not paid within 25 days of the bill date.

RETURN THIS PORTION WITH YOUR PAYMENT TO THE ADDRESS BELOW. THANK YOU FOR YOUR BUSINESS. CREDIT CODE 1

000006
561

991115252580210000000001118000000000000 88 0 88 0 P

600009

CUSTOMER JOHN Q
12345 HICKORY ST
CHARLOTTE NC 12345-1234

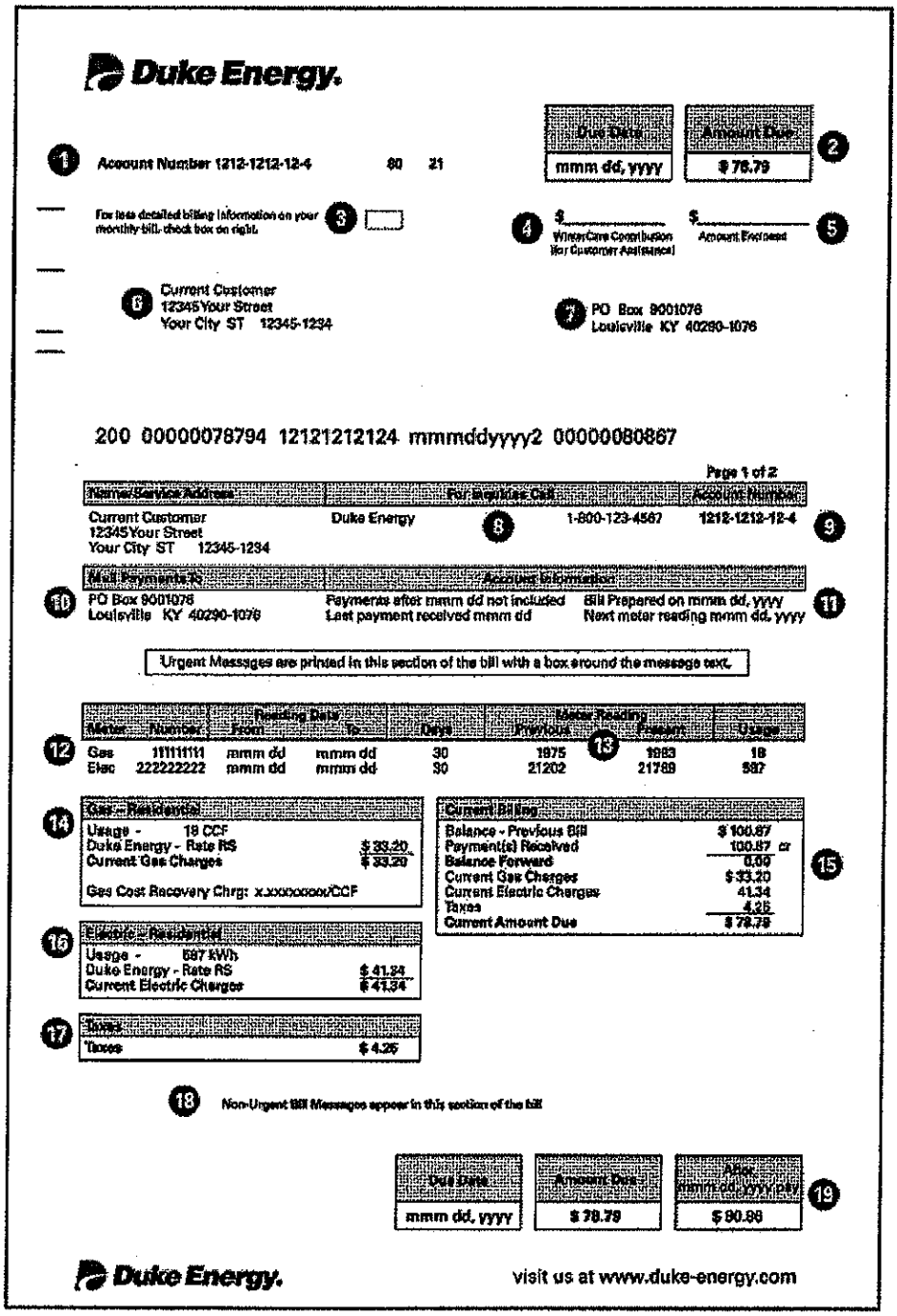
Account Number	0000000000000
Verification Code	1
Amount Due	$111.80
Current Charges Past Due After	08/17/2001

PO BOX 70516
CHARLOTTE, NC 28272-0516

Duke Energy.

Total Amount Enclosed $

Or **e-mail us (https://www.duke-energy.com/contact/email-kentucky.asp)** with your question.



Duke Energy.

1 Account Number 1212-1212-12-4 80 21

Due Date: mmm dd, yyyy
Amount Due: $ 78.79 2

For less detailed billing information on your monthly bill, check box on right. 3

4 $_____ WinterCare Contribution for Customer Assistance

$_____ Account Enclosed 5

6 Current Customer
12345 Your Street
Your City ST 12345-1234

7 PO Box 9001076
Louisville KY 40290-1076

200 00000078794 12121212124 mmmddyyyy2 00000080867

Page 1 of 2

Name/Service Address	For Inquiries Call		Account Number
Current Customer 12345 Your Street Your City ST 12345-1234	Duke Energy 8	1-800-123-4567	1212-1212-12-4 9

Mail Payments To	Account Information	
10 PO Box 9001076 Louisville KY 40290-1076	Payments after mmm dd not included Last payment received mmm dd	Bill Prepared on mmm dd, yyyy Next meter reading mmm dd, yyyy 11

Urgent Messages are printed in this section of the bill with a box around the message text.

Meter	Number	Reading Date From	To	Days	Meter Reading Previous	Present	Usage
12 Gas	111111111	mmm dd	mmm dd	30	1975 13	1993	18
Elec	222222222	mmm dd	mmm dd	30	21202	21789	587

14 Gas - Residential
Usage - 18 CCF
Duke Energy - Rate RS $ 33.20
Current Gas Charges $ 33.20

Gas Cost Recovery Chrg: x.xxxxxxxx/CCF

15 Current Billing

Balance - Previous Bill	$ 100.87
Payment(s) Received	100.87 cr
Balance Forward	0.00
Current Gas Charges	$ 33.20
Current Electric Charges	41.34
Taxes	4.25
Current Amount Due	$ 78.79

16 Electric - Residential
Usage - 587 kWh
Duke Energy - Rate RS $ 41.34
Current Electric Charges $ 41.34

17 Taxes
Taxes $ 4.25

18 Non-Urgent Bill Messages appear in this section of the bill

Due Date: mmm dd, yyyy
Amount Due: $ 78.79
After mmm dd, yyyy pay: $ 90.86 19

Duke Energy. visit us at www.duke-energy.com

Duke Energy.

Page 2 of 2

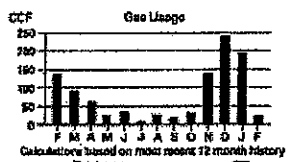
Name	Service Address	Account Number	
Current Customer	12345 Your St Your City ST 12345-1234	1212-1212-12-4	20

Explanation of Current Charges

21 Gas Meter # 111111111 CCF Usage 18 mmm dd - mmm dd 30 Days	Duke Energy Rate RS - Residential Service 22 Customer Charge $ xx.xx Gas Delivery Charge 18 CCF @ $ x.xxxxxxx x.xx Gas DSM Rider 18 CCF @ $ x.xxxxxxx x.xx Gas Cost Recovery 18 CCF @ $ x.xxxxxxx xx.xx	$ xx.xx	
	Total Current Gas Charges	$ xx.xx	25
23 Electric Meter # 222222222 kWh Usage 587 mmm dd - mmm dd 30 Days	Duke Energy Rate RS - Residential Srvs-xxxxxxx 24 Customer Charge $ x.xx Energy Charge 587 kWh @ $ x.xxxxxxx xx.xx Elec DSM Rider 587 kWh @ $ x.xxxxxxx x.xx Elec Fuel Adjustment 587 kWh @ $ x.xxxxxxx x.xx cr	$ xx.xx	
	Total Current Electric Charges	$ xx.xx	26

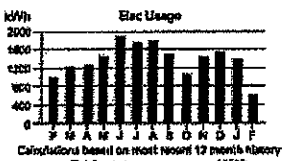
Explanation of Taxes

Taxes	Rate incr for School Tax $ x.xx	$ x.xx	
	Total Taxes	$ x.xx	27



Calculations based on most recent 12 month history
Total usage: 370
Average usage: 73

28



Calculations based on most recent 12 month history
Total usage: 18503
Average usage: 1383

	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Gas	143	67	58	24	38	7	27	17	29	142	236	191	18
Electric	1025	1209	1211	1478	1855	1669	1898	1826	1035	1378	1575	1352	587

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