

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 16 2006

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF THE ADJUSTMENT)
OF ELECTRIC RATES OF THE UNION)
LIGHT, HEAT AND POWER COMPANY) CASE NO. 2006-00172
D/B/A DUKE ENERGY KENTUCKY)

**DUKE ENERGY KENTUCKY'S
FILING OF ACTUAL RESULTS
FOR ESTIMATED MONTHS OF BASE PERIOD**

**VOLUME I
SCHEDULES A - E**

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE A
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	JURISDICTIONAL REVENUE REQUIREMENTS	
			BASE PERIOD	FORECASTED PERIOD
1	Capitalization Allocated to Electric Operations	WPA-1a, 1c	565,504,165	557,080,702
2	Operating Income	C-2	16,220,525	20,525,377
3	Earned Rate of Return (Line 2 / Line 1)		2.87%	3.68%
4	Rate of Return	J-1	8.441% (3)	8.761%
5	Required Operating Income (Line 1 x Line 4)		47,734,207	48,805,840
6	Operating Income Deficiency (Line 5 - Line 2)		31,513,682	28,280,463
7	Gross Revenue Conversion Factor	H	1.6661940	1.6449687
8	Revenue Deficiency (Line 6 x Line 7)		52,507,908	46,520,476
9	Revenue Increase Requested Excluding Fuel	C-1	N/A	46,519,810
10	Adjusted Operating Revenues	C-1	N/A	174,174,683
11	Revenue Requirements Excluding Fuel (Line 9 + Line 10)		N/A	220,694,493
12	Recovery of Fuel at Current Rates	(1)		65,701,303
13	Recovery of Fuel at Proposed Rates	(2)		<u>85,741,667</u>
14	Increase in Overall Revenue Requirements for Fuel			20,040,364
15	Revenue Increase Requested Including Fuel			66,560,174
16	Total Revenue Requirements (Line 11 + Line 13)	M		306,436,160

(1) Schedule M-2.2, Total Sales less Real Time Pricing Sales, times \$0.016566 / kwh.

(2) Schedule M-2.3, Total Sales less Real Time Pricing Sales, times \$0.021619 / kwh.

See Attachment WDW-1 for calculation of fuel revenue in base rates.

(3) Reflects capital structure as of September 30, 2006.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
JURISDICTIONAL RATE BASE SUMMARY
AS OF AUGUST 31, 2006
AS OF DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD	13 MONTH AVG. FORECAST PERIOD	
1	Adjusted Jurisdictional Plant in Service	B-2	\$1,082,918,000	\$1,122,822,000	
2	Accumulated Depreciation and Amortization	B-3	<u>(522,371,000)</u>	<u>(540,093,766)</u>	(1)
3	Net Plant in Service (Line 1 + Line 2)		560,547,000	582,728,234	
4	Construction Work in Progress	B-4	19,347,000	4,263,000	
5	Cash Working Capital Allowance	B-5	10,241,170	13,962,791	
6	Other Working Capital Allowances	B-5	30,895,831	29,961,359	
7	Other Items:				
8	Customers' Advances for Construction	B-6	0	0	
9	Investment Tax Credits	B-6	0	0	
10	Deferred Income Taxes	B-6	(40,615,447)	(40,005,923)	
11	Other Rate Base Adjustments	B-6	<u>0</u>	<u>0</u>	
12	Jurisdictional Rate Base (Line 3 through Line 11)		<u>\$580,415,554</u>	<u>\$590,909,461</u>	

(1) Includes adjustment for annualized depreciation, Schedule D-2.23.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF AUGUST 31, 2006

(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1

SCHEDULE B-2
PAGE 1 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Major Property Groupings	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
		\$		\$	\$	\$
1	Steam Production	491,907	100.00	491,907	0	491,907
2	Other Production	262,858	100.00	262,858	0	262,858
3	Transmission	22,422	100.00	22,422	0	22,422
4	Distribution	285,622	100.00	285,622	0	285,622
5	General	2,990	100.00	2,990	0	2,990
6	Common (Allocated to Electric)	17,119	100.00	17,119	0	17,119
7	Completed Construction Not Classified (1)					
8	Other (specify)					
9	TOTAL	1,082,918		1,082,918	0	1,082,918

(1) Included in each function on Schedule B-2.1

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF DECEMBER 31, 2007
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1

SCHEDULE B-2
PAGE 2 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Major Property Groupings	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
		\$		\$	\$	\$
1	Steam Production	501,176	100.00	501,176	0	501,176
2	Other Production	277,834	100.00	277,834	0	277,834
3	Transmission	23,766	100.00	23,766	0	23,766
4	Distribution	295,514	100.00	295,514	0	295,514
5	General	3,435	100.00	3,435	0	3,435
6	Common (Allocated to Electric)	25,250	100.00	25,250	(4,153)	21,097
7	Completed Construction Not Classified (1)					
8	Other (specify)					
9	TOTAL	1,126,975		1,126,975	(4,153)	1,122,822

(1) Included in each function on Schedule B-2.1

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2006

STEAM PRODUCTION PLANT
(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 1 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$		\$	\$	\$
1	310	3100	Land and Land Rights	1,687	100.00%	1,687		1,687
2	311	3110	Structures & Improvements	38,305	100.00%	38,305		38,305
3	312	3120	Boiler Plant Equipment	319,367	100.00%	319,367		319,367
4	312	3122	Boiler Plant Equip - Precipitator	11,773	100.00%	11,773		11,773
5	312	3123	Boiler Plant Equip - SCR Catalyst	2,230	100.00%	2,230		2,230
6	314	3140	Turbogenerator Equipment	78,973	100.00%	78,973		78,973
7	315	3150	Accessory Electric Equipment	29,576	100.00%	29,576		29,576
8	317	3160	Miscellaneous Powerplant Equipment	9,286	100.00%	9,286		9,286
9	317	3170	AROs	710	100.00%	710		710
10			Completed Construction Not Classified	0	100.00%	0		0
11			Total Steam Production Plant	491,907		491,907	0	491,907

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2006

OTHER PRODUCTION PLANT
(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 2 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$		\$	\$	\$
1	340	3400	Land and Land Rights	2,258	100.00%	2,258		2,258
2	340	3401	Rights of Way	652	100.00%	652		652
3	341	3410	Structures & Improvements	33,739	100.00%	33,739		33,739
4	342	3420	Fuel Holders, Producers, Accessories	15,508	100.00%	15,508		15,508
5	343	3430	Prime Movers	0	100.00%	0		0
6	344	3440	Generators	190,129	100.00%	190,129		190,129
7	345	3450	Accessory Electric Equipment	16,867	100.00%	16,867		16,867
8	346	3460	Miscellaneous Plant Equipment	3,705	100.00%	3,705		3,705
9			Completed Construction Not Classified	0	100.00%	0		0
10			Total Other Production Plant	262,858		262,858	0	262,858

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2006

TRANSMISSION PLANT
(\$000 Omitted)

SCHEDULE B-2.1
PAGE 3 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$		\$	\$	\$
1	350	3500	Land	253	100.00%	253		253
2	350	3501	Rights of Way	906	100.00%	906		906
3	352	3520	Structures & Improvements	1,249	100.00%	1,249		1,249
4	353	3530,3532	Station Equipment	10,470	100.00%	10,470		10,470
5	354	3540	Towers & Equipment	0	100.00%	0		0
6	355	3550	Poles & Fixtures	5,199	100.00%	5,199		5,199
7	356	3560	Overhead Conductors & Devices	4,345	100.00%	4,345		4,345
8			Completed Construction Not Classified	0	100.00%	0		0
9	Total Transmission Plant			22,422		22,422	0	22,422

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2006
DISTRIBUTION PLANT
(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 4 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct No.	Company Acct No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$		\$	\$	\$
1	360	3600	Land and Land Rights	4,382	100.00%	4,382		4,382
2	360	3601	Rights of Way	4,460	100.00%	4,460		4,460
3	361	3610	Structures & Improvements	309	100.00%	309		309
4	362	3620,3622	Station Equipment	36,512	100.00%	36,512		36,512
5	365	3640	Poles, Towers & Fixtures	47,249	100.00%	47,249		47,249
6	366	3650	Overhead Conductors & Devices	61,778	100.00%	61,778		61,778
7	367	3660	Underground Conduit	14,572	100.00%	14,572		14,572
8	368	3670	Underground Conductors & Devices	34,081	100.00%	34,081		34,081
9	368	3680	Line Transformers	49,828	100.00%	49,828		49,828
10	369	3682	Customers Transformer Installation	274	100.00%	274		274
11	369	3691	Services - Underground	456	100.00%	456		456
12	369	3692	Services - Overhead	10,102	100.00%	10,102		10,102
13	370	3693	Services - Multiple Occupancy Buildings	0	100.00%	0		0
14	373	3700,3701	Meters, Leased Meters	14,163	100.00%	14,163		14,163
15	373	3720	Leased Property on Customers	10	100.00%	10		10
16	373	3731	Street Lighting - Overhead	3,043	100.00%	3,043		3,043
17		3732	Street Lighting - Boulevard	2,819	100.00%	2,819		2,819
18		3733	Street Lighting - Cust,Private Outdoor Lighting	1,584	100.00%	1,584		1,584
19			Completed Construction Not Classified	0	100.00%	0		0
20			Total Distribution Plant	285,622		285,622	0	285,622

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2006

GENERAL PLANT
(\$000 Omitted)

SCHEDULE B-2.1
PAGE 5 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$		\$	\$	\$
1	303	3030	Miscellaneous Intangible Plant	2,130	100.00%	2,130		2,130
2	390	3900	Structures & Improvements	16	100.00%	16		16
3	391	3910	Office Furniture & Equipment	36	100.00%	36		36
4	392	3920	Auto & Trucks	0	100.00%	0		0
5	392	3921	Trailers	126	100.00%	126		126
6	394	3940	Tools, Shop & Garage Equipment	469	100.00%	469		469
7	396	3960	Power Operated Equipment	12	100.00%	12		12
8	397	3970	Communication Equipment	201	100.00%	201		201
9			Completed Construction Not Classified	0	100.00%	0		0
Total General Plant				2,990		2,990	0	2,990
Total Electric Plant				1,065,799		1,065,799	0	1,065,799

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2006

COMMON PLANT
(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 6 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$		\$	\$	\$
1		1030	Miscellaneous Intangible Plant	16,539	100.00%	16,539		16,539
2		1890	Land and Land Rights	154	100.00%	154		154
3		1900	Structures & Improvements	3,903	100.00%	3,903		3,903
4		1910	Office Furniture & Equipment	398	100.00%	398		398
5		1911	Office Furniture & Equipment - EDP Equipment	0	100.00%	0		0
6		1920	Auto & Trucks	0	100.00%	0		0
7		1930	Stores Equipment	6	100.00%	6		6
8		1940	Tools, Shop & Garage Equipment	186	100.00%	186		186
9		1970	Communication Equipment	1,366	100.00%	1,366		1,366
10		1980	Miscellaneous Equipment	11	100.00%	11		11
11			Completed Construction Not Classified	0	100.00%	0		0
Total Common Plant				22,563		22,563	0	22,563
12								
Total Common Plant				22,563		22,563	0	22,563
13			75.87% Common Plant Allocated to Electric	17,119		17,119	0	17,119
14			Total Electric Plant Including Allocated Common	1,082,918		1,082,918	0	1,082,918

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2007
STEAM PRODUCTION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2; SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 7 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
				\$		\$	\$	\$
1	310	3100	Land and Land Rights	1,687	100.00%	1,687		1,687
2	311	3110	Structures & Improvements	38,304	100.00%	38,304		38,304
3	312	3120	Boiler Plant Equipment	313,995	100.00%	313,995		313,995
4	312	3122	Boiler Plant Equip - Precipitator	11,773	100.00%	11,773		11,773
5	312	3123	Boiler Plant Equip - SCR Catalyzt	2,230	100.00%	2,230		2,230
6	314	3140	Turbogenerator Equipment	78,497	100.00%	78,497		78,497
7	315	3150	Accessory Electric Equipment	29,433	100.00%	29,433		29,433
8	317	3160	Miscellaneous Powerplant Equipment	9,031	100.00%	9,031		9,031
9	317	3170	AROS	710	100.00%	710		710
10			Completed Construction Not Classified	15,516	100.00%	15,516		15,516
11			Total Production Plant	501,176		501,176	0	501,176

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2007

NO CHANGE

OTHER PRODUCTION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVERSED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 8 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
				\$	%	\$	\$	\$
1	340	3400	Land and Land Rights	2,258	100.00%	2,258		2,258
2	340	3401	Rights of Way	652	100.00%	652		652
3	341	3410	Structures & Improvements	33,726	100.00%	33,726		33,726
4	342	3420	Fuel Holders, Producers, Accessories	15,508	100.00%	15,508		15,508
5	343	3430	Prime Movers	1,362	100.00%	1,362		1,362
6	344	3440	Generators	188,960	100.00%	188,960		188,960
7	345	3450	Accessory Electric Equipment	16,867	100.00%	16,867		16,867
8	346	3460	Miscellaneous Plant Equipment	3,677	100.00%	3,677		3,677
9			Completed Construction Not Classified	14,824	100.00%	14,824		14,824
10			Total Other Production Plant	277,834		277,834	0	277,834

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2006

TRANSMISSION PLANT
(\$000 Omitted)

SCHEDULE B-2.1
PAGE 9 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

NO CHANGE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
				\$		\$	\$	\$
1	350	3500	Land	191	100.00%	191		191
2	350	3501	Rights of Way	906	100.00%	906		906
3	352	3520	Structures & Improvements	381	100.00%	381		381
4	353	3530,3532	Station Equipment	10,343	100.00%	10,343		10,343
5	354	3540	Towers & Equipment	0	100.00%	0		0
6	355	3550	Poles & Fixtures	5,133	100.00%	5,133		5,133
7	356	3560	Overhead Conductors & Devices	4,370	100.00%	4,370		4,370
8			Completed Construction Not Classified	2,442	100.00%	2,442		2,442
9	Total Transmission Plant			23,766		23,766	0	23,766

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2007
DISTRIBUTION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2; SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 10 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
				\$		\$	\$	\$
1	360	3600	Land and Land Rights	3,094	100.00%	3,094		3,094
2	360	3601	Rights of Way	4,460	100.00%	4,460		4,460
3	361	3610	Structures & Improvements	309	100.00%	309		309
4	362	3620,3622	Station Equipment	34,202	100.00%	34,202		34,202
5	365	3640	Poles, Towers & Fixtures	44,360	100.00%	44,360		44,360
6	366	3650	Overhead Conductors & Devices	61,283	100.00%	61,283		61,283
7	367	3660	Underground Conduit	14,371	100.00%	14,371		14,371
8	368	3670	Underground Conductors & Devices	33,388	100.00%	33,388		33,388
9	368	3680	Line Transformers	47,561	100.00%	47,561		47,561
10	369	3682	Customers Transformer Installation	1,716	100.00%	1,716		1,716
11	369	3691	Services - Underground	515	100.00%	515		515
12	369	3692	Services - Overhead	10,256	100.00%	10,256		10,256
13	370	3693	Services - Multiple Occupancy Buildings	0	100.00%	0		0
14	373	3700,3701	Meters, Leased Meters	13,852	100.00%	13,852		13,852
15	373	3720	Leased Property on Customers	10	100.00%	10		10
16	373	3731	Street Lighting - Overhead	2,861	100.00%	2,861		2,861
17	373	3732	Street Lighting - Boulevard	2,819	100.00%	2,819		2,819
18		3733	Street Lighting - Cust, Private Outdoor Lighting	1,617	100.00%	1,617		1,617
19			Completed Construction Not Classified	18,840	100.00%	18,840		18,840
20			Total Distribution Plant	295,514		295,514	0	295,514

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2007
GENERAL PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2; SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 11 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
				\$		\$	\$	\$
1	303	3030	Miscellaneous Intangible Plant	2,130	100.00%	2,130		2,130
2	390	3900	Structures & Improvements	16	100.00%	16		16
3	391	3910	Office Furniture & Equipment	36	100.00%	36		36
4	392	3920	Auto & Trucks	0	100.00%	0		0
5	392	3921	Trailers	100	100.00%	100		100
6	394	3940	Tools, Shop & Garage Equipment	468	100.00%	468		468
7	396	3960	Power Operated Equipment	12	100.00%	12		12
8	397	3970	Communication Equipment	84	100.00%	84		84
9			Completed Construction Not Classified	589	100.00%	589		589
10			Total General Plant	3,435		3,435	0	3,435
11			Total Electric Plant	1,101,725		1,101,725	0	1,101,725

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2007

COMMON PLANT
(\$000 Omitted)

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.2, SCHEDULE B-2.3

SCHEDULE B-2.1
PAGE 12 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Total	13 Month Average Adjustments	13 Month Average Adjusted Jurisdiction
				\$		\$	\$	\$
1		1030	Miscellaneous Intangible Plant	16,539	100.00%	16,539		16,539
2		1890	Land and Land Rights	1,190	100.00%	1,190	(1,036)	154
3		1900	Structures & Improvements	8,341	100.00%	8,341	(4,438)	3,903
4		1910	Office Furniture & Equipment	398	100.00%	398		398
5		1911	Office Furniture & Equipment - EDP Equipment	0	100.00%	0		0
6		1920	Auto & Trucks	0	100.00%	0		0
7		1930	Stores Equipment	6	100.00%	6		6
8		1940	Tools, Shop & Garage Equipment	186	100.00%	186		186
9		1970	Communication Equipment	39	100.00%	39		39
10		1980	Miscellaneous Equipment	11	100.00%	11		11
11			Completed Construction Not Classified	6,570	100.00%	6,570		6,570
Total Common Plant				33,280		33,280	(5,474)	27,806
75.87% Common Plant Allocated to Electric				25,250		25,250	(4,153)	21,097
Total Electric Plant Including Allocated Common				1,126,975		1,126,975	(4,153)	1,122,822

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUSTMENTS TO PLANT IN SERVICE
AS OF AUGUST 31, 2006
(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.2
PAGE 1 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct No.	Company Acct No.	Account Title	Base Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
				\$		\$		

The Company is making no adjustments to base period Plant in Service in this case.

DUKE ENERGY KENTUCKY
 CASE NO. 2006-00172
 ADJUSTMENTS TO PLANT IN SERVICE
 AS OF DECEMBER 31, 2007
 (\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
 TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
 WORK PAPER REFERENCE NO(S): WPB-2.2a

SCHEDULE B-2.2
 PAGE 2 OF 2
 WITNESS RESPONSIBLE:
 C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
1	1890		Land and Land Rights	1,036	100%	1,036	WPB-2.2a	Exclusion of service building no longer used and moved to non-utility property.
2	1900		Structures & Improvements	4,438	100%	4,438	WPB-2.2a	
				\$		\$		

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
COMMON FACILITIES NO LONGER USED AND USEFUL
AS OF DECEMBER 31, 2007

WPB-2.2a
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Company Account Number	Title	Original Cost \$	Allocation %	Jurisdictional Adjustment \$
1	1890	Land and Land Rights	1,035,615	100.00%	1,035,615
2	1900	Rights of Way	<u>4,438,064</u>	100.00%	<u>4,438,064</u>
3		Total	<u>5,473,679</u>		<u>5,473,679</u>

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM SEPTEMBER 1, 2005 TO AUGUST 31, 2006
STEAM PRODUCTION PLANT

(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3
PAGE 1 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount of Transfer	Transfers/Reclassifications		Ending Balance
								Explanation	Other Accts. Involved	
1	310	3100	Land and Land Rights		1,687					1,687
2	311	3110	Structures & Improvements		38,305					38,305
3	312	3120	Boiler Plant Equipment		319,367					319,367
4	312	3122	Boiler Plant Equip - Precipitator		11,773					11,773
5	312	3123	Boiler Plant Equip - SCR Catalyst		2,230					2,230
6	314	3140	Turbogenerator Equipment		78,973					78,973
7	315	3150	Accessory Electric Equipment		29,576					29,576
8	317	3160	Miscellaneous Powerplant Equipment		9,286					9,286
9	317	3170	AROS		710					710
10			Completed Construction Not Classified							0
11			Total Steam Production Plant	0	491,907	0	0			491,907

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM SEPTEMBER 1, 2005 TO AUGUST 31, 2006

OTHER PRODUCTION PLANT
(\$000 Omitted)

SCHEDULE B-2.3
PAGE 2 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount of Transfer	Transfers/Reclassifications		Ending Balance
								Explanation	Other Accts. Involved	
1	340	3400	Land and Land Rights		2,258					2,258
2	340	3401	Rights of Way		652					652
3	341	3410	Structures & Improvements		33,739					33,739
4	342	3420	Fuel Holders, Producers, Accessories		15,508					15,508
5	343	3430	Prime Movers							0
6	344	3440	Generators		190,129					190,129
7	345	3450	Accessory Electric Equipment		16,867					16,867
8	346	3460	Miscellaneous Plant Equipment		3,705					3,705
9			Completed Construction Not Classified							0
10			Total Other Production Plant	0	262,858	0	0	0		262,858

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM SEPTEMBER 1, 2005 TO AUGUST 31, 2006

TRANSMISSION PLANT
(\$000 Omitted)

SCHEDULE B-2.3
PAGE 3 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications		Ending Balance
								Explanation of Transfer	Other Accts. Involved	
1	350	3500	Land	191	62					253
2	350	3501	Rights of Way	906	868		(634)			906
3	352	3520	Structures & Improvements	381	130					1,249
4	353	3530, 3532	Station Equipment	11,053						10,470
5	354	3540	Towers & Equipment	4,942	333		63		(13)	5,199
6	355	3550	Poles & Fixtures	4,331	97		80		(3)	4,345
7	356	3560	Overhead Conductors & Devices Completed Construction Not Classified							0
8										
9			Total Transmission Plant	21,804	1,490	222	(650)			22,422

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM SEPTEMBER 1, 2005 TO AUGUST 31, 2006
DISTRIBUTION PLANT

(\$000 Omitted)

SCHEDULE B-2.3
PAGE 4 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications		Ending Balance
								Explanation of Transfer	Other Accts. Involved	
1	360	3600	Land and Land Rights	3,047	1,335					4,382
2	360	3601	Rights of Way	4,460						4,460
3	361	3610	Structures & Improvements	297	47					309
4	362	3620,3622	Station Equipment	32,681	3,019	198	1,010			36,512
5	365	3640	Poles, Towers & Fixtures	41,680	5,870	304	3			47,249
6	366	3650	Overhead Conductors & Devices	58,835	3,436	493				61,778
7	367	3660	Underground Conduit	14,773	(198)	3				14,572
8	368	3670	Underground Conductors & Devices	32,921	1,347	187	1,442			34,081
9	368	3680	Line Transformers	47,049	1,711	374				49,828
10	369	3682	Customers Transformer Installation	274	(59)					215
11	369	3691	Services - Underground	515	(45)	228				10,102
12	369	3692	Services - Overhead	10,375						0
13	370	3693	Services - Multiple Occupancy Buildings	13,964	654	419	(36)			14,163
14	373	3700,3701	Meters, Leased Meters	10						10
15	373	3720	Leased Property on Customers	2,611	476	44				3,043
16	373	3731	Street Lighting - Overhead	2,768	80	29				2,819
17		3732	Street Lighting - Boulevard	1,630	(4)	42				1,584
18		3733	Street Lighting - Cust, Private Outdoor Lighting							0
19			Completed Construction Not Classified							0
20			Total Distribution Plant	267,890	17,669	2,356	2,419			285,622

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM SEPTEMBER 1, 2005 TO AUGUST 31, 2006

GENERAL PLANT
(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3
PAGE 5 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications		Ending Balance
								Explanation of Transfer	Other Accts. Involved	
1	303	3030	Miscellaneous Intangible Plant	1,944	186					2,130
2	390	3900	Structures & Improvements	16			1			16
3	391	3910	Office Furniture & Equipment	37						36
4	392	3920	Auto & Trucks							0
5	392	3921	Trailers	100	26					126
6	394	3940	Tools, Shop & Garage Equipment	454	15		35			469
7	396	3960	Power Operated Equipment	47						12
8	397	3970	Communication Equipment	84	117					201
9			Completed Construction Not Classified							0
Total General Plant				2,682	344	36	0			2,990
Total Electric Plant				292,376	774,268	2,614	1,769			1,065,799

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM SEPTEMBER 1, 2005 TO AUGUST 31, 2006

COMMON PLANT
(\$000 Omitted)

SCHEDULE B-2.3
PAGE 6 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount of Transfer	Transfers/Reclassifications		Ending Balance
								Explanation	Other Accts. Involved	
1		1030	Miscellaneous Intangible Plant	15,404	1,296	161				16,539
2		1890	Land and Land Rights	1,190			(1,036)			154
3		1900	Structures & Improvements	6,219	2,127	5	(4,438)			3,903
4		1910	Office Furniture & Equipment	398						398
5		1911	Office Furniture & Equipment - EDP Equipment							0
6		1920	Auto & Trucks							6
7		1930	Stores Equipment	6			2			186
8		1940	Tools, Shop & Garage Equipment	188	1,327					1,366
9		1970	Communication Equipment	39						11
10		1980	Miscellaneous Equipment	11						11
11			Completed Construction Not Classified							0
Total Common Plant				23,455	4,750	168	(5,474)			22,563
Total Common Plant Allocated to Electric				17,795	3,604	127	(4,153)			17,119
75.87% Common Plant Allocated to Electric										
Total Electric Plant Including Allocated Common				310,171	777,872	2,741	(2,384)			1,082,918

DUKE ENERGY KENTUCKY
 CASE NO. 2006-00172
 GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
 FROM JANUARY 1, 2007 TO DECEMBER 31, 2007
 STEAM PRODUCTION PLANT
 (\$000 Omitted)

SCHEDULE B-2.3
 PAGE 7 OF 12
 WITNESS RESPONSIBLE:
 C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
 TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
 WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications		Ending Balance	13 Month Average
								Explanation of Transfer	Other Accts. Involved		
1	310	3100	Land and Land Rights	1,687						1,687	1,687
2	311	3110	Structures & Improvements	38,304						38,304	38,304
3	312	3120	Boiler Plant Equipment	313,995						313,995	313,995
4	312	3122	Boiler Plant Equip - Precipitator	11,773						11,773	11,773
5	312	3123	Boiler Plant Equip - SCR Catalyst	2,230						2,230	2,230
6	314	3140	Turbogenerator Equipment	78,497						78,497	78,497
7	315	3150	Accessory Electric Equipment	29,433						29,433	29,433
8	317	3160	Miscellaneous Powerplant Equipment	9,031						9,031	9,031
9	317	3170	Miscellaneous Powerplant Equipment	710		1,793				710	710
10			Completed Construction Not Classified	13,105	9,436					20,748	15,516
11			Total Steam Production Plant	498,765	9,436	1,793	0			506,408	501,176

DUKE ENERGY KENTUCKY
 CASE NO. 2006-00172
 GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
 FROM JANUARY 1, 2007 TO DECEMBER 31, 2007
 OTHER PRODUCTION PLANT
 (\$000 Omitted)

SCHEDULE B-2.3
 PAGE 8 OF 12
 WITNESS RESPONSIBLE:
 C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
 TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
 WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications		Ending Balance	13 Month Average
								Explanation of Transfer	Other Accts. Involved		
1	3400	3400	Land and Land Rights	2,258						2,258	2,258
2	340	3401	Rights of Way	652						652	652
3	341	3410	Structures & Improvements	33,726						33,726	33,726
4	342	3420	Fuel Holders, Producers, Accessories	15,508						15,508	15,508
5	343	3430	Prime Movers	1,362						1,362	1,362
6	344	3440	Generators	188,960						188,960	188,960
7	345	3450	Accessory Electric Equipment	16,867						16,867	16,867
8	346	3460	Miscellaneous Plant Equipment	3,677						3,677	3,677
9			Completed Construction Not Classified	14,795		106	23			14,824	14,824
10			Total Other Production Plant	277,805	106	23	0			277,888	277,834

DUKE ENERGY KENTUCKY
 CASE NO. 2006-00172
 GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
 FROM JANUARY 1, 2007 TO DECEMBER 31, 2007

TRANSMISSION PLANT
 (\$000 Omitted)

SCHEDULE B-2.3
 PAGE 9 OF 12
 WITNESS RESPONSIBLE:
 C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
 TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
 WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications		Ending Balance	13 Month Average
								Explanation of Transfer	Other Accts. Involved		
1	350	3500	Land	191						191	191
2	350	3501	Rights of Way	906						906	906
3	352	3520	Structures & Improvements	381						381	381
4	353	3530,3532	Station Equipment	10,343						10,343	10,343
5	354	3540	Towers & Equipment	5,133						0	0
6	355	3550	Poles & Fixtures	4,370						4,370	4,370
7	356	3560	Overhead Conductors & Devices	2,203	1,028	124				3,107	2,442
8			Completed Construction Not Classified								
9			Total Transmission Plant	23,527	1,028	124	0			24,431	23,766

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM JANUARY 1, 2007 TO DECEMBER 31, 2007

DISTRIBUTION PLANT
(\$000 Omitted)

SCHEDULE B-2.3
PAGE 10 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications Explanation of Transfer	Other Accts. Involved	Ending Balance	13 Month Average
1	360	3600	Land and Land Rights	3,094						3,094	3,094
2	360	3601	Structures & Improvements	4,460						4,460	4,460
3	361	3610	Rights of Way	309						309	309
4	362	3620,3622	Station Equipment	34,202						34,202	34,202
5	365	3640	Poles, Towers & Fixtures	44,360						44,360	44,360
6	366	3650	Overhead Conductors & Devices	61,283						61,283	61,283
7	367	3660	Underground Conduit	14,371						14,371	14,371
8	368	3670	Underground Conductors & Devices	33,388						33,388	33,388
9	368	3680	Line Transformers	47,561						47,561	47,561
10	368	3682	Customers Transformer Installation	1,716						1,716	1,716
11	369	3691	Services - Underground	515						515	515
12	369	3692	Services - Overhead	10,256						10,256	10,256
13	370	3693	Services - Multiple Occupancy Buildings	0						0	0
14	373	3700,3701	Meters, Leased Meters	13,852						13,852	13,852
15	373	3720	Leased Property on Customers	10						10	10
16	373	3731	Street Lighting - Overhead	2,861						2,861	2,861
17	373	3732	Street Lighting - Boulevard	1,617						1,617	1,617
18		3733	Street Lighting - Cust/Private Outdoor Lighting	12,535	14,869		1,486			25,918	18,840
19			Completed Construction Not Classified								
20			Total Distribution Plant	289,209	14,869	1,486	0			302,592	295,514

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM JANUARY 1, 2007 TO DECEMBER 31, 2007
GENERAL PLANT

(\$000 Omitted)

SCHEDULE B-2.3
PAGE 11 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount of Transfer	Transfers/Reclassifications		Ending Balance	13 Month Average
								Explanation of Transfer	Other Accts. Involved		
1	303	3030	Miscellaneous Intangible Plant	2,130						2,130	2,130
2	390	3900	Structures & Improvements	16						16	16
3	391	3910	Office Furniture & Equipment	36						36	36
4	392	3920	Auto & Trucks	0						0	0
5	392	3921	Trailers	100						100	100
6	394	3940	Tools Shop & Garage Equipment	468						468	468
7	396	3960	Power Operated Equipment	12						12	12
8	397	3970	Communication Equipment	84						84	84
9			Completed Construction Not Classified	489	272					761	589
Total General Plant				3,335	272	0	0			3,607	3,435
Total Electric Plant				1,092,641	25,711	3,426	0			1,114,926	1,101,725
11	Total Electric Plant										

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
FROM JANUARY 1, 2007 TO DECEMBER 31, 2007
COMMON PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.3
PAGE 12 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Transfers/Reclassifications		Ending Balance	13 Month Average
								Explanation of Transfer	Other Accts. Involved		
1		1030	Miscellaneous Intangible Plant	16,539						16,539	16,539
2		1890	Land and Land Rights	1,190						1,190	1,190
3		1900	Structures & Improvements	8,341						8,341	8,341
4		1910	Office Furniture & Equipment	398						398	398
5		1911	Office Furniture & Equipment - EDP Equipment	0						0	0
6		1920	Auto & Trucks	6						6	6
7		1930	Stores Equipment	186						186	186
8		1940	Tools, Shop & Garage Equipment	39						39	39
9		1970	Communication Equipment	11						11	11
10		1980	Miscellaneous Equipment	6,061	3,382					9,443	6,570
11			Completed Construction Not Classified								
Total Common Plant				32,771	3,382	0	0			36,153	33,280
Total Common Plant				32,771	3,382	0	0			36,153	33,280
12			Total Common Plant	32,771	3,382	0	0			36,153	33,280
13			75.87% Common Plant Allocated to Electric	24,863	2,566	0	0			27,429	25,250
13			75.87% Common Plant Allocated to Electric	24,863	2,566	0	0			27,429	25,250
14			Total Electric Plant Including Allocated Common	1,117,504	28,277	3,426	0			1,142,355	1,126,975
14			Total Electric Plant Including Allocated Common	1,117,504	28,277	3,426	0			1,142,355	1,126,975

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PROPERTY MERGED OR ACQUIRED
FROM SEPTEMBER 1, 2005 TO AUGUST 31, 2006

SCHEDULE B-24
PAGE 1 OF 2
WITNESS RESPONSIBLE:
D. L. JACOBS

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

NO CHANGE

Line No.	FERC Acct. No.	Company Acct. No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date (Docket No.)	Date of Acquisition	Explanation of Treatment
Steam Production Plant									
1	310	3100	Land and Land Rights	1,686,547	1,686,547	0	12/5/2003, Case No. 2003-00252	1/1/2006	Electric generation assets transferred from Duke Energy Ohio to Duke Energy Kentucky at Net Book Value
2	311	3110	Structures & Improvements	13,876,741	13,876,741	0	"	"	"
3	312	3120	Boiler Plant Equipment	153,360,771	153,360,771	0	"	"	"
4	312	3122	Boiler Plant Equip - Precipitator	587,464	587,464	0.	"	"	"
5	312	3123	Boiler Plant Equip - SCR Catalyst	1,366,493	1,366,493	0	"	"	"
6	314	3140	Turbogenerator Equipment	36,922,690	36,922,690	0	"	"	"
7	315	3150	Accessory Electric Equipment	11,489,211	11,489,211	0	"	"	"
8	317	3160	Miscellaneous Powerplant Equipment	5,385,527	5,385,527	0	"	"	"
9	317	3170	AROS	360,187	360,187	0	"	"	"
10		107	Construction Work in Progress	1,360,005	1,360,005	0	"	"	"
11		108	Retirement Work in Progress	(102,239)	(102,239)	0	"	"	"
12			Total Steam Production Plant	226,293,398	226,293,398	0			
Other Production Plant									
13	340	3400	Land and Land Rights	2,259,594	2,259,594	0	12/5/2003, Case No. 2003-00252	1/1/2006	Electric generation assets transferred from Duke Energy Ohio to Duke Energy Kentucky at Net Book Value
14	340	3401	Structures & Improvements	626,268	626,268	0	"	"	"
15	341	3410	Fuel Holders, Producers, Accessories	17,238,749	17,238,749	0	"	"	"
16	342	3420	Prime Movers	6,715,578	6,715,578	0	"	"	"
17	343	3430	Generators	173,729	173,729	0	"	"	"
18	344	3440	Accessory Electric Equipment	104,450,929	104,450,929	0	"	"	"
19	345	3450	Miscellaneous Plant Equipment	7,260,756	7,260,756	0	"	"	"
20	346	3460	Construction Work in Progress	1,669,954	1,669,954	0	"	"	"
21		107	Construction Work in Progress	9,122,178	9,122,178	0	"	"	"
22			Total Other Production Plant	149,517,735	149,517,735	0			
23			Total Property Merged or Acquired	375,811,133	375,811,133	0			

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PROPERTY MERGED OR ACQUIRED
FROM JANUARY 1, 2007 TO DECEMBER 31, 2007

SCHEDULE B-2.4
PAGE 2 OF 2
WITNESS RESPONSIBLE:
D. L. JACOBS

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Line No.	FERC Acct. No.	Company Acct. No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date (Docket No.)	Date of Acquisition	Explanation of Treatment
The company has not merged or acquired property from other than affiliated companies.									

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
LEASED PROPERTY
ELECTRIC AND COMMON
AS OF AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5
PAGE 1 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property Involved	Explain Method of Capitalization
	Electric Meters	Bank of America	Monthly	39,430	3,772,851	Per Regulatory and GAAP Guidelines
	Erlanger Cox Rd Facility	Edward Gary Leasing	Monthly	20,418	2,100,000	Per Regulatory and GAAP Guidelines

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
LEASED PROPERTY
ELECTRIC AND COMMON
AS OF DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.5
PAGE 2 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property Involved	Explain Method of Capitalization
Electric Meters		Bank of America	Monthly	37,972	3,729,801	Per Regulatory and GAAP Guidelines
Erlanger Cox Rd Facility		Edward Gary Leasing	Monthly	20,418	2,100,000	Per Regulatory and GAAP Guidelines

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
AS OF AUGUST 31, 2006
AS OF DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S)::

SCHEDULE B-2.6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Description and Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net		Revenue Realized		Expenses Incurred		
					Original Cost	Amount	Acct. No.	Description	Amount	No.	Description
The company has no plant held for future use included in rate base.											

DUKE ENERGY KENTUCKY
 CASE NO. 2006-00172
 PROPERTY EXCLUDED FROM RATE BASE
 (FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)
 AS OF AUGUST 31, 2006
 AS OF DECEMBER 31, 2007
 (\$000 Omitted)

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
 TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
 WORK PAPER REFERENCE NO(S):

SCHEDULE B-2.7
 PAGE 1 OF 1
 WITNESS RESPONSIBLE:
 C. J. COUNCIL

Line No.	Company Acct. No.	Description of Excluded Property	In-Service Date	Original Cost	Accum. Depr. and Amort.	Net Original Cost	Base Period		Reasons for Exclusion
							Revenue Amount	Expense Acct. No.	

No property is excluded from rate base for reasons other than jurisdictional allocation.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF AUGUST 31, 2006

STEAM PRODUCTION PLANT
(\$000 Omitted)

SCHEDULE B-3
PAGE 1 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total Company (1)	Total Company	Jurisdictional %	Base Period Accumulated Balances		Adjusted Jurisdiction
							Jurisdictional Total	Adjustments	
				\$	\$		\$	\$	\$
1	310	3100	Land and Land Rights	1,687	0	100.00%	0	24,550	24,550
2	311	3110	Structures & Improvements	38,305	24,550	100.00%	167,101	167,101	167,101
3	312	3122	Boiler Plant Equip - Precipitator	319,367	167,101	100.00%	11,286	1,065	1,065
4	312	3123	Boiler Plant Equip - SCR Catalyst	11,773	1,065	100.00%	42,418	17,953	17,953
5	312	3140	Turbogenerator Equipment	2,230	42,418	100.00%	4,012	374	374
6	314	3150	Accessory Electric Equipment	29,576	17,953	100.00%	0	0	0
7	315	3160	Miscellaneous Powerplant Equipment	9,286	4,012	100.00%	0	0	0
8	317	3170	AROs	710	374	100.00%	0	0	0
9			Completed Construction Not Classified	0	(57)	100.00%	(57)	0	(57)
10		108	Retirement Work in Progress						
11									
12			Total Steam Production Plant	491,907	268,702		268,702	0	268,702

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF AUGUST 31, 2006
TRANSMISSION PLANT
(\$000 Omitted)

SCHEDULE B-3
PAGE 3 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total Company (1)	Base Period Accumulated Balances			Adjusted Jurisdiction
					Total Company	Allocation %	Allocated Total	
1	350	3500	Land	253	0	100.00%	0	0
2	350	3501	Rights of Way	906	476	100.00%	476	476
3	352	3520	Structures & Improvements	1,249	368	100.00%	368	3,638
4	353	3530,3532	Station Equipment	10,470	0	100.00%	0	0
5	354	3540	Towers & Equipment	5,199	2,998	100.00%	2,998	2,998
6	355	3550	Poles & Fixtures	4,345	2,393	100.00%	2,393	0
7	356	3560	Overhead Conductors & Devices	0	(73)	100.00%	(73)	(73)
8		108	Completed Construction Not Classified					
9			Retirement Work in Progress					
10			Total Transmission Plant	22,422	9,800		9,800	0

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF AUGUST 31, 2006

DISTRIBUTION PLANT
(\$000 Omitted)

SCHEDULE B-3
PAGE 4 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total Company (1)	Base Period Accumulated Balances			Adjusted Jurisdiction
					Total Company	Allocation %	Allocated Total	
1	360	3600	Land and Land Rights	4,382	0	100.00%	0	0
2	360	3601	Rights of Way	4,460	2,378	100.00%	2,378	2,378
3	361	3610	Structures & Improvements	309	229	100.00%	229	8,222
4	362	3620,3622	Station Equipment	36,512	8,222	100.00%	8,222	17,122
5	365	3640	Poles, Towers & Fixtures	47,249	17,122	100.00%	17,122	32,346
6	366	3650	Overhead Conductors & Devices	61,778	32,346	100.00%	32,346	2,923
7	367	3660	Underground Conduit	14,572	2,923	100.00%	2,923	7,202
8	368	3670	Underground Conductors & Devices	34,081	7,202	100.00%	7,202	23,881
9	368	3680	Line Transformers	49,828	23,881	100.00%	23,881	274
10	369	3682	Customers Transformer Installation	274	274	100.00%	274	145
11	369	3691	Services - Underground	456	145	100.00%	145	8,169
12	369	3692	Services - Overhead	10,102	8,169	100.00%	8,169	0
13	370	3693	Services - Multiple Occupancy Buildings	0	0	100.00%	0	2,994
14	373	3700,3701	Meters, Leased Meters	14,163	2,994	100.00%	2,994	10
15	373	3720	Leased Property on Customers	10	10	100.00%	10	2,600
16	373	3731	Street Lighting - Overhead	3,043	2,600	100.00%	2,600	1,351
17	373	3732	Street Lighting - Boulevard	2,819	1,351	100.00%	1,351	1,420
18	373	3733	Street Lighting - Cust, Private Outdoor Lighting	1,584	1,420	100.00%	1,420	0
19			Completed Construction Not Classified	0	0	100.00%	0	0
20		108	Retirement Work in Progress	0	(1,822)	100.00%	(1,822)	(1,822)
21			Total Distribution Plant	285,622	109,444		109,444	0
								109,444

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF AUGUST 31, 2006

GENERAL PLANT
(\$000 Omitted)

SCHEDULE B-3
PAGE 5 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total Company (1)	Base Period Accumulated Balances			
					Total Company	Allocation %	Allocated Total	Adjusted Jurisdiction
1	303	3030	Miscellaneous Intangible Plant	2,130	1,174	100.00%	1,174	1,174
2	390	3900	Structures & Improvements	16	19	100.00%	19	19
3	391	3910	Office Furniture & Equipment	36	20	100.00%	20	20
4	392	3920	Auto & Trucks	0	3	100.00%	3	3
5	392	3921	Trailers	126	34	100.00%	34	224
6	394	3940	Tools, Shop & Garage Equipment	469	224	100.00%	12	12
7	396	3960	Power Operated Equipment	12	12	100.00%	76	76
8	397	3970	Communication Equipment	201	76	100.00%	0	0
9			Completed Construction Not Classified	0	(1)	100.00%	(1)	(1)
10		108	Retirement Work in Progress					
Total General Plant				2,990	1,561		1,561	0
Total Electric Plant				1,065,799	514,290		514,290	0
Total General Plant				2,990	1,561		1,561	0
Total Electric Plant				1,065,799	514,290		514,290	0

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF AUGUST 31, 2006

COMMON PLANT
(\$000 Omitted)

SCHEDULE B-3
PAGE 6 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Base Period Total Company (1)	Total Company	Allocation %	Base Period Accumulated Balances		
							Allocated Total	Adjustments	Adjusted Jurisdiction
1		1030	Miscellaneous Intangible Plant	16,539	9,436	100.00%	9,436	0	9,436
2		1890	Land and Land Rights	154	0	100.00%	0	0	1,112
3		1900	Structures & Improvements	3,903	1,112	100.00%	1,112	170	170
4		1910	Office Furniture & Equipment	398	170	100.00%	0	0	0
5		1911	Office Furniture & Equipment - EDP Equipment	0	0	100.00%	0	0	0
6		1920	Auto & Trucks	6	(16)	100.00%	(16)	82	(16)
7		1930	Stores Equipment	186	82	100.00%	82	44	44
8		1940	Tools, Shop & Garage Equipment	1,366	44	100.00%	44	1	1
9		1970	Communication Equipment	11	1	100.00%	1	0	0
10		1980	Miscellaneous Equipment	0	0	100.00%	0	0	0
11			Completed Construction Not Classified		(178)	100.00%	(178)		(178)
12		108	Retirement Work in Progress						
Total Common Plant				22,563	10,651		10,651	0	10,651
13			Common Plant Allocated to Electric	17,119	8,081		8,081	0	8,081
14			75.87% Original Cost						
15			75.87% Reserve for Depreciation						
Total Electric Plant Including Allocated Common				1,082,918	522,371		522,371	0	522,371
16			Total Electric Plant Including Allocated Common						

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2007
STEAM PRODUCTION PLANT
(\$000 Omitted)

SCHEDULE B-3
PAGE 7 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period (1)		13 Month Average Forecast Period Accumulated Balances		
				Total Company	Jurisdictional %	Total Jurisdictional	Adjusted Jurisdiction	
1	310	3100	Land and Land Rights	1,687	100.00%	0	0	
2	311	3110	Structures & Improvements	38,304	100.00%	24,328	24,328	
3	312	3120	Boiler Plant Equipment	313,995	100.00%	162,220	162,220	
4	312	3122	Boiler Plant Equip - Precipitator	11,773	100.00%	11,211	11,211	
5	312	3123	Boiler Plant Equip - SCR Catalyst	2,230	100.00%	914	914	
6	314	3140	Turbogenerator Equipment	78,497	100.00%	41,780	41,780	
7	314	3140	Turbogenerator Equipment	29,433	100.00%	17,754	17,754	
8	315	3150	Accessory Electric Equipment	9,031	100.00%	3,904	3,904	
9	317	3160	Miscellaneous Powerplant Equipment	710	100.00%	356	356	
10		3170	AROS	15,516	100.00%	12,822	12,822	
11		108	Completed Construction Not Classified Retirement Work In Progress		100.00%	102	102	
Total Steam Production Plant				501,176		275,391	0	275,391

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2007

TRANSMISSION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3
PAGE 9 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period (1)	13 Month Average Forecast Period Accumulated Balances				
					Total Company	Allocation %	Allocated Total	Adjusted Jurisdiction	
1	350	3500	Land	191	0	100.00%	0	0	
2	350	3501	Rights of Way	906	468	100.00%	468	468	
3	352	3520	Structures & Improvements	381	358	100.00%	358	358	
4	353	3530,3532	Station Equipment	10,343	3,471	100.00%	3,471	3,471	
5	354	3540	Towers & Equipment	0	0	100.00%	0	0	
6	355	3550	Poles & Fixtures	5,133	2,956	100.00%	2,956	2,956	
7	356	3560	Overhead Conductors & Devices	4,370	2,411	100.00%	2,411	2,411	
8			Completed Construction Not Classified	2,442	606	100.00%	606	606	
9		108	Retirement Work in Progress		(67)	100.00%	(67)	(67)	
10			Total Transmission Plant	23,766	10,203		10,203	0	10,203

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2007

DISTRIBUTION PLANT
(\$000 Omitted)

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2:1, SCHEDULE B-3:1

SCHEDULE B-3
PAGE 10 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period (1)	13 Month Average Forecast Period Accumulated Balances			
					Total Company \$	Allocation %	Allocated Total \$	Adjusted Jurisdiction \$
1	360	3600	Land and Land Rights	3,094	0	0	0	2,322
2	360	3601	Rights of Way	4,460	2,322	2,322	224	2,322
3	361	3610	Structures & Improvements	309	224	224	8,213	8,213
4	362	3620,3622	Station Equipment	34,202	8,213	8,213	16,672	16,672
5	365	3640	Poles, Towers & Fixtures	44,360	16,672	16,672	31,284	31,284
6	366	3650	Overhead Conductors & Devices	61,283	31,284	31,284	2,791	2,791
7	367	3660	Underground Conduit	14,371	2,791	2,791	6,965	6,965
8	368	3670	Underground Conductors & Devices	33,388	6,965	6,965	23,055	23,055
9	368	3680	Line Transformers	47,561	23,055	23,055	274	274
10	369	3682	Customers Transformer Installation	1,716	274	274	141	141
11	369	3691	Services - Underground	515	141	141	8,055	8,055
12	369	3692	Services - Overhead	10,256	8,055	8,055	0	0
13	370	3693	Services - Multiple Occupancy Buildings	0	0	0	2,781	2,781
14	373	3700,3701	Meters, Leased Meters	13,852	2,781	2,781	10	10
15	373	3720	Leased Property on Customers	10	10	10	2,467	2,467
16	373	3731	Street Lighting - Overhead	2,861	2,467	2,467	1,280	1,280
17		3732	Street Lighting - Boulevard	2,819	1,280	1,280	1,386	1,386
18		3733	Street Lighting - Cust, Private Outdoor Lighting	1,617	1,386	1,386	9,164	9,164
19			Completed Construction Not Classified	18,840	9,164	9,164	(1,581)	(1,581)
20		108	Retirement Work in Progress		(1,581)	(1,581)		
21			Total Distribution Plant	295,514	115,503	115,503	0	115,503

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2007

GENERAL PLANT
(\$000 Omitted)

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

SCHEDULE B-3
PAGE 11 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period (1)	13 Month Average Forecast Period Accumulated Balances			
					Total Company \$	Allocation %	Allocated Total \$	Adjusted Jurisdiction \$
1	303	3030	Miscellaneous Intangible Plant	2,130	1,059	100.00%	1,059	1,059
2	390	3900	Structures & Improvements	16	19	100.00%	19	19
3	391	3910	Office Furniture & Equipment	36	19	100.00%	19	4
4	392	3920	Auto & Trucks	0	4	100.00%	4	31
5	392	3921	Trailers	100	31	100.00%	31	217
6	394	3940	Tools, Shop & Garage Equipment	468	217	100.00%	217	12
7	396	3960	Power Operated Equipment	12	12	100.00%	12	71
8	397	3970	Communication Equipment	84	71	100.00%	71	396
9			Completed Construction Not Classified	589	396	100.00%	396	(1)
10		108	Retirement Work in Progress		(1)	100.00%	(1)	
Total General Plant				3,435	1,827		1,827	0
Total Electric Plant				1,101,725	529,640		529,640	0

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2007
COMMON PLANT
(\$000 Omitted)

SCHEDULE B-3
PAGE 12 OF 12
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE B-2.1, SCHEDULE B-3.1

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	13 Month Average Forecast Period (1)	13 Month Average Forecast Period Accumulated Balances				
					Total Company	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
1	1030		Miscellaneous Intangible Plant	16,539	8,591	100.00%	8,591	8,591	
2	1890		Land and Land Rights	1,190	0	100.00%	0	780	
3	1900		Structures & Improvements	8,341	2,757	100.00%	2,757	158	
4	1910		Office Furniture & Equipment	398	158	100.00%	158	0	
5	1911		Office Furniture & Equipment - EDP Equipment	0	0	100.00%	0	0	
6	1920		Auto & Trucks	0	0	100.00%	0	(17)	
7	1930		Stores Equipment	6	(17)	100.00%	(17)	78	
8	1940		Tools, Shop & Garage Equipment	186	78	100.00%	78	(6)	
9	1970		Communication Equipment	39	(6)	100.00%	(6)	1	
10	1980		Miscellaneous Equipment	11	1	100.00%	1	4,014	
11			Completed Construction Not Classified	6,570	4,014	100.00%	4,014	(121)	
12			Retirement Work in Progress		(121)	100.00%	(121)		
Total Common Plant				33,280	15,455		15,455	(1,977)	13,478
Common Plant Allocated to Electric									
14			75.87% Original Cost	25,250	11,726		11,726	(1,500)	10,226
15			75.87% Reserve for Depreciation						
Total Electric Plant Including Allocated Common				1,126,975	541,366		541,366	(1,500)	539,866

(1) Plant Investment Includes Completed Construction Not Classified (Account 106)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF AUGUST 31, 2006

(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS.:

SCHEDULE B-3.1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Total Company Adjustment	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment

The Company is not including any adjustments to accumulated depreciation and amortization in this filing.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
AS OF DECEMBER 31, 2007

(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS.: WPB-3.1a, WPB-3.1b

SCHEDULE B-3.1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title	Total Company Adjustment	Jurisdictional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
1	1890	1900	Land and Land Rights	(1,977)	100%	(1,977)	WPB-3.1b	Exclusion of service building no longer used and moved to non-utility reserve for depreciation.
2			Structures and Improvements	(1,977)		(1,977)		

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF DECEMBER 31, 2007
STEAM PRODUCTION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2
PAGE 1 OF 6
WITNESS RESPONSIBLE:
C. J. COUNCIL

NO CHANGE

Line No.	FERC Acct. No.	Company Acct. No.	Account Title or Major Property Grouping	Adjusted Jurisdiction		Current Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxI)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	13-Month Average Accumulated Balance (E)					
Miami Fort Unit 6										
1	310	3100	Land and Land Rights	3,211	3,060	0.00%	0	Perpetual Life	100	R2.5
2	311	3110	Structures & Improvements	37,210	26,600	0.35%	11	-5.00%	45	S1
3	312	3120	Boiler Plant Equipment	11,773	11,211	5.87%	2,184	-15.00%	50	S1.5
4	312	3122	Boiler Plant Equip - Precipitator	11,501	10,724	1.45%	171	-10.00%	52	R2
5	314	3140	Turbogenerator Equipment	4,075	3,597	1.26%	145	-5.00%	55	R2.5
6	315	3150	Accessory Electric Equipment	769	185	5.53%	43	0.00%	55	S0.5
7	317	3160	Miscellaneous Powerplant Equipment	177	57	Various	295	Depr charged to reg asset account		
8	317	3170	AROs	7,768	903	3.80%				
9			Completed Construction Not Classified							
East Bend										
10	310	3100	Land and Land Rights	1,687	0	0.00%	0	Perpetual Life	100	R2.5
11	311	3110	Structures & Improvements	35,093	21,268	1.43%	502	-8.00%	45	S1
12	312	3120	Boiler Plant Equipment	276,785	135,620	3.37%	9,328	-26.00%	8	S2.5
13	312	3123	Boiler Plant Equip - SCR Catalyst	2,230	914	15.28%	341	0.00%	52	R2
14	314	3140	Turbogenerator Equipment	66,996	31,056	2.82%	1,889	-18.00%	55	R2.5
15	315	3150	Accessory Electric Equipment	25,358	14,157	2.03%	515	-9.00%	55	S0.5
16	317	3160	Miscellaneous Powerplant Equipment	8,262	3,719	2.15%	178	0.00%		
17	317	3170	AROs	533	299	Various	239	Depr charged to reg asset account		
18			Completed Construction Not Classified	7,748	11,919	3.08%				
19		108	Retirement Work in Progress		102					
20			Total Steam Production Plant	501,176	275,391		15,890			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF DECEMBER 31, 2007
OTHER PRODUCTION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2
PAGE 2 OF 6
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title or Major Property Grouping	Adjusted Jurisdiction		Current Accrual Rate (F)	Calculated Depr/Amort Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	Accumulated Balance (E)					
1	340	3400	Land and Land Rights	2,258	(1)	0.00%	0	Perpetual Life	40	SQ
2	340	3401	Rights of Way	652	27	3.63%	24	0.00%	40	Square
3	341	3410	Structures & Improvements	33,726	16,597	2.08%	702	-4.00%	70	Square
4	342	3420	Fuel Holders, Producers, Accessories	15,508	8,835	1.79%	278	-9.00%	70	Square
5	343	3430	Prime Movers	1,362	1	4.11%	56	-6.00%	55	R2.5
6	344	3440	Generators	188,960	85,117	2.47%	4,667	0.00%	40	R2.5
7	345	3450	Accessory Electric Equipment	16,867	9,659	1.80%	304	0.00%		
8	346	3460	Miscellaneous Plant Equipment	3,677	2,046	2.11%	78	0.00%		
9			Completed Construction Not Classified	14,824	4,435	2.34%	347			
10		108	Retirement Work in Progress		0					
11			Total Other Production Plant	277,834	126,716		6,456			

(1) Plant Investment Includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF DECEMBER 31, 2007
TRANSMISSION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2
PAGE 3 OF 6
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No. (A)	FERC Acct. No. (B-1)	Company Acct. No. (B-2)	Account Title or Major Property Grouping (C)	Adjusted Jurisdiction		Current Accrual Rate (F)	Calculated Depr/Amort Expense (G=DXF) \$	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D) \$	Accumulated Balance (E) \$					
1	3500	3500	Land	191	0	0.00%	0	Perpetual Life	65	R4
2	3501	3501	Rights of Way	906	468	1.48%	13	0.00%	55	R3
3	3520	3520	Structures & Improvements	381	358	0.41%	2	-5.00%	50	R1.5
4	3530	3530	Station Equipment	6,956	2,474	2.25%	157	-10.00%	45	R2.5
5	3532	3532	Station Equipment - Major	3,373	997	2.77%	93	0.00%	15	R2.5
6	3535	3535	Station Equipment - Electronic	14	0	9.55%	1	-25.00%	50	R1.5
7	3550	3550	Poles & Fixtures	5,133	2,956	2.28%	117	-10.00%	44	R0.5
8	355	3550	Overhead Conductors & Devices	4,370	2,411	2.31%	101			
9	356	3560	Completed Construction Not Classified	2,442	606	2.29%	56			
10		108	Retirement Work in Progress		(67)					
11	Total Transmission Plant			23,766	10,203		540			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF DECEMBER 31, 2007
DISTRIBUTION PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2-1, SCHEDULE B-3

SCHEDULE B-3.2
PAGE 4 OF 6
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title or Major Property Grouping	Adjusted Jurisdiction		Current Accrual Rate	Calculated Depr/Amort Expense (G=DXF)	Perpetual Life	% Net Salvage	Average Service Life	Curve Form
				Plant Investment (1)	Accumulated Balance						
(A)	(B-1)	(B-2)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1	360	3600	Land and Land Rights	3,094	0	0.00%	0	0	0.00%	70	R3
2	360	3601	Rights of Way	4,460	2,322	1.07%	48	48	0.00%	55	R3
3	361	3610	Structures & Improvements	309	224	0.94%	3	3	-5.00%	46	R2
4	362	3620	Station Equipment	18,831	4,929	3.33%	627	627	-10.00%	45	R2.5
5	362	3622	Station Equipment - Major	15,248	3,283	3.29%	502	502	-10.00%	15	R2
6	362	3635	Station Equipment - Electronic	123	1	9.65%	12	12	0.00%	44	R0.5
7	365	3640	Poles, Towers & Fixtures	44,360	16,672	3.29%	1,459	1,459	-15.00%	44	R1
8	366	3650	Overhead Conductors & Devices	61,283	31,284	3.10%	1,900	1,900	-30.00%	65	R3
9	367	3670	Underground Conduit	14,371	2,791	2.11%	303	303	-20.00%	60	R2
10	368	3680	Underground Conductors & Devices	33,388	6,965	3.11%	1,038	1,038	-40.00%	35	R1
11	368	3682	Line Transformers	47,561	23,055	3.00%	1,427	1,427	-5.00%	50	R1.5
12	369	3691	Customers Transformer Installation	1,716	274	0.17%	3	3	-5.00%	55	R2
13	369	3692	Services - Underground	515	141	2.89%	15	15	-30.00%	47	R1
14	369	3692	Services - Overhead	10,256	8,055	3.01%	309	309	-60.00%	28	S0
15	373	3700	Meters	10,122	2,582	5.62%	589	589	0.00%	28	S0
16	373	3701	Leased Meters	3,730	229	5.61%	209	209	0.00%	25	L2
17	373	3720	Leased Property on Customers	10	10	NA	N/A	N/A	0.00%	30	L1
18	373	3731	Street Lighting - Overhead	2,861	2,467	0.92%	26	26	-5.00%	30	L1
19	373	3731	Street Lighting - Boulevard	2,819	1,280	3.62%	102	102	-5.00%	30	L1
20	373	3732	Street Lighting - Cust, Private Outdoor	1,617	1,386	1.72%	28	28	-15.00%	30	R1
21	373	3733	Completed Construction Not Classified	18,840	9,164	3.16%	595	595			
22		108	Retirement Work in Progress		(1,581)						
23			Total Distribution Plant	295,514	115,503		9,195				

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF DECEMBER 31, 2007
GENERAL PLANT
(\$000 Omitted)

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

SCHEDULE B-3.2
PAGE 5 OF 6
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	FERC Acct. No.	Company Acct. No.	Account Title or Major Property Grouping	Adjusted Jurisdiction		Current Accrual Rate (F)	Calculated Depr./Amort Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
				Plant Investment (1) (D)	Accumulated Balance (E)					
1	303	3030	Miscellaneous Intangible Plant	2,130	1,059	Various	36	Amortized over 60 months	R2.5	
2	390	3900	Structures & Improvements	16	19	1.77%	0	5.00%	35	SQ
3	391	3910	Office Furniture & Equipment	36	19	18.56%	7	0.00%	20	SQ
4	392	3920	Auto & Trucks	0	4			Depr. Charged to Trans. Exp.		
5	392	3921	Trailers	100	31	4.14%	19	0.00%	25	SQ
6	394	3940	Tools, Shop & Garage Equipment	488	217	(2)		Depr. Charged to Trans. Exp.		
7	396	3960	Power Operated Equipment	12	12	6.93%	6	0.00%	15	SQ
8	397	3970	Communication Equipment	84	71	5.33%				
9		108	Completed Construction Not Classified Retirement Work In Progress	589	396	(1)	31			
Total General Plant				3,435	1,827		99			
Total Electric Plant				1,101,725	529,640		32,180			

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY
CASE NO. 2006-001772
DEPRECIATION AND AMORTIZATION ACCRUAL RATES AND
JURISDICTIONAL ACCUMULATED BALANCES BY ACCOUNTS,
FUNCTIONAL CLASS OR MAJOR PROPERTY GROUP
THIRTEEN MONTH AVERAGE AS OF DECEMBER 31, 2007
COMMON PLANT
(\$000 Omitted)

SCHEDULE B-3.2
PAGE 6 OF 6
WITNESS RESPONSIBLE:
C. J. COUNCIL

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NOS.: SCHEDULE B-2.1, SCHEDULE B-3

Line No.	FERC Acct. No.	Company Acct. No.	Account Title or Major Property Grouping	Adjusted Jurisdiction		Current Accrual Rate	Calculated Depr./Amort Expense (G=DxP)	% Net Salvage	Average Service Life	Curve Form
				Plant Investment (D)	Accumulated Balance (E)					
1		1030	Misc Intangible Plant	16,539	8,591	Various	276			
2		1890	Land	154	0	0.00%	0		(2)	(2)
3		1900	Structures & Improvements	3,903	780	4.34% (2)	169	(2)		SQ
4		1910	Office Furniture & Equipment	398	158	12.36%	49			SQ
5		1930	Stores Equipment	6	(17)	48.47%	3			SQ
6		1940	Tools, Shop & Garage Equipment	186	78	6.27%	12			SQ
7		1970	Communication Equipment	39	(6)	13.62%	5			SQ
8		1980	Miscellaneous Equipment	11	1	6.65%	1			
9			Completed Construction Not Classified	6,570	4,014	4.80%	315			
10			Retirement Work in Progress		(121)					
Total Common Plant				27,806	13,478		830			
11			Common Plant Allocated to Electric	21,097	10,226		630			
12			75.87% Original Cost							
13			75.87% Reserve							
14			75.87% Annual Provision							
Total Electric Plant Including Allocated Common				1,122,822	539,866		32,810			
15										

(1) Plant Investment includes Completed Construction Not Classified (Account 106).

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
CONSTRUCTION WORK IN PROGRESS
AS OF AUGUST 31, 2006
(\$000 Omitted)

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4
PAGE 1 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Major Property Groupings	Jurisdictional %	Amount Subject to AFUDC		Amount Not Subject to AFUDC		Total	
			Gross \$	Jurisdictional \$	Gross \$	Jurisdictional \$	Gross \$	Jurisdictional \$
1	Production	100.00%	11,149	11,149	0	0	11,149	11,149
2	Transmission	100.00%	1,863	1,863	0	0	1,863	1,863
3	Distribution	100.00%	2,963	2,963	0	0	2,963	2,963
4	General	100.00%	524	524	0	0	524	524
5	Total Common	100.00%	3,754	3,754	0	0	3,754	3,754
6	75.87% Common Allocated to Electric	100.00%	2,848	2,848	0	0	2,848	2,848
7	TOTAL ELECTRIC INCLUDING COMMON ALLOCATED		19,347	19,347	0	0	19,347	19,347

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
CONSTRUCTION WORK IN PROGRESS
THIRTEEN MONTH AVERAGE AS OF DECEMBER 31, 2007
(\$000 Omitted)

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4
PAGE 2 OF 2
WITNESS RESPONSIBLE:
C. J. COUNCIL

Line No.	Major Property Groupings	Jurisdictional %	Amount Subject to AFUDC		Amount Not Subject to AFUDC		Total	
			Gross \$	Jurisdictional \$	Gross \$	Jurisdictional \$	Gross \$	Jurisdictional \$
1	Production	100.00%	(3,443)	(3,443)	0	0	(3,443)	(3,443)
2	Transmission	100.00%	1,245	1,245	0	0	1,245	1,245
3	Distribution	100.00%	6,461	6,461	0	0	6,461	6,461
4	General	100.00%	0	0	0	0	0	0
5	Total Common	100.00%	0	0	0	0	0	0
6	75.87% Common Allocated to Electric	100.00%	0	0	0	0	0	0
7	TOTAL ELECTRIC INCLUDING COMMON ALLOCATED		4,263	4,263	0	0	4,263	4,263

DUKE ENERGY KENTUCKY
CASE NO 2006-00172
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE (a)
AS OF DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

SCHEDULE B-4 1
PAGE 1 OF 4
WITNESS RESPONSIBLE:
J L STANLEY / J J ROEBEL

Line No (A)	Project No (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F)	Most Recent Budget Estimate (G)	Total Project Expenditures (H)	Percent of Total Expenditures (I) = (H) / (G)
					\$	\$	\$	(I) = (H) / (G)
1	EB1152 - EBS FGD 08 LNFIL CONC SPILWAY	07/01/08	12/31/08	N/A	27,781	27,781	-	0%
2	EB1412 - Cooling Tower Gear Box (2006)	01/01/06	11/30/06	100%	97,979	97,979	97,979	100%
3	EB1422 - Cooling Tower Gear Box 2007	01/01/06	11/30/07	100%	100,322	100,322	100,322	100%
4	EB1462 - Cooling Tower Fan Blades-2006	12/01/05	12/01/06	100%	93,170	93,170	93,170	100%
5	EB1472 - Cooling Tower Fan Blades-2007	01/01/07	12/01/07	100%	61,995	61,995	61,995	100%
6	EB1482 - Cooling Tower Fan Blades(2008)	01/01/08	12/01/08	N/A	63,176	63,176	-	0%
7	EB1912 - EBS-2 Misc Valves	01/01/05	12/31/06	100%	1,595,641	1,595,641	499,414	31%
8	EB1922 - EBS-2 General Equipment	01/01/05	12/31/11	43%	1,353,653	1,353,653	476,376	35%
9	EB1942 - EBS Replace Rappers	10/01/05	06/30/06	100%	962,233	962,233	962,233	100%
10	EB200453 - Install Ash Pond Liner	01/01/07	09/30/11	21%	2,651,080	2,651,080	509,893	19%
11	EB200531 - Inst Thick Tunl Emer Sump Pump	01/01/06	11/30/10	41%	159,940	159,940	12,226	8%
12	EB200579 - Turbine Bearing Fire Suppress	01/01/07	12/28/07	100%	150,291	150,291	150,291	100%
13	EB201218 - Cooling Tower Motor Replace-06	02/01/06	12/31/06	100%	88,252	88,252	88,252	100%
14	EB201219 - Cooling Tower Motor Replace-07	02/01/07	12/31/07	100%	81,445	81,445	81,444	100%
15	EB201220 - Cooling Tower Motor Replace-08	02/01/08	12/31/08	N/A	88,673	88,673	-	0%
16	EB201221 - Repl pug mill dust collect 2-1	01/01/06	07/30/06	100%	144,654	144,654	144,654	100%
17	EB2012532 - 2 Ash Sluice Pump Motor Repl	01/01/06	12/31/08	67%	90,497	90,497	1,082	1%
18	EB201262 - Pulverizer Feed Chute	01/01/06	05/01/06	100%	157,178	157,178	157,178	100%
19	EB201267 - SO2 MONITOR REPLACEMENT	01/01/06	05/31/06	100%	56,422	56,422	56,422	100%
20	EB201268 - NOx MONITOR REPLACEMENT	01/01/07	05/31/07	100%	56,976	56,976	56,976	100%
21	EB201269 - CO2 MONITOR REPLACEMENT	01/01/08	05/31/08	N/A	59,508	59,508	-	0%
22	EB201291 - Scrubber Upgrades	01/01/05	04/01/05	100%	12,527,893	12,527,893	12,527,893	100%
23	EB201292 - New East Bend Landfill	05/01/05	02/01/11	46%	9,286,654	9,286,654	544,793	6%
24	EB201293 - Upgrade 3500Hp FD Fan Motor	01/01/07	12/31/07	100%	142,086	142,086	142,086	100%
25	EB201294 - Install Landfill Cell P-15 & P-16	03/01/05	12/31/06	100%	4,750,606	4,750,606	4,750,606	100%
26	EB201312 - Service Water Filters	01/01/06	06/30/06	100%	297,011	297,011	297,011	100%
27	EB201314 - Replace Precip Electrodes	01/01/07	12/31/07	100%	960,845	960,845	960,841	100%
28	EB201315 - Economizer Landing	01/01/06	05/26/06	100%	35,457	35,457	35,457	100%
29	EB201316 - Precip Key System	01/01/07	11/15/07	100%	294,943	294,943	294,943	100%
30	EB201318 - Replace B.A.H Refractory	01/01/07	11/30/07	100%	389,614	389,614	389,614	100%
31	EB201319 - Replace Demin Acid Tank	01/01/06	06/01/06	100%	29,804	29,804	29,804	100%
32	EB201328 - Repl LPT L-2 Blading	8/1/2006	06/30/07	100%	1,714,493	1,714,493	1,714,493	100%
33	EB201329 - Upgrade CEMS computer to XML	1/1/2006	06/30/06	100%	33,711	33,711	33,711	100%
34	EB201331 - Replace Service Water Pump 2-2	1/1/2007	06/27/08	67%	242,038	242,038	-	0%
35	EB201334 - Replace 2-1 Prec. In. Exp. Jnt	7/1/2007	12/01/07	100%	194,685	194,685	194,684	100%
36	EB201337 - SAH Circumferential Seals	7/1/2007	12/01/07	100%	187,638	187,638	187,637	100%
37	EB201341 - FGD Lab	3/1/2008	06/30/08	N/A	30,231	30,231	-	0%
38	EB201350 - C Conveyor Piping Replacement	1/1/2006	06/06/06	100%	48,057	48,057	48,057	100%
39	EB201351 - Replace B Module Demister Trys	1/1/2007	06/30/07	100%	261,195	261,195	261,195	100%
40	EB201353 - Replace Thickener Rake Arms	1/1/2007	06/02/07	100%	370,816	370,816	370,816	100%
41	EB201356 - Demin Sump Piping Replace	1/1/2008	06/30/08	N/A	99,732	99,732	-	0%
42	EB201358 - Pulverizer Gbx Replace-2007	1/1/2007	12/31/07	100%	534,536	534,536	534,534	100%
43	EB201359 - Pulverizer Gbx Replace-2008	1/1/2008	12/31/08	N/A	541,561	541,561	-	0%
44	EB201362 - Cooling Tower Gearbox 2008	1/1/2008	11/30/08	N/A	51,957	51,957	-	0%
45	EB201367 - CT Breaker Replacement-2008	2/1/2008	06/06/08	N/A	65,187	65,187	-	0%
46	EB201369 - Replace Ash Sluice Motor-2007	2/1/2007	12/31/07	100%	84,854	84,854	84,854	100%
47	EB201370 - Install Stack Lining	3/1/2006	06/07/07	100%	913,862	913,862	913,862	100%
48	EB201373 - WSP Discharge Conveyor-Scale	2/1/2006	09/16/06	100%	24,597	24,597	24,597	100%
49	EB201374 - DCS Evergreen Upgrade	1/1/2006	06/27/06	100%	327,152	327,152	327,152	100%
50	EB201378 - WSP Capacity Enhancement	1/1/2006	09/30/06	100%	205,686	205,686	205,686	100%
51	EB2542 - Foam Fire Protection System	1/1/2008	05/29/08	N/A	441,690	441,690	-	0%
52	EB2782 - FGD Landfill Conc Spillway 06	7/1/2006	12/31/06	100%	52,349	52,349	52,349	100%
53	EB2922 - EB2-3rd Catalyst Bed-Addition	4/1/2008	11/01/09	N/A	272,767	272,767	-	0%
54	M5801200 - REPLACE SERV. BLD. HVAC RTU-4	1/1/2006	06/30/06	100%	7,038	7,038	7,038	100%
55	M5801206 - Install Cathode Protection	1/1/2007	12/31/07	100%	31,934	31,934	31,934	100%
56	M5801207 - Study for Cathode Protection	1/1/2006	12/31/06	100%	5,462	5,462	5,462	100%
57	M5801210 - MF Ash Pond Rim Ditch	10/1/2006	09/07/07	100%	13,600	13,600	13,600	100%
58	M5801212 - MF Service Bldg Ceiling Insula	2/1/2006	06/15/06	100%	460	460	460	100%
59	M5801214 - Add Auto SW Sparging Valves	2/1/2006	11/30/06	100%	6,101	6,101	6,101	100%
60	MCY01201 - Replace A-weightometer	1/1/2007	12/31/07	100%	7,036	7,036	7,036	100%

DUKE ENERGY KENTUCKY
CASE NO 2006-00172
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE (a)
AS OF DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

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WITNESS RESPONSIBLE:
J. L. STANLEY / J. J. ROEBEL

Line No (A)	Project No (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F)	Most Recent Budget Estimate (G)	Total Project Expenditures (H)	Percent of Total Expenditures (I) = (H) / (G)
					\$	\$	\$	
61	MCY01206 - Replace CBU Var DC MTR Drives	10/1/2006	06/01/07	100%	30,258	30,258	30,258	100%
62	MCY01207 - MF CBU Feeder Bed Restraint	1/1/2006	06/02/06	100%	2,489	2,489	2,489	100%
63	MF1236 - U6 INSTALL FGC SYSTEM	1/1/2006	05/01/06	100%	1,355,829	1,355,829	1,355,829	100%
64	MF2096 - U6 Bumer Front Fire Protect.	2/1/2007	12/31/07	100%	98,117	98,117	98,117	100%
65	MF3056 - MFS-6 LNCFSII	8/1/2005	06/01/06	100%	4,331,880	4,331,880	4,331,880	100%
66	MF3346 - Replace Sample Room Chiller	1/1/2006	09/01/06	100%	92,493	92,493	92,493	100%
67	MF389 - CCY HEATING SYS RETURN LINE	1/1/2006	10/13/06	100%	16,639	16,639	16,639	100%
68	MF401C - Install Ground Water Well	2/1/2006	12/15/06	100%	22,482	22,482	22,482	100%
69	MF4407 - MFS-CFCD General Equipment	3/1/2005	12/31/06	100%	35,687	35,687	26,856	75%
70	MF441C - MFS 5&6 Misc Valves	1/1/2005	12/31/06	100%	353,577	353,577	191,081	54%
71	MF442C - MFS 5&6 General Equipment	3/1/2005	12/16/06	100%	114,779	114,779	69,067	60%
72	MF5506 - U6 PLC in Chem Sample Rm	1/1/2006	06/01/06	100%	106,648	106,648	106,648	100%
73	MF600611 - MFS-6 REPL. COND. OUTLET VLV	2/1/2006	05/01/06	100%	174,636	174,636	174,636	100%
74	MF600962 - U6 Replace Airheater Baskets	2/1/2008	07/24/08	N/A	586,555	586,555	-	0%
75	MF600990 - Replace Boiler Rm Sump Pumps	7/1/2006	11/30/06	100%	101,880	101,880	101,880	100%
76	MF601004 - U6 Replace Weightometer	1/1/2006	12/31/06	100%	79,571	79,571	79,571	100%
77	MF601012 - REPLACE U6 SOOTBLOWER CONTROLS	1/1/2006	06/01/06	100%	419,976	419,976	419,976	100%
78	MF601047 - U6 REPL MILL EXHAUSTER WHEELS	1/1/2008	12/31/08	N/A	377,569	377,569	-	0%
79	MF601060 - U6 Replace Heater Drain Pumps	12/1/2005	07/21/06	100%	101,296	101,296	101,296	100%
80	MF601200 - Repl SAH Racks & Pinion Gears	7/1/2008	11/14/08	N/A	72,907	72,907	-	0%
81	MF601201 - U6 Replace SW Strainer & ISO	10/1/2007	11/30/07	100%	142,130	142,130	15,252	11%
82	MF601202 - U6 Ins Coal Bunker Air Cannons	3/1/2008	06/18/08	N/A	372,116	372,116	-	0%
83	MF601207 - Separate BWCP Seal Water Loop	1/1/2006	09/20/07	100%	858,895	858,895	858,895	100%
84	MF601208 - Replace Unit 6 Igniters	1/1/2006	06/01/06	100%	505,140	505,140	505,140	100%
85	MF601213 - SAH Gas Inlet Dampers	4/1/2007	12/30/08	43%	2,176,268	2,176,268	950,925	44%
86	MF601216 - CONVEYOR "14" - REPLACE DRIVE	1/1/2006	06/02/06	100%	81,873	81,873	81,873	100%
87	MF601219 - U6 LP/HP HEATER LEVEL CONTROLS	1/1/2006	04/01/06	100%	272,697	272,697	272,697	100%
88	MF601223 - Replace O2 Control Unit	1/1/2006	06/30/06	100%	52,451	52,451	52,451	100%
89	MFC00363 - SWITCHYARD LIGHTING IMPROVMENTS	1/1/2006	06/01/06	100%	28,404	28,404	28,404	100%
90	MFC00989 - Replace Cribhouse Sump Pumps	4/1/2006	12/22/06	100%	12,663	12,663	12,663	100%
91	MFC01205 - Repl Cribhouse Bucket Hoist	3/1/2007	08/31/07	100%	44,089	44,089	44,089	100%
92	MFC01209 - Locker room HVAC replacement	1/1/2008	11/22/08	N/A	25,226	25,226	-	0%
93	MFC01210 - Low Pressure Compressor	1/1/2006	12/28/06	100%	44,426	44,426	44,426	100%
94	MFC01212 - MFS-REPLACE TRAVELING SCREENS	6/1/2006	11/17/06	100%	64,926	64,926	64,926	100%
95	MFC01213 - MFS-REPLACE TRAVELING SCREENS	6/1/2007	11/16/07	100%	66,467	66,467	66,467	100%
96	MFC01214 - MFS-REPLACE TRAVELING SCREENS	6/1/2008	11/21/08	N/A	67,722	67,722	-	0%
97	MFC01216 - STUDY-316B INTAKE RULES	1/1/2006	06/02/06	100%	7,550	7,550	7,550	100%
98	MFC01224 - MF Replace Locker Rm Roof	1/1/2006	11/16/07	100%	7,969	7,969	7,969	100%
99	MFK00741 - MF Coal Conveyor H12	1/1/2006	05/18/07	100%	685,929	685,929	685,929	100%
100	MFK01205 - CONVEYOR "11" - REPLACE DRIVE	1/1/2006	06/02/06	100%	104,435	104,435	104,435	100%
101	MFK01206 - CONVEYOR "12" - REPLACE DRIVE	1/1/2006	06/02/06	100%	63,206	63,206	63,206	100%
102	MFK01210 - REPLACE CONVEYOR "G" FEEDER	1/1/2007	11/23/07	100%	69,264	69,264	69,264	100%
103	MFK01211 - REPLACE CONVEYOR "G" CRUSHER	1/1/2007	11/23/07	100%	169,826	169,826	169,826	100%
104	MFK01214 - MFS U5 & U6 CEMS Upgrade	5/1/2006	12/31/06	100%	51,464	51,464	51,464	100%
105	MFK01215 - Vent Fans unit 5&6 Tripper Rm	1/1/2006	12/18/06	100%	116,010	116,010	116,010	100%
106	MFK01216 - Avian Systems Bird Relocation	5/1/2006	12/31/06	100%	26,355	26,355	26,355	100%
107	WC301201 - WGC CT3 WASH DRAIN UPGRADE	4/1/2006	05/01/06	100%	33,892	33,892	33,892	100%
108	WC501202 - WASH HEADER/DRAIN UPGRADE	4/1/2006	05/01/06	100%	33,892	33,892	33,892	100%
109	WGO191 - WGS-CT1 Major "C" Overhaul #1	4/1/2005	06/01/06	100%	6,401,587	6,401,587	6,401,587	100%
110	WGO244 - WGS-CT4 Major "C" Overhaul #1	3/1/2005	06/01/08	87%	17,359,519	17,359,519	2,742,614	16%
111	WGO47C - WGS General Equipment	10/1/2005	12/31/14	24%	276,282	276,282	52,630	19%
112	WGO48C - WGS Misc. Valves	1/1/2006	12/31/14	22%	534,213	534,213	98,027	18%
113	WGS01202 - CT1-6 WDPF Controls Upgrade	3/1/2008	05/01/09	N/A	1,374,879	1,374,879	-	0%
114	WGS01204 - CT1-6 Egatrol Upgrade	1/1/2008	10/31/08	N/A	395,733	395,733	-	0%
115	WGS01205 - Security Camera System	1/1/2006	08/31/06	100%	43,232	43,232	43,232	100%
116	WGS01206 - Black Start Controls Upgrade	4/1/2006	11/30/06	100%	129,845	129,845	129,845	100%
117	WGS01208 - Cyber Security	1/1/2006	01/01/08	100%	416,907	416,907	360,096	86%
118	WGS01210 - Sulfuric Acid Line Upgrade	4/1/2006	05/19/06	100%	10,710	10,710	10,710	100%
119	WGS01211 - WGS CT1-6 Ctrl LAN Separation	1/1/2006	12/31/06	100%	11,332	11,332	11,332	100%
120	302C7679 - Empire- XFMR #3 Tran - 302C7679	1/1/2008	06/01/08	N/A	81,171	81,171	24,676	30%

DUKE ENERGY KENTUCKY
CASE NO 2006-00172
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE (a)
AS OF DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

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PAGE 3 OF 4
WITNESS RESPONSIBLE:
J L STANLEY / J J ROEBEL

Line No. (A)	Project No. (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F)	Most Recent Budget Estimate (G)	Total Project Expenditures (H)	Percent of Total Expenditures (I) = (H) / (G)
					\$	\$	\$	
121	302D7779 - Blackwell Sub-Inst 138-69 kV Tr - 3	1/1/2005	11/30/06	100%	1,894,617	1,894,617	1,894,617	100%
122	302D7808 - Buffington-F6761 Relays - 302D7808	1/1/2005	06/01/06	100%	113,216	113,216	113,216	100%
123	302E7903 - Dry Ridge-Inst Trans for new 10.5 -	6/1/2005	06/01/07	100%	78,182	78,182	78,182	100%
124	302E7923 - Thomas More Inst Transmission - 302	2/1/2005	06/01/06	100%	58,672	58,672	58,672	100%
125	303A7127 - Verona Substation Upgrd - 303A7127	1/1/2005	06/01/06	100%	754,934	754,934	754,934	100%
126	303B7348 - Mt Zion 22 4MVA TB - 303B7348	1/1/2005	06/01/06	100%	1,204,549	1,204,549	1,204,549	100%
127	303C7679 - Empire- Inst. XFMR #3 - 10 5mva - 3	1/1/2008	06/01/08	N/A	600,745	600,745	152,092	25%
128	303E7890 - Ft Mitchell Sub-Ret and remove - 30	9/1/2006	12/31/06	100%	85,249	85,249	85,249	100%
129	303E7923 - Thomas More-Inst 22.4 MVA Tr - 303E	1/1/2005	06/01/06	100%	1,380,373	1,380,373	1,380,373	100%
130	303ZANLG - Analog Circuit Replacement CP3 Dist	1/1/2005	06/01/07	100%	207,080	207,080	207,080	100%
131	304C7678 - F6763 Empire Sub Loop - 304C7678	3/1/2008	06/01/08	N/A	10,400	10,400	-	0%
132	304C7709 - F6763 Empire ROW - 304C7709	2/1/2006	06/01/06	100%	79,714	79,714	79,714	100%
133	304D7782 - F6761-Loop Through Ruark - 304D7782	8/1/2005	06/01/06	100%	93,070	93,070	93,070	100%
134	304E7902 - F6761 Loop through Dry Ridge - 304E	1/1/2007	06/01/07	100%	61,183	61,183	61,183	100%
135	304E7924 - F966- Loop through Thomas More - 30	10/1/2005	06/01/06	100%	45,139	45,139	45,139	100%
136	304F8346 - F6761 Loop through Verona - 304F834	7/1/2005	06/01/06	100%	192,196	192,196	192,196	100%
137	310ZNB - ZULH&P NEW BUSINESS SOUTH AREA	1/1/2006	12/31/08	67%	15,214,568	15,214,568	10,069,970	66%
138	312ZLL - ZULH&P LIGHTS SOUTH AREA	1/1/2005	12/31/08	75%	1,791,139	1,791,139	1,328,911	74%
139	314B7344 - Mt Zion 41 & 42 Feeder Exits - 314B	5/1/2005	06/01/06	100%	180,951	180,951	180,951	100%
140	314C7600 - Verona 41 Reconductor - 314C7600	9/1/2005	06/01/06	100%	100,358	100,358	100,358	100%
141	314C7680 - Empire 43 - 314C7680	1/1/2008	06/01/08	N/A	230,104	230,104	83,981	37%
142	314C7731 - Verona North Reconductor - 314C7731	6/1/2005	06/01/06	100%	315,049	315,049	315,049	100%
143	314E7905 - Hands 45- Reconductor - 314E7905	6/1/2005	06/01/06	100%	200,423	200,423	200,423	100%
144	314E7906 - Dry Ridge 41 & 42 Feeder Exits - 31	2/1/2007	06/01/07	100%	35,381	35,381	35,381	100%
145	314E7920 - Kenton 41 Extend-Orphanage Rd - 314	1/1/2008	06/01/08	N/A	158,808	158,808	6,578	4%
146	314E7921 - Richwood 42- Recond Mt Zion Rd - 31	6/1/2005	06/01/06	100%	375,024	375,024	375,024	100%
147	314E7922 - Thomas More 41-42 Feeder Exits - 31	9/1/2005	06/01/06	100%	183,048	183,048	183,048	100%
148	314F8344 - Verona 41 & 42 Feeder Exits - 314F8	11/1/2005	06/01/06	100%	192,062	192,062	192,062	100%
149	314ZDA - ZULH&P DIST ASSESS SOUTH AREA	3/1/2005	12/31/08	74%	279,377	279,377	185,055	66%
150	314ZLG - ZULH&P LG DIST IMPR SOUTH AREA	1/1/2005	12/31/08	75%	1,134,852	1,134,852	796,140	70%
151	314ZRL - ZULH&P RL DIST IMPR SOUTH AREA	1/1/2005	12/31/08	75%	2,174,224	2,174,224	1,695,465	78%
152	314ZUG - ZULHP UG CABLE RPLC SOUTH AREA	1/1/2005	12/31/08	75%	306,218	306,218	234,379	77%
153	314ZUR - ZULH&P UR DIST IMPR SOUTH AREA	1/1/2005	12/31/08	75%	3,815,520	3,815,520	2,718,098	71%
154	316ZBG - ZULH&P BLDGS/GRNDS SOUTH AREA	1/1/2005	12/31/08	75%	319,876	319,876	182,182	57%
155	316ZGE - ZTOOLS ULH&P GEN EQUIP SOUTH	3/1/2005	12/31/08	74%	100,627	100,627	70,533	70%
156	903G0504 - ULH&P MINOR DIST FAILURES	1/1/2005	12/31/08	75%	224,044	224,044	149,388	67%
157	903G0534 - ULH&P MAJOR DIST FAILURES	12/1/2005	12/31/08	67%	283,634	283,634	243,483	86%
158	903G7996 - ULHP DISTRIBUTION BATTERIES	1/1/2006	12/31/08	67%	29,808	29,808	19,263	65%
159	906F0502 - ULH&P DISTR TRANSFORMERS	4/1/2005	12/31/08	73%	5,200,342	5,200,342	3,808,298	73%
160	924G0500 - ULH&P ELECTRIC METERS	1/1/2005	12/31/08	75%	1,953,270	1,953,270	1,436,880	74%
161	ISOD3ULH - ISO DAY 3 ULHP	5/1/2006	07/01/07	100%	50,413	50,413	50,413	100%
162	NERC13BG - NERC 1300 CYBER SECURITY	1/1/2006	12/31/06	100%	325,443	325,443	219,516	67%
163	NERC13XX - NERC 1300 SUBSTATION SECURITY	1/1/2006	12/31/08	67%	118,556	118,556	90,761	77%
164	TOOL002 - TOOLS ULH&P TRANSPORTATION	4/1/2005	12/31/06	100%	79,601	79,601	78,397	98%
165	TRLERULH - TRAILERS & CONST EQUIP ULH&P	1/1/2006	12/31/08	67%	64,680	64,680	43,050	67%
166	U02Z7993 - ULHP MINOR TRANS SUB FAILURES	1/1/2006	12/31/08	67%	34,397	34,397	22,698	66%
167	U03Z7688 - MISC DIST SUB NON-BUDGET WORK	1/1/2006	12/31/08	67%	337,377	337,377	218,020	65%
168	U03Z7972 - MISC NON BUDGET CARRYOVER	1/1/2006	12/31/08	67%	185,390	185,390	116,477	63%
169	U04ZGM - ZULH&P GOV MAND TRANS IMPR	1/1/2005	12/31/08	75%	749,295	749,295	522,109	70%
170	U04ZUR - ZULH&P UPGR/REPL TRANS IMPR	1/1/2005	12/31/08	75%	200,750	200,750	143,796	72%
171	U14Z7690 - MISC DIST LINE NON-BUDGET WORK	1/1/2006	12/31/08	67%	4,257,725	4,257,725	2,365,199	56%
172	U14Z7973 - MISC NON BUDGET CARRYOVER	1/1/2006	12/31/08	67%	117,249	117,249	75,393	64%
173	U14ZGLZ - ULH GLIT DISTRIBUTION	1/1/2006	12/31/08	67%	573,126	573,126	379,851	66%
174	U14ZGM - ZULH&P GOV MAND DIST IMPR	1/1/2005	12/31/08	75%	4,728,416	4,728,416	3,418,193	72%
175	U14ZKVZ - ULH&P DIST LINE CAPACITORS	1/1/2005	12/31/08	75%	1,291,617	1,291,617	909,739	70%
176	U16ZMTR - TOOLS ELEC MTR OPS ULHP	3/1/2005	12/31/08	74%	48,771	48,771	32,267	66%
177	U24E8252 - AUTOMATED METER DISCONNECT ULH&P	1/1/2007	12/31/07	100%	116,876	116,876	116,876	100%
178	ULHSTORM - ULH&P STORM BUDGET	4/1/2005	12/31/08	73%	633,723	633,723	457,197	72%
179	X02U8310 - Buffington - Replace CB 682 - X02U8	2/1/2007	12/31/07	100%	172,859	172,859	172,859	100%
180	X03U7988 - Wilder 138-13kV Transformer - X03U	1/1/2007	06/01/07	100%	1,357,530	1,357,530	1,357,530	100%

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE (a)
AS OF DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-4 1
PAGE 4 OF 4
WITNESS RESPONSIBLE:
J. L. STANLEY / J. J. ROEBEL

Line No (A)	Project No (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F)	Most Recent Budget Estimate (G)	Total Project Expenditures (H)	Percent of Total Expenditures (I) = (H) / (G)
					\$	\$	\$	(I) = (H) / (G)
181	ZU03HR07 - 803 BUDGET ADJUSTMENT 2007	1/1/2007	12/31/07	100%	982,041	982,041	982,037	100%
182	ZU03HR08 - 803 BUDGET ADJUSTMENT 2008	1/1/2008	12/31/08	N/A	1,303,893	1,303,893	-	0%
183	ZU04VH07 - 804 BUDGET ADJUSTMENT 2007	1/1/2007	12/31/07	100%	379,704	379,704	379,703	100%
184	ZU04VH08 - 804 BUDGET ADJUSTMENT 2008	1/1/2008	12/31/08	N/A	391,331	391,331	-	0%
185	AMS3 - SMALL WORLD UPGRADE TO 3-3	1/1/2006	12/31/07	100%	149,064	149,064	149,062	100%
186	AVAYAUPG - EMAIL CHAT UPGRADE	1/1/2006	05/01/06	100%	20,576	20,576	20,576	100%
187	AXIOM07 - UPGRADE AXIOM MOBILITY	3/1/2007	12/31/07	100%	132,711	132,711	132,710	100%
188	AXIOM09 - UPGRADE AXIOM MOBILITY	3/1/2009	12/31/09	N/A	138,625	138,625	-	0%
189	BATMNT - BATGENMAINT	3/1/2006	12/31/10	38%	25,262	25,262	10,477	41%
190	CAMWIRE - CAMPUS WIRELESS	1/1/2006	12/31/06	100%	14,832	14,832	14,832	100%
191	CAORMUP - CAO RM upgrade	6/1/2006	12/31/06	100%	21,258	21,258	21,258	100%
192	CINMAN - cincinnati MAN	1/1/2006	12/31/10	40%	107,284	107,284	35,416	33%
193	MSGGEN - CMS General	1/1/2006	12/31/07	100%	209,711	209,711	209,709	100%
194	COMCW05 - Common CW for 2005	1/1/2006	12/31/07	100%	62,457	62,457	62,457	100%
195	DBR6 - SMLWORLD DESIGN BUILD REL 6	1/1/2006	05/01/06	100%	6,190	6,190	6,190	100%
196	DBR7 - SMLWORLD DESIGN BLD REL 7	6/1/2006	09/30/06	100%	9,840	9,840	9,840	100%
197	DBR8 - SMLWORLD DES BLD REL 8	1/1/2008	05/01/08	N/A	18,742	18,742	-	0%
198	DESBUILD - designated bldg replace sys	3/1/2006	09/30/07	100%	25,071	25,071	25,071	100%
199	DMG - upgrade from DM5 to DM6	5/1/2006	06/30/06	100%	5,388	5,388	5,388	100%
200	DOCGEN - DOCUMENT GENERATION	6/1/2006	08/01/06	100%	7,674	7,674	7,674	100%
201	DPSMIDWR - DPS/MIDDLEWAER LINK UPGRD	6/1/2007	12/30/07	100%	7,672	7,672	7,672	100%
202	EIPPPH3 - EIPP PHASE 3	1/1/2006	12/31/06	100%	3,176	3,176	3,176	100%
203	EMCUPG - EMC UPGRADE	1/1/2007	04/30/10	30%	102,968	102,968	24,735	24%
204	ERRSP05 - res rate stabilization	1/1/2006	03/31/06	100%	9,751	9,751	9,751	100%
205	FAXGATE - FAXING SOFTWARE FOR SUPPLY	1/1/2006	12/31/06	100%	2,643	2,643	2,643	100%
206	IDENMOD - UPG mob data units	1/1/2007	12/31/07	100%	18,454	18,454	18,454	100%
207	INFRDWSW - INFRASTRUCTURE SOFTWARE	2/1/2006	10/31/06	100%	16,339	16,339	16,339	100%
208	IPCTURR - IPC TURRET UPGRADE	8/1/2006	08/31/06	100%	5,427	5,427	5,427	100%
209	ITRON - replace iron handhelds units	1/1/2007	04/01/07	100%	159,902	159,902	159,902	100%
210	IVRPRO - IVR ports	2/1/2007	09/01/07	100%	14,302	14,302	14,302	100%
211	IVRSPECH - speech recog integration IVR	5/1/2007	09/01/07	100%	48,708	48,708	48,708	100%
212	JET2006 - UPGRADE TO JOB DESIGN TOOL	1/1/2006	12/31/07	100%	55,184	55,184	55,184	100%
213	LEGATO47 - LEGATO4 7 UPGRADE	1/1/2006	02/15/06	100%	12,359	12,359	12,359	100%
214	LOADRDP5 - LOAD RESEARCH TIED TO DPS	6/1/2007	12/01/07	100%	16,947	16,947	16,947	100%
215	MAXSUB - CIN-10 MAX INTRFC PASS &LDC	1/1/2007	03/31/07	100%	3,677	3,677	3,677	100%
216	MDM - meter mgmt system	2/1/2006	12/31/06	100%	406,841	406,841	406,841	100%
217	MITRA3 - MITRATECH INTERFACES	1/1/2006	06/30/06	100%	12,988	12,988	12,988	100%
218	MKISUPGD - mkis upgrade	1/1/2006	05/30/06	100%	28,106	28,106	28,106	100%
219	MOBDAT1 - MOB DATA INTERFACE	1/1/2006	12/31/08	67%	118,181	118,181	72,123	61%
220	MTS - meter tracking system	1/1/2006	05/30/06	100%	52,820	52,820	52,820	100%
221	MVREPL - microwave replacement	1/1/2006	12/31/10	40%	493,295	493,295	189,932	39%
222	NOPAPER - NO PAPER	8/1/2006	10/30/06	100%	7,890	7,890	7,890	100%
223	NTBBUPG - NETWORK BACKBONE UPGRADE	1/1/2006	12/31/10	40%	81,770	81,770	27,927	34%
224	P3E2007 - P3E ENH 2007	3/1/2007	10/01/07	100%	31,940	31,940	31,940	100%
225	PASIBDUR - PASSPORT IBD UPGRADE	1/1/2007	12/31/07	100%	114,791	114,791	114,790	100%
226	PHYNTSEC - PHYSICAL NETWORK SECURITY	1/1/2006	12/31/10	40%	48,075	48,075	24,031	50%
227	RADBACK - radio backhaul	1/1/2006	12/31/10	40%	58,100	58,100	23,433	40%
228	RADIOEST - RADIO REPLACEMNT PROGRAM EAST	1/1/2006	12/31/06	100%	763,732	763,732	763,732	100%
229	RADIOS06 - RADIO REPLACEMENT PROGRAM	1/1/2006	12/31/06	100%	202,054	202,054	202,054	100%
230	RFID - RADIO FREQ ID FOR PASSPORT	1/1/2009	12/31/10	N/A	15,817	15,817	-	0%
231	RFUPGRA - RF UPGRADE FOR PASSPORT	1/1/2007	12/31/07	100%	39,133	39,133	39,133	100%
232	SASSERVR - SAS BI SERVER	1/1/2006	03/31/06	100%	14,923	14,923	14,923	100%
233	SECEQUIP - Security Equipment	5/1/2005	12/31/10	47%	19,710	19,710	7,523	38%
234	SMWEBSSE - SUMMATION WEB	2/1/2006	03/31/06	100%	6,423	6,423	6,423	100%
235	SMWLDATA - SMALLWORLD DATA MIGRATION	1/1/2006	12/31/06	100%	3,171	3,171	3,171	100%
236	STRCWIRE - structured wiring	1/1/2006	12/31/10	40%	134,506	134,506	45,983	34%
237	STRNODES - structure nodes enh for sml wrld	11/1/2005	05/01/06	100%	13,261	13,261	13,261	100%
238	SUBEXRV - SUBDIV EXCESS REVENUE SYS REPL	4/1/2007	08/01/07	100%	20,564	20,564	20,564	100%
239	TCOM2005 - TROUBLE CALL UPGRADE	1/1/2006	11/01/06	100%	13,593	13,593	13,593	100%
240	TCOM2008 - TCOMS UPG 2008	1/1/2008	12/31/08	N/A	380,244	380,244	-	0%
241	TELUFG - telephony upgrades	4/1/2006	06/30/07	100%	109,607	109,607	109,607	100%
242	UMS1 - UMS IMPROVEMENTS	1/1/2007	12/31/07	100%	43,873	43,873	43,873	100%
243	VENONRAM - VENDOR ON RAMP	1/1/2006	12/31/06	100%	3,176	3,176	3,176	100%
244	VIRTHOLD - add virtual hold feature	9/1/2007	11/01/07	100%	11,065	11,065	11,065	100%
245	VIRTUAL - CALL CENTER VIRTUAL ROUTING	1/1/2006	03/01/06	100%	18,721	18,721	18,721	100%
246	VOIP - voice over IP	1/1/2006	12/31/10	40%	662,649	662,649	54,692	8%
247	WANDIV - wan diversity	1/1/2006	12/31/10	40%	29,898	29,898	10,660	36%

(a) Based on expenditures including AFUDC

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ALLOWANCE FOR WORKING CAPITAL
AS OF AUGUST 31, 2006
AS OF DECEMBER 31, 2007

SCHEDULE B-5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION OF METHODOLOGY USED TO DETERMINE JURISDICTIONAL REQUIREMENT	WORK PAPER REFERENCE NUMBER	TOTAL COMPANY		JURISDICTIONAL	
				BASE PERIOD	FORECASTED PERIOD	BASE PERIOD	FORECASTED PERIOD
1	Cash Element of Working Capital	Based on 1/8 Oper. & Maint. Expense less purchased gas costs or fuel and purchased power expenses.	WPB-5.1a	12,928,844	\$ 16,351,200	10,241,170	\$ 13,962,791
2							
3							
4	Other Working Capital:						
5	Fuel Inventory	(1)	WPB-5.1i	7,164,610	5,836,887	7,164,610	5,836,887
6	Coal	(1)	WPB-5.1i	390,542	511,269	390,542	511,269
7	Oil	(1)	WPB-5.1i	2,524,365	2,525,777	2,524,365	2,525,777
8	Propane - Woodsdale	(1)	WPB-5.1i	10,079,517	8,873,933	10,079,517	8,873,933
9	Total Fuel Inventory						
10							
11	Gas Enricher Liquids	(1)	WPB-5.1b	1,824,189	1,850,000	0	0
12							
13	Gas Stored Underground	(1)	WPB-5.1g	0	6,557,000	0	0
14							
15	Emission Allowances	(1)	WPB-5.1j	7,217,068	5,919,968	7,217,068	5,919,968
16							
17	Materials and Supplies	(1)	WPB-5.1c	8,673,545	8,640,274	8,508,876	8,467,889
18							
19	Prepayments	(1)	WPB-5.1e	5,618,323	7,016,126	5,090,370	6,699,569
20							
21	Total Other Working Capital			33,412,642	38,857,301	30,895,831	29,961,359
22							
23	Total Working Capital			46,341,486	55,208,501	41,137,001	43,924,150
24							

N.C. - Not calculated

(1) The Base Period is the ending period balance. The Forecast Period is a 13 month average balance.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
WORKING CAPITAL COMPONENTS
AS OF AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-5.1a through WPB-5.1j

SCHEDULE B-5.1
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	END OF BASE PERIOD BALANCE		
		TOTAL COMPANY (4)	JURISDICTIONAL % (5)	JURISDICTIONAL AMOUNT (6)
1	Cash Working Capital:			
2	1/8 Oper. and Maint. Expense	<u>12,928,844</u>	Computed	<u>10,241,170</u>
3				
4	Other Working Capital:			
5	Fuel Inventory			
6	Coal	7,164,610	100.000%	7,164,610
7	Oil	390,542	100.000%	390,542
8	Propane - Woodsdale	<u>2,524,365</u>	100.000%	<u>2,524,365</u>
9	Total Fuel Inventory	10,079,517		10,079,517
10				
11	Gas Enricher Liquids	1,824,189	0.000%	0
12				
13	Gas Stored Underground	0	0.000%	0
14				
15	Emission Allowances	7,217,068	100.000%	7,217,068
16				
17	Materials and Supplies	8,673,545	Computed	8,508,876
18				
19	Prepayments	<u>5,618,323</u>	Computed	<u>5,090,370</u>
20				
21	Total Other Working Capital	<u>33,412,642</u>		<u>30,895,831</u>
22				
23	Total Working Capital	<u>46,341,486</u>		<u>41,137,001</u>

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
WORKING CAPITAL COMPONENTS
AS OF DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-5.1a through WPB-5.1j

SCHEDULE B-5.1
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	13 MONTH AVERAGE FOR PERIOD			END OF FORECASTED PERIOD BALANCE		
		TOTAL COMPANY (1)	JURISDICTIONAL % (2)	JURISDICTIONAL AMOUNT (3)	TOTAL COMPANY (4)	JURISDICTIONAL % (5)	JURISDICTIONAL AMOUNT (6)
1	Cash Working Capital:						
2	1/8 Oper. and Maint. Expense	16,351,200	Computed	<u>13,962,791</u>	16,351,200	Computed	<u>13,962,791</u>
3							
4	Other Working Capital:						
5	Fuel Inventory						
6	Coal	5,836,887	100.000%	5,836,887	5,836,887	100.000%	5,836,887
7	Oil	511,269	100.000%	511,269	511,269	100.000%	511,269
8	Propane - Woodsdale	<u>2,525,777</u>	100.000%	<u>2,525,777</u>	<u>2,525,777</u>	100.000%	<u>2,525,777</u>
9	Total Fuel Inventory	8,873,933		8,873,933	8,873,933		8,873,933
10							
11	Gas Enricher Liquids	1,850,000	0.000%	0	1,850,000	0.000%	0
12							
13	Gas Stored Underground	6,557,000	0.000%	0	6,557,000	0.000%	0
14							
15	Emission Allowances	5,919,968	100.000%	5,919,968	5,919,968	100.000%	5,919,968
16							
17	Materials and Supplies	8,640,274	Computed	8,467,889	8,640,274	Computed	8,467,889
18							
19	Prepayments	<u>7,016,126</u>	Computed	<u>6,699,569</u>	<u>7,016,126</u>	Computed	<u>6,699,569</u>
20							
21	Total Other Working Capital	<u>38,857,301</u>		<u>29,961,359</u>	<u>38,857,301</u>		<u>29,961,359</u>
22							
23	Total Working Capital	<u>55,208,501</u>		<u>43,924,150</u>	<u>55,208,501</u>		<u>43,924,150</u>

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPB-6a, WPB-6c

SCHEDULE B-6
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	TOTAL COMPANY	JURISDICTIONAL CODE	%	JURIS. AMOUNT	ADJUSTMENT	ADJUSTED JURIS. AMOUNT
			(1)	(2)		(3)	(4)	(5)
1	255	Investment Tax Credits: (A)	0	DALL	100.000	0	0	0 (D)
2		3% Credit	(415)	DALL	100.000	(415)	415	0 (E)
3		4% Credit	(825,758)	DALL	100.000	(825,758)	825,758	0 (E)
4		10% Credit	(826,173)	DALL	100.000	(826,173)	826,173	0 (B)
5		Total Investment Tax Credits	<u>(826,173)</u>			<u>(826,173)</u>	<u>826,173</u>	<u>0</u>
6								
7	190,281,	Deferred Income Taxes:	<u>(40,615,447)</u>	DALL	100.000	<u>(40,615,447)</u>	<u>0</u>	<u>(40,615,447)</u> (C)
8	282,283	Total Deferred Income Taxes	<u>(40,615,447)</u>			<u>(40,615,447)</u>	<u>0</u>	<u>(40,615,447)</u> (C)

- Sources:
- (A) The company elected the ratible flow through option under Section 46(e)(2) in regards to the 1971 election and the rateable flow through option provided under Section 46(f)(2) in regards to the 1975 election.
 - (B) Included on Schedule B-1 as Investment Tax Credits, Line 9.
 - (C) Included on Schedule B-1 as Deferred Income Taxes, Line 10.
 - (D) Elimination of Deferred Tax Balances Related to Facilities Devoted to Other Than ULLH&P Customers. (WPB-6c)
 - (E) Excluded from Rate Base.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
CERTAIN DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): W/PB-6b, W/PB-6d

SCHEDULE B-6
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE FORECAST PERIOD	JURISDICTIONAL CODE	%	JURIS. AMOUNT	ADJUSTMENT	ADJUSTED JURIS. AMOUNT
			(1)	(2)		(3)	(4)	(5)
1	255	Investment Tax Credits: (A)	0	DALL	100.000.	0	0 (D)	0
2		3% Credit	(11)	DALL	100.000	(11)	11 (E)	0
3		4% Credit	(699,022)	DALL	100.000	(699,022)	699,022 (E)	0
4		10% Credit	(699,033)			(699,033)	699,033	0 (B)
5		Total Investment Tax Credits						
6								
7	190.	Deferred Income Taxes:						
8	282,283	Total Deferred Income Taxes	(40,005,923)	DALL	100.000	(40,005,923)	0	(40,005,923) (C)

- Sources:
- (A) The company elected the ratable flow through option under Section 46(e)(2) in regards to the 1971 election and the rateable flow through option provided under Section 46(f)(2) in regards to the 1975 election.
 - (B) Included on Schedule B-1 as Investment Tax Credits, Line 9.
 - (C) Included on Schedule B-1 as Deferred Income Taxes, Line 10.
 - (D) Elimination of Deferred Tax Balances Related to Facilities Devoted to Other Than ULH&P Customers. (W/PB-6d)
 - (E) Excluded from Rate Base.

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
JURISDICTIONAL PERCENTAGE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S)::

SCHEDULE B-7
PAGE 1 OF 1
WITNESS RESPONSIBLE:
P. F. OCHSNER

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	JURISDICTIONAL CODE	JURISDICTIONAL %	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
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Not Applicable - 100% Jurisdictional

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
JURISDICTIONAL STATISTICS - RATE BASE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S)::

SCHEDULE B-7.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
P. F. OCHSNER

LINE NO. (A)	DESCRIPTION BY MAJOR GROUPINGS OR ACCOUNT (B)	STATISTIC TOTAL COMPANY (C)	ADJUSTMENT TO TOTAL COMPANY STATISTIC (D)	ADJUSTED STATISTIC FOR TOTAL COMPANY (E = C+D)	STATISTIC FOR RATE AREA (F)	ALLOCATION FACTOR % (G = F / E)
Not Applicable - 100% Jurisdictional						

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES
RATE BASE
12 MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-7.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
P. F. OCHSNER

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PROCEDURES APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
				Not Applicable - 100% Jurisdictional

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
JURISDICTIONAL OPERATING INCOME SUMMARY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISIED
WORK PAPER REFERENCE NO(S): SCHEDULE C-2, WPC-1a

SCHEDULE C-1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	DESCRIPTION	FORECASTED RETURN AT CURRENT RATES	PROPOSED INCREASE	FORECASTED RETURN AT PROPOSED RATES
		(\$)	(\$)	(\$)
1	Operating Revenues	<u>174,174,683</u>	<u>46,519,810</u>	<u>220,694,493</u>
2				
3	Operating Expenses			
4	Operation & Maintenance	111,702,325	255,518	111,957,843
5	Depreciation	33,172,220	0	33,172,220
6	Taxes - Other	<u>7,556,820</u>	<u>77,688</u>	<u>7,634,508</u>
7	Operating Expenses before Income Taxes	152,431,365	333,206	152,764,571
8				
9	State Income Taxes	252,038	2,678,823	2,930,861
10	Federal Income Taxes	<u>1,339,384</u>	<u>15,227,723</u>	<u>16,567,107</u>
11				
12	Total Operating Expenses	<u>154,022,787</u>	<u>18,239,752</u>	<u>172,262,539</u>
13				
14	AFUDC Offset	373,481	0	373,481
15				
16	Income Available for Fixed Charges	<u>20,525,377</u>	<u>28,280,058</u>	<u>48,805,435</u>
17				
18	Jurisdictional Electric Capitalization	557,080,702		557,080,702
19	Rate of Return on Capitalization	3.68%		8.76%
20				
21	Jurisdictional Rate Base	590,909,461		590,909,461
22	Rate of Return on Rate Base	3.47%		8.26%

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
JURISDICTIONAL ADJUSTED OPERATING INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE C-2.1, SCHEDULE D-1, WPC-2a through WPC-2e

SCHEDULE C-2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	MAJOR ACCOUNT OR GROUP CLASSIFICATION	ADJUSTMENTS TO BASE PERIOD			PRO FORMA ADJUSTMENTS TO FORECASTED PERIOD		
		BASE PERIOD	AMOUNT	SCHEDULE REFERENCE	FORECASTED PERIOD	AMOUNT	SCHEDULE REFERENCE
1	OPERATING REVENUE						
2	Base	171,127,916	(1,181,471)	D-2.1	169,946,445	2,191,658	WPC-2e
3	Fuel Cost Revenue	65,176,951	35,594,668	D-2.1	100,771,619	(100,771,619)	D-2.33
4	Other Revenue	23,840,691	(4,612,914)	D-2.1	19,227,777	(17,191,197)	WPC-2e
5	Total Revenue	260,145,558	29,800,283		289,945,841	(115,771,158)	
6	OPERATING EXPENSES						
7	Operation and Maintenance Expenses						
8	Production Expenses						
9	Fuel and Purchased Power Expense	128,764,673	(14,872,298)	D-2.2	113,892,375	(113,892,375)	WPC-2e
10	Other Production Expenses	27,086,430	22,891,580	D-2.3	49,978,010	8,104,357	WPC-2e
11	Total Power Production Expense	155,851,103	8,019,282		163,870,385	(105,788,018)	
12	Transmission Expense	18,095,925	1,654,080	D-2.5	19,750,005	(2,810,451)	WPC-2e
13	Distribution Expense	5,935,233	757,991	D-2.6	6,693,224	37,100	WPC-2e
14	Customer Accounts Expense	7,656,322	292,650	D-2.7	7,948,972	(2,415,767)	WPC-2e
15	Customer Service & Information Expense	715,743	(36,575)	D-2.8	679,168	(574,122)	WPC-2e
16	Sales Expense	1,725,153	298,051	D-2.9	2,023,204	(2,022,476)	WPC-2e
17	Administrative & General Expense	20,717,257	5,266,442	D-2.10	25,983,699	(2,639,540)	WPC-2e
18	Other	(2,703)	2,703		0	966,942	WPC-2e
19	Total Operation and Maintenance Expense	210,694,033	16,254,624		226,948,657	(115,246,332)	
20	Depreciation Expense	22,911,931	9,670,303	D-2.12	32,582,234	589,986	WPC-2e
21	Taxes Other Than Income Taxes	1,304,860	793,156	D-2.13	2,098,016	0	
22	Other Federal Taxes	3,973,789	1,448,360	D-2.13	5,422,149	36,655	WPC-2e
23	State and Other Taxes	5,278,649	2,241,516		7,520,165	36,655	
24	Total Taxes Other Than Income Taxes	(140,806)	762,625	D-1, E-1	621,819	(764,615)	D-1, E-1
25	State Income Tax - Current	1,455,892	(1,495,592)	D-1, E-1	(39,700)	434,534	D-1, E-1
26	Provision for Deferred Income Taxes - Net	1,315,086	(732,967)		582,119	(330,081)	
27	Total State Income Tax Expense	445,930	3,476,939	D-1, E-1	3,922,869	(4,313,976)	D-1, E-1
28	Federal Income Tax - Current	3,448,667	(4,011,963)	D-1, E-1	(563,296)	2,437,633	D-1, E-1
29	Provision for Deferred Income Taxes - Net	(169,263)	25,417	D-1, E-1	(143,846)	0	D-1, E-1
30	Amortization of Investment Tax Credit	3,725,334	(509,607)		3,215,727	(1,876,343)	
31	Total Federal Income Tax Expense	243,925,033	26,923,869		270,848,902	(116,826,115)	
32	Total Operating Expenses and Taxes	0	0		0	373,481	D-2.20
33	AFUDC Offset	16,220,525	2,876,414		19,096,939	1,428,438	
34	Net Operating Income						
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE C-2.1
PAGE 1 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		REVENUE				
2						
3		Retail Revenue				
4	440	Residential	94,535,407	100.000	94,535,407	DALL
5	442	Commercial	81,971,732	100.000	81,971,732	DALL
6	442	Industrial	40,514,564	100.000	40,514,564	DALL
7	444	Public Street & Hwy. Lighting	1,447,790	100.000	1,447,790	DALL
8	445	Other Public Authority	17,360,312	100.000	17,360,312	DALL
9	448	Interdepartmental	180,006	100.000	180,006	DALL
10		Total Retail Revenue	<u>236,009,811</u>		<u>236,009,811</u>	
11						
12	Various	Sales for Resale	<u>17,854,049</u>	100.000	<u>17,854,049</u>	DALL
13						
14		Power Trading				
15	421530	Power Trading Reserve-MTM Gain	0	100.000	0	DALL
16	426530	Power Trading Reserve-MTM Loss	0	100.000	0	DALL
17	555028	Purchased Power - Netting	141,096	100.000	141,096	DALL
18		Total Power Trading Revenue	<u>141,096</u>		<u>141,096</u>	
19						
20		Other Revenues				
21	411	Emission Allowance Sale Proceeds	2,391,250	100.000	2,391,250	DALL
22	450	Late Payment Charges	0	100.000	0	DALL
23	451	Miscellaneous Service Revenues	35,826	100.000	35,826	DALL
24	451020	Reconnection Charges	77,351	100.000	77,351	DALL
25	451040	Temporary Facilities	96,053	100.000	96,053	DALL
26	451050	Customer Diversion	7,345	100.000	7,345	DALL
27	451060	Bad Check Charge	20,122	100.000	20,122	DALL
28	454010	Rent-Land & Buildings	0	100.000	0	DALL
29	454020	Rent-Other Equipment	29,792	100.000	29,792	DALL
30	454100	Rent-Electric Property CATV	84	100.000	84	DALL
31	454160	Rent Land Elec Prop Net CCD	782,464	100.000	782,464	DALL
32	454200	Other Rent - Electric Property	86,200	100.000	86,200	DALL
33	454710	Rent Common Facility Unit 7	444,928	100.000	444,928	DALL
34	454850	Cost of Capital Overhead - ED	577	100.000	577	DALL
35	456000	Other Variable Revenues	0	100.000	0	DALL
36	456025	RSG Revenue - MISO Make Whole	1,507,298	100.000	1,507,298	DALL
37	456040	Sales & Use Tax Collection Fee	11,389	100.000	11,389	DALL
38	456070	Data Processing Service	78	100.000	78	DALL
39	456075	Data Processing Service	110	100.000	110	DALL
40	456110	Other Transmission Revenues	153,850	100.000	153,850	DALL
41	456350	Fuel Management Revenues	264,297	100.000	264,297	DALL
42	456855	Transmission Revenue RB Interco	231,588	100.000	231,588	DALL
43		Total Other Revenues	<u>6,140,602</u>		<u>6,140,602</u>	
44						
45		Total Revenue	<u>260,145,558</u>		<u>260,145,558</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

SCHEDULE C-2.1
PAGE 2 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		OPERATING EXPENSES				
2						
3		Power Production Expense				
4						
5		Steam Power Generation				
6		Operation				
7	500	Supervision and Engineering	1,510,961	100.000	1,510,961	DALL
8	501	Fuel	51,720,382	100.000	51,720,382	DALL
9	502	Steam Expenses	6,647,329	100.000	6,647,329	DALL
10	505	Electric Expenses	500,410	100.000	500,410	DALL
11	506	Miscellaneous	1,267,671	100.000	1,267,671	DALL
12	507	Rent Expense - Steam Power	309,840	100.000	309,840	DALL
13	Various	Emission Allowance Expenses	5,405,418	100.000	5,405,418	DALL
14		Total Operation	<u>67,362,011</u>		<u>67,362,011</u>	
15						
16		Maintenance				
17	510	Supervision and Engineering	593,917	100.000	593,917	DALL
18	511	Maintenance of Structures	892,710	100.000	892,710	DALL
19	512	Maintenance of Boiler Plant	7,259,028	100.000	7,259,028	DALL
20	513	Maintenance of Electric Plant	1,038,475	100.000	1,038,475	DALL
21	514	Maintenance of Misc Steam Plant	528,320	100.000	528,320	DALL
22		Total Maintenance	<u>10,312,450</u>		<u>10,312,450</u>	
23		Total Steam Power Generation	<u>77,674,461</u>		<u>77,674,461</u>	
24						
25		Other Power Generation				
26		Operation				
27	546	Supervision and Engineering	162,019	100.000	162,019	DALL
28	547	Fuel	5,455,084	100.000	5,455,084	DALL
29	548	Generating Expense	309,173	100.000	309,173	DALL
30	549	Misc. Other Power Generation	311,717	100.000	311,717	DALL
31		Total Operation	<u>6,237,993</u>		<u>6,237,993</u>	
32						
33		Maintenance				
34	551	Supervision and Engineering	14,879	100.000	14,879	DALL
35	552	Structures	42,926	100.000	42,926	DALL
36	553	Generating & Electrical Equipment	227,517	100.000	227,517	DALL
37	554	Miscellaneous Other Power Gen	16,379	100.000	16,379	DALL
38		Total Maintenance	<u>301,701</u>		<u>301,701</u>	
39		Total Other Power Generation	<u>6,539,694</u>		<u>6,539,694</u>	
40						
41		Other Power Supply Expense				
42						
43		Operation				
44	555	Electric Purchased Inter Co.				
45		Demand Related	0	100.000	0	DALL
46		Energy Related	71,589,207	100.000	71,589,207	DALL
47	556	Electric Systems Operations Dept	22,118	100.000	22,118	DALL
48	557	Electric Other Power Supply	25,623	100.000	25,623	DALL
49		Total Other Power Supply Expense	<u>71,636,948</u>		<u>71,636,948</u>	
50						
51		Total Power Production Expense	<u>155,851,103</u>		<u>155,851,103</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

SCHEDULE C-2.1
PAGE 3 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Transmission Expense				
2						
3		Operation				
4	560	Supervision & Engineering	194,336	100.000	194,336	DALL
5	561	Load Dispatching	996,210	100.000	996,210	DALL
6	562	Station Expense	24,377	100.000	24,377	DALL
7	563	Overhead Lines	15,121	100.000	15,121	DALL
8	565	Transmission of Electricity by Others	14,236,320	100.000	14,236,320	DALL
9	566	Miscellaneous Transmission	1,172,964	100.000	1,172,964	DALL
10	567	Rents - Interco CG&E	1,290,108	100.000	1,290,108	DALL
11		Total Operation	<u>17,929,436</u>		<u>17,929,436</u>	
12						
13						
14		Maintenance				
15	568	Supervision & Engineering	21,451	100.000	21,451	DALL
16	569	Structures	5,132	100.000	5,132	DALL
17	570	Station Equipment	72,156	100.000	72,156	DALL
18	571	Overhead Lines	67,567	100.000	67,567	DALL
19	573	Miscellaneous	183	100.000	183	DALL
20		Total Maintenance	<u>166,489</u>		<u>166,489</u>	DALL
21		Total Transmission Expense	<u>18,095,925</u>		<u>18,095,925</u>	
22						
23		Distribution Expense				
24						
25		Operation				
26	580	Supervision & Engineering	263,703	100.000	263,703	DALL
27	581	Load Dispatching	149,241	100.000	149,241	DALL
28	582	Station Expenses	78,887	100.000	78,887	DALL
29	583	Overhead Lines	346,439	100.000	346,439	DALL
30	584	Underground Lines	128,970	100.000	128,970	DALL
31	585	Street Lighting & Signal Systems	1,961	100.000	1,961	DALL
32	586	Meter Expense	(63,311)	100.000	(63,311)	DALL
33	587	Customer Installations	411,751	100.000	411,751	DALL
34	588	Miscellaneous Distribution	217,456	100.000	217,456	DALL
35	589	Rents - Interco - CG&E	494,928	100.000	494,928	DALL
36		Total Operation	<u>2,030,025</u>		<u>2,030,025</u>	
37						
38						
39		Maintenance				
40	590	Supervision & Engineering	191,014	100.000	191,014	DALL
41	591	Structures	26,290	100.000	26,290	DALL
42	592	Station Equipment	225,946	100.000	225,946	DALL
43	593	Overhead Lines	2,751,249	100.000	2,751,249	DALL
44	594	Underground Lines-Conduit	175,538	100.000	175,538	DALL
45	595	Line Transformers	90,293	100.000	90,293	DALL
46	596	Street Lighting & Signal Systems	177,603	100.000	177,603	DALL
47	597	Meters	180,694	100.000	180,694	DALL
48	598	Miscellaneous Distr. Plant	86,581	100.000	86,581	DALL
49		Total Maintenance	<u>3,905,208</u>		<u>3,905,208</u>	
50		Total Distribution Expense	<u>5,935,233</u>		<u>5,935,233</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) : SCHEDULE F-3

SCHEDULE C-2.1
PAGE 4 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Customer Accounts Expense				
2						
3		Operation				
4	901	Supervision & Engineering	34,584	100.000	34,584	DALL
5	902	Meter Reading Expense	1,056,536	100.000	1,056,536	DALL
6	903	Customer Records & Collections	3,220,732	100.000	3,220,732	DALL
7	904	Uncollectible Accounts	156,425	100.000	156,425	DALL
8	904002	Loss on Sale of A/R	3,111,667	100.000	3,111,667	DALL
9	905	Miscellaneous Customers Accounts	76,378	100.000	76,378	DALL
10		Total Customer Accounts Expense	<u>7,656,322</u>		<u>7,656,322</u>	
11						
12		Customer Services & Information Expense				
13						
14		Operation				
15	908	Customer Assistance Activities	90,874	Alloc Sch F-3	90,874	DALL
16	909	Informational & Instructional Adver.	157,663	Alloc Sch F-3	157,663	DALL
17	910	Misc. Cust. Serv. & Info.	467,206	Alloc Sch F-3	467,206	DALL
18		Total Customer Services & Information Expense	<u>715,743</u>		<u>715,743</u>	
19						
20						
21		Sales Expense				
22						
23		Operation				
24	911	Supervision	9,380	Alloc Sch F-3	9,380	DALL
25	913	Advertising	1,558	Alloc Sch F-3	1,558	DALL
26	916	Misc. Sales Expense	1,714,215	Alloc Sch F-3	1,714,215	DALL
27		Total Sales Expense	<u>1,725,153</u>		<u>1,725,153</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):, SCHEDULE F-3

SCHEDULE C-2.1
PAGE 5 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Administrative & General Expense				
2						
3		Operation				
4	920	Administrative & General Salaries	5,784,926	100.000	5,784,926	DALL
5	921	Office Supplies & Expenses	2,609,147	100.000	2,609,147	DALL
6	922	Administrative Expenses Transfer Cr.	(12,990)	100.000	(12,990)	DALL
7	923	Outside Services Employed	794,618	100.000	794,618	DALL
8	924	Property Insurance	694,385	100.000	694,385	DALL
9	925	Injuries & Damages	707,085	100.000	707,085	DALL
10	926	Employee Pension & Benefits	7,088,839	100.000	7,088,839	DALL
11	982	State Reg. Commission Expense	513,035	100.000	513,035	DALL
12	929	Duplicate Charges-Credit	(349,207)	100.000	(349,207)	DALL
13	930	General Advertising Expenses	7,130	Alloc Sch F-3	7,130	
14	930200	Miscellaneous General Expenses	313,113	Alloc Sch F-3	313,113	
15	931	Rents	2,197,945	100.000	2,197,945	DALL
16		Total Operation	<u>20,348,026</u>		<u>20,348,026</u>	
17						
18		Maintenance				
19	935	Maintenance of General Plant	369,231	100.000	369,231	DALL
20		Total Administrative & General	<u>20,717,257</u>		<u>20,717,257</u>	
21		Total Operating Expense	<u>210,696,736</u>		<u>210,696,736</u>	
22						
23		Other Expense				
24		Operation				
25	411100	Accretion Expense - Asset Retirement Obligation	(2,703)	100.000	(2,703)	DALL
26		Total Other Expense	<u>(2,703)</u>		<u>(2,703)</u>	
27						
28		Depreciation Expense				
29						
30	Various	Total Depreciation Expense	<u>22,911,931</u>	100.000	<u>22,911,931</u>	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

SCHEDULE C-2.1
PAGE 6 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		TAXES OTHER THAN INCOME TAXES				
2						
3		Other Federal Taxes				
4	408410	Insurance Contribution	1,267,926	100.000	1,267,926	DALL
5	408410	Unemployment Compensation	33,346	100.000	33,346	DALL
6	408510	Highway Use	3,588	100.000	3,588	DALL
7		Total Other Federal	<u>1,304,860</u>		<u>1,304,860</u>	
8						
9		State and Other Taxes				
10	408020	Ohio Property Taxes - Production	1,393,536	100.000	1,393,536	DALL
11	408025	Ohio Property Taxes - Transmission	0	100.000	0	DALL
12	408055	Kentucky Property Tax - Elec	1,638,046	100.000	1,638,046	DALL
13	408065	Kentucky Property Tax - East Bend	500,000	100.000	500,000	DALL
14	408095	Misc States Property Tax	7,440	100.000	7,440	DALL
15	408240	Payroll Taxes - Joint Ownership	(152,317)	100.000	(152,317)	DALL
16	408390	Ohio Franchise Tax	3,500	100.000	3,500	DALL
17	408410	Unemployment Compensation	16,739	100.000	16,739	DALL
18	408420	West Virginia License Tax	(224)	100.000	(224)	DALL
19	408610	PUC Maintenance	0	100.000	0	DALL
20	408670	City of Cinti Earned Inc- Elec	0	100.000	0	DALL
21	408990	Allocated from Service Company	0	100.000	0	DALL
22	Various	Highway Use	4,802	100.000	4,802	DALL
23	408150	Property Tax	478,192	100.000	478,192	DALL
24	408740	Sales and Use Tax	84,075	100.000	84,075	DALL
25		Total State and Other	<u>3,973,789</u>		<u>3,973,789</u>	
26						
27		Total Taxes Other Than Income Taxes	<u>5,278,649</u>		<u>5,278,649</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE C-2.1
PAGE 7 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		State Income Taxes				
2	409160	Normal and Surtax	(142,787)	100.000	(142,787)	DALL
3	409995	Allocated from the Service Company	1,981	100.000	1,981	DALL
4		State Income Tax - Current	<u>(140,806)</u>		<u>(140,806)</u>	
5						
6		Federal Income Taxes				
7	409060	Normal & Surtax	680,670	100.000	680,670	DALL
8	409990	Allocated from the Service Company	(234,740)	100.000	(234,740)	DALL
9		Federal Income Tax - Current	<u>445,930</u>		<u>445,930</u>	
10						
11		Provision For Deferred Income Taxes				
12	Various	Deferrals - Federal	7,134,476	100.000	7,134,476	DALL
13	Various	Deferrals - State	1,815,025	100.000	1,815,025	DALL
14	Various	Writebacks - Federal	(3,685,809)	100.000	(3,685,809)	DALL
15	411520	Writebacks - State	<u>(359,133)</u>	100.000	<u>(359,133)</u>	DALL
16		Total Provision for Deferred Income Taxes	<u>4,904,559</u>		<u>4,904,559</u>	
17						
18	411065	Amortization of ITC	(169,263)	100.000	(169,263)	DALL
19						
20		Total Income Taxes	<u>5,040,420</u>		<u>5,040,420</u>	
21		Total Operating Expenses & Taxes	<u>243,925,033</u>		<u>243,925,033</u>	
22		Net Operating Income	<u>16,220,525</u>		<u>16,220,525</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) : WPC-2.1a

SCHEDULE C-2.1
PAGE 8 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		REVENUE				
2						
3		Retail Revenue				
4	440	Residential	110,625,628	100.000	110,625,628	DALL
5	442	Commercial	92,814,203	100.000	92,814,203	DALL
6	442	Industrial	46,101,357	100.000	46,101,357	DALL
7	444	Public Street & Hwy. Lighting	1,773,938	100.000	1,773,938	DALL
8	445	Other Public Authority	19,260,847	100.000	19,260,847	DALL
9	448	Interdepartmental	142,091	100.000	142,091	DALL
10		Total Retail Revenue	<u>270,718,064</u>		<u>270,718,064</u>	
11						
12	447	Sales for Resale	<u>17,670,012</u>	100.000	<u>17,670,012</u>	DALL
13						
14		Other Revenues				
15	454010	Rent-Land & Buildings	91,356	100.000	91,356	DALL
16	454160	Rent Land Elec Prop Net CCD	1,364,913	100.000	1,364,913	DALL
17	456000	Other Variable Revenues	<u>101,496</u>	100.000	<u>101,496</u>	DALL
18		Total Other Revenues	<u>1,557,765</u>		<u>1,557,765</u>	
19						
20		Total Revenue	<u>289,945,841</u>		<u>289,945,841</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2.1a

SCHEDULE C-2.1
PAGE 9 OF 14
WITNESS RESPONSIBLE:
W D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		OPERATING EXPENSES				
2						
3		Power Production Expense				
4						
5		Steam Power Generation Operation				
6						
7	500	Supervision and Engineering	2,060,666	100.000	2,060,666	DALL
8	501	Fuel	67,764,626	100.000	67,764,626	DALL
9	501	Fuel Handling Expense	1,519,064	100.000	1,519,064	DALL
10	502	Steam Expenses	9,959,883	100.000	9,959,883	DALL
11	505	Electric Expenses	347,413	100.000	347,413	DALL
12	506	Miscellaneous	3,451,177	100.000	3,451,177	DALL
13	Various	Emission Allowance Expenses	5,436,451	100.000	5,436,451	DALL
14		Total Operation	<u>90,539,280</u>		<u>90,539,280</u>	
15						
16		Maintenance				
17	510	Supervision and Engineering	1,101,214	100.000	1,101,214	DALL
18	511	Maintenance of Structures	1,123,164	100.000	1,123,164	DALL
19	512	Maintenance of Boiler Plant	8,427,746	100.000	8,427,746	DALL
20	513	Maintenance of Electric Plant	1,277,020	100.000	1,277,020	DALL
21	514	Maintenance of Misc Steam Plant	611,925	100.000	611,925	DALL
22		Total Maintenance	<u>12,541,069</u>		<u>12,541,069</u>	
23		Total Steam Power Generation	<u>103,080,349</u>		<u>103,080,349</u>	
24						
25		Other Power Generation Operation				
26						
27	546	Supervision and Engineering	419,770	100.000	419,770	DALL
28	547	Fuel	7,398,465	100.000	7,398,465	DALL
29	548	Generating Expense	498,166	100.000	498,166	DALL
30	549	Misc Other Power Generation	1,077,549	100.000	1,077,549	DALL
31		Total Operation	<u>9,393,950</u>		<u>9,393,950</u>	
32						
33		Maintenance				
34	551	Supervision and Engineering	36,584	100.000	36,584	DALL
35	552	Structures	23,700	100.000	23,700	DALL
36	553	Generating & Electrical Equipment	482,483	100.000	482,483	DALL
37	554	Miscellaneous Other Power Gen	36,876	100.000	36,876	DALL
38		Total Maintenance	<u>579,643</u>		<u>579,643</u>	
39		Total Other Power Generation	<u>9,973,593</u>		<u>9,973,593</u>	
40						
41		Other Power Supply Expense				
42						
43		Operation				
44	555	Electric Purchased Inter Co.				
45		Demand Related	0	100.000	0	DALL
46		Energy Related	38,729,284	100.000	38,729,284	DALL
47		MISO Transmission Charges in Acct 555	12,047,693	100.000	12,047,693	DALL
48	556	Electric Systems Operations Dept	39,466	100.000	39,466	DALL
49		Total Other Power Supply Expense	<u>50,816,443</u>		<u>50,816,443</u>	
50						
51		Total Power Production Expense	<u>163,870,385</u>		<u>163,870,385</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISIONS
WORK PAPER REFERENCE NO(S): WPC-2.1a

SCHEDULE C-2.1
PAGE 10 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Transmission Expense				
2						
3		Operation				
4	560	Supervision & Engineering	59,231	100.000	59,231	DALL
5	561	Load Dispatching	1,891,531	100.000	1,891,531	DALL
6	562	Station Expense	4,064	100.000	4,064	DALL
7	563	Overhead Lines	12,180	100.000	12,180	DALL
8	565	Transmission of Electricity by Others	14,853,462	100.000	14,853,462	DALL
9	566	Miscellaneous Transmission	42,517	100.000	42,517	DALL
10	567	Rents - Interco CG&E	1,933,776	100.000	1,933,776	DALL
11		Total Operation	<u>18,796,761</u>		<u>18,796,761</u>	
12						
13						
14		Maintenance				
15	568	Supervision & Engineering	79,147	100.000	79,147	DALL
16	569	Structures	59,045	100.000	59,045	DALL
17	570	Station Equipment	8,340	100.000	8,340	DALL
18	571	Overhead Lines	806,712	100.000	806,712	DALL
19		Total Maintenance	<u>953,244</u>		<u>953,244</u>	DALL
20		Total Transmission Expense	<u>19,750,005</u>		<u>19,750,005</u>	
21						
22		Distribution Expense				
23						
24		Operation				
25	580	Supervision & Engineering	429,530	100.000	429,530	DALL
26	582	Station Expenses	53,542	100.000	53,542	DALL
27	583	Overhead Lines	508,240	100.000	508,240	DALL
28	584	Underground Lines	147,609	100.000	147,609	DALL
29	586	Meter Expense	270,352	100.000	270,352	DALL
30	587	Customer Installations	235,900	100.000	235,900	DALL
31	588	Miscellaneous Distribution	289,614	100.000	289,614	DALL
32		Total Operation	<u>1,934,787</u>		<u>1,934,787</u>	
33						
34						
35		Maintenance				
36	590	Supervision & Engineering	315,690	100.000	315,690	DALL
37	592	Station Equipment	51,171	100.000	51,171	DALL
38	593	Overhead Lines	3,929,706	100.000	3,929,706	DALL
39	594	Underground Lines-Conduit	192,300	100.000	192,300	DALL
40	595	Line Transformers	79,636	100.000	79,636	DALL
41	597	Meters	165,418	100.000	165,418	DALL
42	598	Miscellaneous Distr. Plant	24,516	100.000	24,516	DALL
43		Total Maintenance	<u>4,758,437</u>		<u>4,758,437</u>	
44		Total Distribution Expense	<u>6,693,224</u>		<u>6,693,224</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2 1a, SCHEDULE F-3

SCHEDULE C-2.1
PAGE 11 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDIC- TIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Customer Accounts Expense				
2						
3		Operation				
4	901	Supervision & Engineering	54,326	100.000	54,326	DALL
5	902	Meter Reading Expense	1,067,382	100.000	1,067,382	DALL
6	903	Customer Records & Collections	3,670,030	100.000	3,670,030	DALL
7	904002	Loss on Sale of A/R	<u>3,157,234</u>	100.000	<u>3,157,234</u>	DALL
8		Total Customer Accounts Expense	<u>7,948,972</u>		<u>7,948,972</u>	
9						
10		Customer Services & Information Expense				
11						
12		Operation				
13	908	Customer Assistance Activities	72,746	Alloc Sch F-3	72,746	DALL
14	909	Informational & Instructional Adver.	107,067	Alloc Sch F-3	107,067	DALL
15	910	Misc. Cust. Serv. & Info.	<u>499,355</u>	Alloc Sch F-3	<u>499,355</u>	DALL
16		Total Customer Services &				
17		Information Expense	<u>679,168</u>		<u>679,168</u>	
18						
19		Sales Expense				
20						
21		Operation				
22	913	Advertising	3,204	Alloc Sch F-3	3,204	DALL
23	916	Misc. Sales Expense	<u>2,020,000</u>	Alloc Sch F-3	<u>2,020,000</u>	DALL
24		Total Sales Expense	<u>2,023,204</u>		<u>2,023,204</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2.1a, SCHEDULE F-3

SCHEDULE C-2 1
PAGE 12 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO	ACCOUNT NO	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDIC- TIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		Administrative & General Expense				
2						
3		Operation				
4	920	Administrative & General Salaries	8,279,318	100.000	8,279,318	DALL
5	921	Office Supplies & Expenses	2,530,853	100.000	2,530,853	DALL
6	923	Outside Services Employed	1,894,366	100.000	1,894,366	DALL
7	924	Property Insurance	0	100.000	0	DALL
8	925	Injuries & Damages	680,058	100.000	680,058	DALL
9	926	Employee Pension & Benefits	9,410,155	100.000	9,410,155	DALL
10	928	State Reg Commission Expense	390,780	100.000	390,780	DALL
11	930	General Advertising Expenses	16,848	Alloc Sch F-3	16,848	
12	930200	Miscellaneous General Expenses	602,868	Alloc Sch F-3	602,868	
13	931	Rents	<u>1,680,082</u>	100.000	<u>1,680,082</u>	DALL
14		Total Operation	<u>25,485,328</u>		<u>25,485,328</u>	
15						
16		Maintenance				
17	935	Maintenance of General Plant	<u>498,371</u>	100.000	<u>498,371</u>	DALL
18		Total Administrative & General	<u>25,983,699</u>		<u>25,983,699</u>	
19		Total Operating Expense	<u>226,948,657</u>		<u>226,948,657</u>	
20						
21		Depreciation Expense				
22						
23	Various	Total Depreciation Expense	<u>32,582,234</u>	100.000	<u>32,582,234</u>	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2.1a

SCHEDULE C-2.1
PAGE 13 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		TAXES OTHER THAN INCOME TAXES				
2						
3		Other Federal Taxes				
4	408410	Insurance Contribution	2,036,649	100.000	2,036,649	DALL
5	408410	Unemployment Compensation	53,563	100.000	53,563	DALL
6	408510	Highway Use	7,804	100.000	7,804	DALL
7		Total Other Federal	<u>2,098,016</u>		<u>2,098,016</u>	
8						
9		State and Other Taxes				
10	408020	Ohio Property Taxes - Production	1,877,784	100.000	1,877,784	DALL
11	408025	Ohio Property Taxes - Transmission	271,224	100.000	271,224	DALL
12	408055	Kentucky Property Tax - Elec	2,726,532	100.000	2,726,532	DALL
13	408065	Kentucky Property Tax - East Bend	750,000	100.000	750,000	DALL
14	408240	Payroll Taxes - Joint Ownership	(230,278)	100.000	(230,278)	DALL
15	408410	Unemployment Compensation	26,887	100.000	26,887	DALL
16		Total State and Other	<u>5,422,149</u>		<u>5,422,149</u>	
17						
18		Total Taxes Other Than Income Taxes	<u>7,520,165</u>		<u>7,520,165</u>	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
OPERATING REVENUES AND EXPENSES BY ACCOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISIED
WORK PAPER REFERENCE NO(S): WPC-2 1a

SCHEDULE C-2.1
PAGE 14 OF 14
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ACCOUNT NO.	ACCOUNT TITLE	UNADJUSTED TOTAL ELECTRIC (1)	JURISDICTIONAL % (2)	UNADJUSTED JURISDICTION (3)	JURISDICTIONAL METHOD / DESCRIPTION (4)
1		State Income Taxes				
2	409160	Normal and Surtax	621,819	100.000	621,819	DALL
3		State Income Tax - Current	<u>621,819</u>		<u>621,819</u>	
4						
5		Federal Income Taxes				
6	409060	Normal & Surtax	3,922,869	100.000	3,922,869	DALL
7		Federal Income Tax - Current	<u>3,922,869</u>		<u>3,922,869</u>	
8						
9		Provision For Deferred Income Taxes				
10	Various	Deferrals - Federal	(563,296)	100.000	(563,296)	DALL
11	Various	Deferrals - State	<u>(39,700)</u>	100.000	<u>(39,700)</u>	DALL
12		Total Provision for Deferred Income Taxes	<u>(602,996)</u>		<u>(602,996)</u>	
13						
14	411060	Amortization of ITC	(143,846)	100.000	(143,846)	DALL
15						
16		Total Income Taxes	<u>3,797,846</u>		<u>3,797,846</u>	
17		Total Operating Expenses & Taxes	<u>270,848,902</u>		<u>270,848,902</u>	
18		Net Operating Income	<u>19,096,939</u>		<u>19,096,939</u>	

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2 2
PAGE 1 OF 14
WITNESS RESPONSIBLE:
W D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	Total			
		Base	Prior	Variance	% Change
401	Non-Reg Charges	0	(50)	50	100.00%
403	Depreciation Expenses	21,519,938	9,158,849	12,361,089	134.96%
404	Amortization Expenses	1,391,993	1,207,469	184,524	15.28%
408	Taxes Other Than Income Taxes	5,278,649	1,977,450	3,301,199	166.94%
409	Current Income Taxes	305,124	(4,100,208)	4,405,332	107.44%
410	Deferred Income Taxes - Deferrals	8,949,501	1,427,063	7,522,438	527.13%
411	Deferred Income Taxes - Writebacks	(3,512,006)	(2,408,470)	(1,103,536)	(45.82)%
421	Power Trading Reserve-MTM Gain	0	0	0	-
426	Power Trading Reserve-MTM Loss	0	0	0	-
440	Residential Sales	94,535,407	95,236,497	(701,090)	(0.74)%
442	Commercial and Industrial Sales	122,486,296	118,744,496	3,741,800	3.15%
444	Public Street and Highway Lighting	1,447,790	1,523,039	(75,249)	(4.94)%
445	Other Sales to Public Authorities	17,360,312	17,054,427	305,885	1.79%
447	Sales for Resale	17,853,646	0	17,853,646	-
448	Interdepartmental Sales	180,006	98,476	81,530	82.79%
451	Miscellaneous Service Revenues	236,697	201,881	34,816	17.25%
454	Rent from Electric Property	1,344,045	(290,086)	1,634,131	563.33%
456	Other Electric Revenues	2,168,610	287,068	1,881,542	655.43%
500	Operation Supervision and Engineering	1,510,961	0	1,510,961	-
501	Fuel	51,720,382	0	51,720,382	-
502	Steam Expenses	6,647,329	0	6,647,329	-
505	Electric Expenses	500,410	0	500,410	-
506	Miscellaneous Steam Power Expenses	1,267,671	1,149	1,266,522	110228.20%
507	Rents	309,840	0	309,840	-
509	Allowance	7,091,766	0	7,091,766	-
510	Maintenance Supervision and Engineering	593,917	0	593,917	-
511	Maintenance of Structures	892,710	0	892,710	-
512	Maintenance of Boiler Plant	7,259,028	0	7,259,028	-
513	Maintenance of Electric Plant	1,038,475	1,787	1,036,688	58012.76%
514	Maintenance of Misc. Steam Plant	528,320	0	528,320	-
546	Operation Supervision and Engineering	162,019	0	162,019	-
547	Fuel - Other Power Generation	5,455,084	0	5,455,084	-
548	Generation Expenses	309,173	0	309,173	-
549	Misc. Other Power Generation Expenses	311,717	0	311,717	-
551	Maintenance Supervision and Engineering	14,879	0	14,879	-
552	Maintenance of Structures	42,926	0	42,926	-
553	Maint. of Generating and Electric Plant	227,517	38	227,479	598628.95%
554	Maint. of Misc. and Other Power Generation Plant	16,379	0	16,379	-
555	Purchased Power	71,730,706	166,387,543	(94,656,837)	(56.89)%
556	System Control and Load Dispatching	22,118	867	21,251	2451.10%
557	Other Expenses	25,623	0	25,623	-
560	Operation Supervision and Engineering	194,336	32,483	161,853	498.27%
561	Load Dispatching	996,210	1,027,636	(31,426)	(3.06)%
562	Station Expenses	24,377	12,508	11,869	94.89%
563	Overhead Lines Expenses	15,121	11,283	3,838	34.02%
565	Transmission of Electricity by Others	14,236,320	16,255,639	(2,019,319)	(12.42)%
566	Miscellaneous Transmission Expenses	881,608	228,188	653,420	286.35%
567	Rents	1,290,108	924	1,289,184	139522.08%
568	Maintenance Supervision and Engineering	21,451	17,554	3,897	22.20%

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2 2
PAGE 2 OF 14
WITNESS RESPONSIBLE:
W.D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	Total			
		Base	Prior	Variance	% Change
569	Maintenance of Structures	5,132	19,454	(14,322)	(73.62)%
570	Maintenance of Station Equipment	72,156	64,909	7,247	11.16%
571	Maintenance of Overhead Lines	67,567	115,850	(48,283)	(41.68)%
573	Maint. of Miscellaneous Transmission Plant	183	5,542	(5,359)	(96.70)%
575	Billings-Mkt Admin & Monitoring & Compliance	291,356	0	291,356	-
580	Operation Supervision and Engineering	263,703	289,302	(25,599)	(8.85)%
581	Load Dispatching	149,241	175,893	(26,652)	(15.15)%
582	Station Expenses	78,887	22,957	55,930	243.63%
583	Overhead Lines Expenses	346,439	249,393	97,046	38.91%
584	Underground Lines Expenses	128,970	114,287	14,683	12.85%
585	Street Lighting and Signal System Expenses	1,961	1,529	432	28.25%
586	Meter Expenses	(63,311)	98,614	(161,925)	(164.20)%
587	Customer Installation Expenses	411,751	350,141	61,610	17.60%
588	Miscellaneous Expenses	217,456	163,735	53,721	32.81%
589	Rents	494,928	494,928	0	-
590	Maintenance Supervision and Engineering	191,014	179,565	11,449	6.38%
591	Maintenance of Structures	26,290	27,677	(1,387)	(5.01)%
592	Maintenance of Station Equipment	225,946	314,718	(88,772)	(28.21)%
593	Maintenance of Overhead Lines	2,751,249	3,039,941	(288,692)	(9.50)%
594	Maintenance of Underground Lines	175,538	194,401	(18,863)	(9.70)%
595	Maintenance of Line Transformers	90,293	119,292	(28,999)	(24.31)%
596	Maint. of Street Lighting and Signal Systems	177,603	100,358	77,245	76.97%
597	Maintenance of Meters	180,694	145,790	34,904	23.94%
598	Maintenance of Miscellaneous Distribution Plant	86,581	75,877	10,704	14.11%
901	Supervision	34,584	139,798	(105,214)	(75.26)%
902	Meter Reading Expenses	1,056,536	926,618	129,918	14.02%
903	Customer Record and Collection Expenses	3,220,732	2,641,043	579,689	21.95%
904	Uncollectible Accounts	3,268,092	2,517,166	750,926	29.83%
905	Miscellaneous Customer Accounts Expense	76,378	143,743	(67,365)	(46.86)%
908	Customer Assistance Expense	90,874	99,539	(8,665)	(8.71)%
909	Informational and Instructional Expenses	157,663	13,742	143,921	1047.31%
910	Misc. Customer Service and Information Exp.	467,206	323,239	143,967	44.54%
911	Supervision	9,380	98,493	(89,113)	(90.48)%
912	Demonstrating and Selling Expenses	0	41	(41)	(100.00)%
913	Advertising Expenses	1,558	21,966	(20,408)	(92.91)%
916	Miscellaneous Sales Expenses	1,714,215	240,263	1,473,952	613.47%
920	Administrative and General Salaries	5,784,926	2,677,377	3,107,549	116.07%
921	Office Supplies and Expenses	2,609,147	1,250,164	1,358,983	108.70%
922	Administrative Expenses Transferred - Credit	(12,990)	(9,785)	(3,205)	(32.75)%
923	Outside Services Employed	794,618	1,540,624	(746,006)	(48.42)%
924	Property Insurance	694,385	274,171	420,214	153.27%
925	Injuries and Damages	707,085	(255,325)	962,410	376.94%
926	Employee Pension and Benefits	7,088,839	2,636,157	4,452,682	168.91%
928	Regulatory Commission Expenses	513,035	679,922	(166,887)	(24.55)%
929	Duplicate Charges - Credit	(349,207)	(124,609)	(224,598)	(180.24)%
930	Miscellaneous General Expenses	320,243	305,456	14,787	4.84%
931	Rents	2,197,945	1,296,391	901,554	69.54%
935	Maintenance of General Plant	369,231	239,675	129,556	54.05%

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 3 OF 14
WITNESS RESPONSIBLE:
W D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	September 2005			October 2005		
		Base	Prior	Variance	Base	Prior	Variance
401	Non-Reg Charges	0	0	0	0	0	0
403	Depreciation Expenses	794,413	768,997	25,416	797,376	750,115	47,261
404	Amortization Expenses	86,313	109,309	(22,996)	131,283	109,309	21,974
408	Taxes Other Than Income Taxes	(7,754)	(833,077)	825,323	242,733	239,838	2,895
409	Current Income Taxes	1,630,219	728,981	901,238	(293,271)	709,785	(1,003,056)
410	Deferred Income Taxes - Deferrals	984,821	180,081	804,740	434,621	120,163	314,458
411	Deferred Income Taxes - Writebacks	245,530	(99,530)	345,060	(117,983)	(502,470)	384,487
421	Power Trading Reserve-MTM Gain	0	0	0	0	0	0
426	Power Trading Reserve-MTM Loss	0	0	0	0	0	0
440	Residential Sales	8,279,146	7,378,022	901,124	6,217,037	5,545,467	671,570
442	Commercial and Industrial Sales	11,266,818	10,366,121	900,697	9,993,276	9,353,330	639,946
444	Public Street and Highway Lighting	124,625	133,958	(9,333)	123,099	130,087	(6,988)
445	Other Sales to Public Authorities	1,636,364	1,486,518	149,846	1,495,374	1,305,425	189,949
447	Sales for Resale	0	0	0	0	0	0
448	Interdepartmental Sales	16,586	6,562	10,024	15,597	3,966	11,631
451	Miscellaneous Service Revenues	12,248	10,640	1,608	12,489	17,135	(4,646)
454	Rent from Electric Property	9,093	5,930	3,163	9,066	5,508	3,558
456	Other Electric Revenues	21,332	24,218	(2,886)	18,666	18,862	(196)
500	Operation Supervision and Engineering	0	0	0	0	0	0
501	Fuel	0	0	0	0	0	0
502	Steam Expenses	0	0	0	0	0	0
505	Electric Expenses	0	0	0	0	0	0
506	Miscellaneous Steam Power Expenses	139	0	139	141	0	141
507	Rents	0	0	0	0	0	0
509	Allowance	0	0	0	0	0	0
510	Maintenance Supervision and Engineering	0	0	0	0	0	0
511	Maintenance of Structures	0	0	0	0	0	0
512	Maintenance of Boiler Plant	0	0	0	0	0	0
513	Maintenance of Electric Plant	0	0	0	234	0	234
514	Maintenance of Misc. Steam Plant	0	0	0	0	0	0
546	Operation Supervision and Engineering	0	0	0	0	0	0
547	Fuel - Other Power Generation	0	0	0	0	0	0
548	Generation Expenses	0	0	0	0	0	0
549	Misc. Other Power Generation Expenses	0	0	0	0	0	0
551	Maintenance Supervision and Engineering	0	0	0	0	0	0
552	Maintenance of Structures	0	0	0	0	0	0
553	Maint. of Generating and Electric Plant	0	0	0	0	0	0
554	Maint. of Misc. and Other Power Generation Plant	0	0	0	0	0	0
555	Purchased Power	13,884,779	14,078,747	(193,968)	12,606,022	12,024,710	581,312
556	System Control and Load Dispatching	354	0	354	243	29	214
557	Other Expenses	0	0	0	0	0	0
560	Operation Supervision and Engineering	3,721	1,682	2,039	9,777	1,690	8,087
561	Load Dispatching	90,249	82,954	7,295	94,215	67,412	26,803
562	Station Expenses	2,862	227	2,635	2,793	32	2,761
563	Overhead Lines Expenses	841	810	31	515	645	(130)
565	Transmission of Electricity by Others	1,476,886	1,421,033	55,853	1,250,976	1,091,427	159,549
566	Miscellaneous Transmission Expenses	23,583	22,412	1,171	21,304	18,436	2,868
567	Rents	77	77	0	77	77	0
568	Maintenance Supervision and Engineering	2,154	858	1,296	235	(464)	699

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2005
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 4 OF 14
WITNESS RESPONSIBLE:
W.D. WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	September 2005			October 2005		
		Base	Prior	Variance	Base	Prior	Variance
569	Maintenance of Structures	163	173	(10)	806	7,934	(7,128)
570	Maintenance of Station Equipment	2,364	5,482	(3,118)	4,498	4,198	300
571	Maintenance of Overhead Lines	5,272	4,887	385	6,350	5,919	431
573	Maint. of Miscellaneous Transmission Plant	0	365	(365)	0	338	(338)
575	Billings-Mkt Admin & Monitoring & Compliance	0	0	0	0	0	0
580	Operation Supervision and Engineering	29,300	22,663	6,637	19,341	20,462	(1,121)
581	Load Dispatching	19,339	14,725	4,614	16,068	15,124	944
582	Station Expenses	2,714	1,497	1,217	3,482	672	2,810
583	Overhead Lines Expenses	25,090	21,970	3,120	2,214	21,712	(19,498)
584	Underground Lines Expenses	18,562	13,183	5,379	(1,098)	15,443	(16,541)
585	Street Lighting and Signal System Expenses	678	0	678	0	0	0
586	Meter Expenses	(9,096)	4,947	(14,043)	13,927	8,581	5,346
587	Customer Installation Expenses	35,030	27,138	7,892	37,393	29,160	8,233
588	Miscellaneous Expenses	14,738	9,687	5,051	13,239	15,070	(1,831)
589	Rents	41,244	41,244	0	41,244	41,244	0
590	Maintenance Supervision and Engineering	18,134	10,754	7,380	4,033	10,526	(6,493)
591	Maintenance of Structures	602	520	82	1,352	2,290	(938)
592	Maintenance of Station Equipment	42,346	10,526	31,820	13,843	54,897	(41,054)
593	Maintenance of Overhead Lines	182,166	82,063	100,103	138,685	72,640	66,045
594	Maintenance of Underground Lines	10,078	29,699	(19,621)	17,992	19,236	(1,244)
595	Maintenance of Line Transformers	7,504	11,230	(3,726)	(766)	13,237	(14,003)
596	Maint. of Street Lighting and Signal Systems	17,012	4,244	12,768	11,640	4,642	6,998
597	Maintenance of Meters	20,855	9,202	11,653	14,819	13,363	1,456
598	Maintenance of Miscellaneous Distribution Plant	2,526	2,525	1	916	2,112	(1,196)
901	Supervision	4,393	11,601	(7,208)	3,421	13,464	(10,043)
902	Meter Reading Expenses	86,477	71,739	14,738	81,205	71,249	9,956
903	Customer Record and Collection Expenses	245,351	178,486	66,865	235,668	201,614	34,054
904	Uncollectible Accounts	262,512	157,579	104,933	275,203	153,537	121,666
905	Miscellaneous Customer Accounts Expense	3,022	3,462	(440)	567	3,446	(2,879)
908	Customer Assistance Expense	7,826	9,095	(1,269)	7,829	8,976	(1,147)
909	Informational and Instructional Expenses	35,637	0	35,637	1,683	0	1,683
910	Misc. Customer Service and Information Exp.	35,390	20,521	14,869	33,121	20,193	12,928
911	Supervision	(564)	10,122	(10,686)	44	11,901	(11,857)
912	Demonstrating and Selling Expenses	0	10	(10)	0	7	(7)
913	Advertising Expenses	(37)	0	(37)	0	2	(2)
916	Miscellaneous Sales Expenses	175,332	83,139	92,193	119,691	50,354	69,337
920	Administrative and General Salaries	231,676	144,415	87,261	249,382	219,828	29,554
921	Office Supplies and Expenses	60,019	50,038	9,981	86,080	66,879	19,201
922	Administrative Expenses Transferred - Credit	(4,498)	(147)	(4,351)	(2,193)	(1,266)	(927)
923	Outside Services Employed	252,860	48,953	203,907	42,483	90,141	(47,658)
924	Property Insurance	49,000	0	49,000	49,000	0	49,000
925	Injuries and Damages	27,611	7,183	20,428	264,467	(462,015)	726,482
926	Employee Pension and Benefits	294,792	229,472	65,320	279,217	245,459	33,758
928	Regulatory Commission Expenses	54,847	348,430	(293,583)	54,769	31,671	23,098
929	Duplicate Charges - Credit	(23,061)	(8,231)	(14,830)	(23,484)	(5,376)	(18,108)
930	Miscellaneous General Expenses	11,727	1,883	9,844	27,351	16,357	10,994
931	Rents	144,774	81,538	63,236	179,581	86,049	93,532
935	Maintenance of General Plant	28,599	19,207	9,392	15,128	14,830	298

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 5 OF 14
WITNESS RESPONSIBLE:
W D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	November 2005			December 2005		
		Base	Prior	Variance	Base	Prior	Variance
401	Non-Reg Charges	0	0	0	0	0	0
403	Depreciation Expenses	804,710	754,301	50,409	810,198	755,546	54,652
404	Amortization Expenses	92,031	110,066	(18,035)	129,575	109,678	19,897
408	Taxes Other Than Income Taxes	239,138	228,887	10,251	169,405	352,413	(183,008)
409	Current Income Taxes	(2,154,661)	(1,835,138)	(319,523)	244,322	(4,745,137)	4,989,459
410	Deferred Income Taxes - Deferrals	1,440,781	1,209,517	231,264	614,089	869,655	(255,566)
411	Deferred Income Taxes - Writebacks	(72,671)	1,003,183	(1,075,854)	(3,749,966)	(480,111)	(3,269,855)
421	Power Trading Reserve-MTM Gain	0	0	0	0	0	0
426	Power Trading Reserve-MTM Loss	0	0	0	0	0	0
440	Residential Sales	6,604,539	6,149,980	454,559	9,415,030	8,922,451	492,579
442	Commercial and Industrial Sales	9,162,329	8,696,425	465,904	10,050,510	9,553,755	496,755
444	Public Street and Highway Lighting	96,539	125,231	(28,692)	144,571	125,311	19,260
445	Other Sales to Public Authorities	1,291,900	1,322,229	(30,329)	1,447,657	1,364,605	83,052
447	Sales for Resale	0	0	0	0	0	0
448	Interdepartmental Sales	17,275	6,950	10,325	19,513	6,328	13,185
451	Miscellaneous Service Revenues	10,361	95,390	(85,029)	102,761	4,487	98,274
454	Rent from Electric Property	8,935	5,620	3,315	8,976	5,561	3,415
456	Other Electric Revenues	22,882	22,783	99	18,006	23,888	(5,882)
500	Operation Supervision and Engineering	150	0	150	0	0	0
501	Fuel	0	0	0	0	0	0
502	Steam Expenses	0	0	0	133	0	133
505	Electric Expenses	0	0	0	0	0	0
506	Miscellaneous Steam Power Expenses	(110)	0	(110)	119	0	119
507	Rents	0	0	0	0	0	0
509	Allowance	0	0	0	0	0	0
510	Maintenance Supervision and Engineering	0	0	0	0	0	0
511	Maintenance of Structures	0	0	0	0	0	0
512	Maintenance of Boiler Plant	0	0	0	45	0	45
513	Maintenance of Electric Plant	123	0	123	(158)	0	(158)
514	Maintenance of Misc. Steam Plant	0	0	0	0	0	0
546	Operation Supervision and Engineering	0	0	0	0	0	0
547	Fuel - Other Power Generation	0	0	0	0	0	0
548	Generation Expenses	0	0	0	0	0	0
549	Misc. Other Power Generation Expenses	0	0	0	0	0	0
551	Maintenance Supervision and Engineering	0	0	0	0	0	0
552	Maintenance of Structures	0	0	0	0	0	0
553	Maint. of Generating and Electric Plant	0	0	0	0	0	0
554	Maint. of Misc. and Other Power Generation Plant	0	0	0	0	0	0
555	Purchased Power	10,605,853	11,709,945	(1,104,092)	16,481,665	13,994,724	2,486,941
556	System Control and Load Dispatching	0	0	0	2,084	3	2,081
557	Other Expenses	0	0	0	0	0	0
560	Operation Supervision and Engineering	3,754	2,503	1,251	86,851	(708)	87,559
561	Load Dispatching	68,996	76,233	(7,237)	78,450	82,212	(3,762)
562	Station Expenses	1,025	173	852	541	27	514
563	Overhead Lines Expenses	3,663	332	3,331	4,182	1,803	2,379
565	Transmission of Electricity by Others	1,085,867	1,153,881	(68,014)	1,244,694	1,394,495	(149,801)
566	Miscellaneous Transmission Expenses	488,601	18,412	470,189	183,605	(16,514)	200,119
567	Rents	77	77	0	77	77	0
568	Maintenance Supervision and Engineering	1,778	765	1,013	1,829	824	1,005

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 6 OF 14
WITNESS RESPONSIBLE:
WD WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	November 2005			December 2005		
		Base	Prior	Variance	Base	Prior	Variance
569	Maintenance of Structures	129	1,016	(887)	(327)	2,733	(3,060)
570	Maintenance of Station Equipment	11,464	2,124	9,340	(5,507)	4,817	(10,324)
571	Maintenance of Overhead Lines	6,228	5,778	450	4,404	4,489	(85)
573	Maint. of Miscellaneous Transmission Plant	0	222	(222)	183	3,761	(3,578)
575	Billings-Mkt Admin & Monitoring & Compliance	0	0	0	0	0	0
580	Operation Supervision and Engineering	27,396	23,054	4,342	19,238	19,252	(14)
581	Load Dispatching	14,829	16,056	(1,227)	10,888	10,039	849
582	Station Expenses	3,219	86	3,133	1,579	82	1,497
583	Overhead Lines Expenses	24,130	20,405	3,725	7,489	(43,127)	50,616
584	Underground Lines Expenses	(108)	10,840	(10,948)	17,961	(20,138)	38,099
585	Street Lighting and Signal System Expenses	0	0	0	132	0	132
586	Meter Expenses	(3,280)	(3,891)	611	9,236	2,395	6,841
587	Customer Installation Expenses	33,888	24,464	9,424	35,824	26,798	9,026
588	Miscellaneous Expenses	12,992	10,853	2,139	55,467	8,979	46,488
589	Rents	41,244	41,244	0	41,244	41,244	0
590	Maintenance Supervision and Engineering	14,533	11,295	3,238	12,966	9,906	3,060
591	Maintenance of Structures	1,491	2,465	(974)	2,821	3,128	(307)
592	Maintenance of Station Equipment	8,332	8,579	(247)	55,708	5,736	49,972
593	Maintenance of Overhead Lines	245,222	817,789	(572,567)	212,770	572,971	(360,201)
594	Maintenance of Underground Lines	13,934	8,474	5,460	15,957	13,961	1,996
595	Maintenance of Line Transformers	7,618	10,667	(3,049)	6,955	9,573	(2,618)
596	Maint. of Street Lighting and Signal Systems	14,631	4,862	9,769	12,407	1,150	11,257
597	Maintenance of Meters	15,077	12,691	2,386	12,330	10,337	1,993
598	Maintenance of Miscellaneous Distribution Plant	1,690	2,681	(991)	67,440	53,835	13,605
901	Supervision	4,824	11,044	(6,220)	2,654	74,094	(71,440)
902	Meter Reading Expenses	88,585	70,192	18,393	91,256	74,424	16,832
903	Customer Record and Collection Expenses	237,420	355,940	(118,520)	370,301	206,103	164,198
904	Uncollectible Accounts	(77,381)	212,879	(290,260)	1,198,695	339,459	859,236
905	Miscellaneous Customer Accounts Expense	366	2,413	(2,047)	68,076	110,381	(42,305)
908	Customer Assistance Expense	7,650	8,752	(1,102)	5,865	6,196	(331)
909	Informational and Instructional Expenses	22,157	0	22,157	48,955	0	48,955
910	Misc. Customer Service and Information Exp.	63,011	26,668	36,343	78,352	36,763	41,589
911	Supervision	6,176	11,298	(5,122)	61	17,233	(17,172)
912	Demonstrating and Selling Expenses	0	11	(11)	0	8	(8)
913	Advertising Expenses	32	4,652	(4,620)	1,262	93	1,169
916	Miscellaneous Sales Expenses	102,082	(1,121,021)	1,223,103	175,633	81,954	93,679
920	Administrative and General Salaries	427,679	184,540	243,139	207,075	262,767	(55,692)
921	Office Supplies and Expenses	186,654	81,647	105,007	(34,023)	222,808	(256,831)
922	Administrative Expenses Transferred - Credit	(661)	(494)	(167)	(279)	(2,362)	2,083
923	Outside Services Employed	(41,797)	125,579	(167,376)	(401,379)	109,926	(511,305)
924	Property Insurance	49,000	0	49,000	49,000	0	49,000
925	Injuries and Damages	17,002	14,828	2,174	(31,172)	30,402	(61,574)
926	Employee Pension and Benefits	266,360	210,745	55,615	149,830	(184,140)	333,970
928	Regulatory Commission Expenses	174,093	31,671	142,422	(134,010)	31,671	(165,681)
929	Duplicate Charges - Credit	(32,479)	(6,154)	(26,325)	(52,316)	(6,274)	(46,042)
930	Miscellaneous General Expenses	151,883	7,850	144,033	(135,917)	32,532	(168,449)
931	Rents	135,698	71,586	64,112	25,709	132,541	(106,832)
935	Maintenance of General Plant	29,356	26,666	2,690	40,700	38,324	2,376

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 7 OF 14
WITNESS RESPONSIBLE:
WD WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	January 2006			February 2006		
		Base	Prior	Variance	Base	Prior	Variance
401	Non-Reg Charges	0	0	0	0	(50)	50
403	Depreciation Expenses	2,266,646	748,967	1,517,679	2,268,827	749,854	1,518,973
404	Amortization Expenses	100,947	110,383	(9,436)	103,734	109,327	(5,593)
408	Taxes Other Than Income Taxes	586,600	242,419	344,181	618,253	245,821	372,432
409	Current Income Taxes	1,876,142	(308,674)	2,184,816	248,663	(185,376)	434,039
410	Deferred Income Taxes - Deferrals	12,270,252	437,647	11,832,605	(10,776,219)	431,475	(11,207,694)
411	Deferred Income Taxes - Writebacks	(2,185,334)	(222,751)	(1,962,583)	4,137,901	(215,771)	4,353,672
421	Power Trading Reserve-MTM Gain	0	0	0	0	0	0
426	Power Trading Reserve-MTM Loss	0	0	0	0	0	0
440	Residential Sales	7,730,135	8,301,046	(570,911)	7,610,342	7,193,724	416,618
442	Commercial and Industrial Sales	9,115,633	9,041,714	73,919	8,972,023	8,872,948	99,075
444	Public Street and Highway Lighting	57,293	128,613	(71,320)	194,478	125,876	68,602
445	Other Sales to Public Authorities	1,234,451	1,271,843	(37,392)	1,285,164	1,267,441	17,723
447	Sales for Resale	2,594,820	0	2,594,820	1,858,013	0	1,858,013
448	Interdepartmental Sales	21,122	7,423	13,699	17,976	10,131	7,845
451	Miscellaneous Service Revenues	9,177	5,096	4,081	8,761	11,157	(2,396)
454	Rent from Electric Property	159,507	5,502	154,005	159,489	(503,744)	663,233
456	Other Electric Revenues	467,733	23,573	444,160	1,013,534	24,020	989,514
500	Operation Supervision and Engineering	155,028	0	155,028	161,086	0	161,086
501	Fuel	6,484,404	0	6,484,404	6,295,673	0	6,295,673
502	Steam Expenses	810,095	0	810,095	779,665	0	779,665
505	Electric Expenses	67,528	0	67,528	52,753	0	52,753
506	Miscellaneous Steam Power Expenses	121,245	0	121,245	216,127	0	216,127
507	Rents	38,730	0	38,730	38,730	0	38,730
509	Allowance	125,458	0	125,458	696,336	0	696,336
510	Maintenance Supervision and Engineering	57,343	0	57,343	66,041	0	66,041
511	Maintenance of Structures	103,377	0	103,377	71,089	0	71,089
512	Maintenance of Boiler Plant	528,771	0	528,771	417,379	0	417,379
513	Maintenance of Electric Plant	36,343	62	36,281	103,975	0	103,975
514	Maintenance of Misc. Steam Plant	64,295	0	64,295	73,085	0	73,085
546	Operation Supervision and Engineering	30,327	0	30,327	29,145	0	29,145
547	Fuel - Other Power Generation	330,005	0	330,005	517,675	0	517,675
548	Generation Expenses	32,629	0	32,629	33,092	0	33,092
549	Misc. Other Power Generation Expenses	63,104	0	63,104	49,203	0	49,203
551	Maintenance Supervision and Engineering	533	0	533	2,291	0	2,291
552	Maintenance of Structures	5,149	0	5,149	2,404	0	2,404
553	Maint. of Generating and Electric Plant	22,143	0	22,143	24,191	0	24,191
554	Maint. of Misc. and Other Power Generation Plant	953	0	953	5,412	0	5,412
555	Purchased Power	1,141,767	14,123,135	(12,981,368)	331,431	12,578,499	(12,247,068)
556	System Control and Load Dispatching	1,543	0	1,543	2,096	1	2,095
557	Other Expenses	129	0	129	29	0	29
560	Operation Supervision and Engineering	3,498	5,521	(2,023)	3,720	2,250	1,470
561	Load Dispatching	32,102	90,313	(58,211)	51,365	76,305	(24,940)
562	Station Expenses	66	181	(115)	43	39	4
563	Overhead Lines Expenses	1,050	1,554	(504)	747	1,135	(388)
565	Transmission of Electricity by Others	951,277	1,413,937	(462,660)	1,026,731	1,178,411	(151,680)
566	Miscellaneous Transmission Expenses	51,317	26,872	24,445	52,953	20,744	32,209
567	Rents	161,225	77	161,148	161,225	77	161,148
568	Maintenance Supervision and Engineering	1,794	2,020	(226)	1,974	1,789	185

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 8 OF 14
WITNESS RESPONSIBLE:
W.D. WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	January 2006			February 2006		
		Base	Prior	Variance	Base	Prior	Variance
569	Maintenance of Structures	205	996	(791)	73	3,894	(3,821)
570	Maintenance of Station Equipment	14,553	8,425	6,128	11,668	8,233	3,435
571	Maintenance of Overhead Lines	4,957	4,609	348	4,758	6,632	(1,874)
573	Maint. of Miscellaneous Transmission Plant	0	255	(255)	0	291	(291)
575	Billings-Mkt Admin & Monitoring & Compliance	0	0	0	0	0	0
580	Operation Supervision and Engineering	23,628	23,308	320	17,401	20,146	(2,745)
581	Load Dispatching	16,550	13,838	2,712	12,908	15,041	(2,133)
582	Station Expenses	727	418	309	3,595	322	3,273
583	Overhead Lines Expenses	18,334	26,536	(8,202)	22,990	19,100	3,890
584	Underground Lines Expenses	7,718	10,276	(2,558)	9,426	9,004	422
585	Street Lighting and Signal System Expenses	0	0	0	282	0	282
586	Meter Expenses	9,837	17,834	(7,997)	(21,999)	58,095	(80,094)
587	Customer Installation Expenses	33,650	27,612	6,038	30,718	28,196	2,522
588	Miscellaneous Expenses	15,554	7,839	7,715	14,123	9,641	4,482
589	Rents	41,244	41,244	0	41,244	41,244	0
590	Maintenance Supervision and Engineering	17,791	15,388	2,403	18,932	14,676	4,256
591	Maintenance of Structures	6,631	2,747	3,884	3,793	3,901	(108)
592	Maintenance of Station Equipment	10,595	10,061	534	12,375	3,070	9,305
593	Maintenance of Overhead Lines	149,328	49,537	99,791	194,258	44,819	149,439
594	Maintenance of Underground Lines	3,865	18,271	(14,406)	2,490	13,465	(10,975)
595	Maintenance of Line Transformers	6,268	10,935	(4,667)	11,750	10,172	1,578
596	Maint. of Street Lighting and Signal Systems	14,174	4,185	9,989	112,339	4,384	107,955
597	Maintenance of Meters	13,428	9,324	4,104	13,326	6,243	7,083
598	Maintenance of Miscellaneous Distribution Plant	1,465	1,592	(127)	2,830	1,809	1,021
901	Supervision	2,637	11,511	(8,874)	2,811	13,203	(10,392)
902	Meter Reading Expenses	87,447	67,714	19,733	77,325	64,220	13,105
903	Customer Record and Collection Expenses	158,121	163,329	(5,208)	288,807	172,559	116,248
904	Uncollectible Accounts	298,447	307,171	(8,724)	290,233	259,785	30,448
905	Miscellaneous Customer Accounts Expense	581	4,053	(3,472)	604	3,958	(3,354)
908	Customer Assistance Expense	7,587	7,822	(235)	7,292	7,788	(496)
909	Informational and Instructional Expenses	631	0	631	5,095	0	5,095
910	Misc. Customer Service and Information Exp	38,888	26,209	12,679	33,168	18,136	15,032
911	Supervision	13	17,599	(17,586)	650	8,717	(8,067)
912	Demonstrating and Selling Expenses	0	0	0	0	0	0
913	Advertising Expenses	47	0	47	231	0	231
916	Miscellaneous Sales Expenses	189,912	131,306	58,606	152,389	104,916	47,473
920	Administrative and General Salaries	595,455	210,729	384,726	1,391,923	244,600	1,147,323
921	Office Supplies and Expenses	247,324	171,506	75,818	114,175	70,643	43,532
922	Administrative Expenses Transferred - Credit	(639)	(46)	(593)	(185)	(72)	(113)
923	Outside Services Employed	52,395	40,758	11,637	179,502	101,867	77,635
924	Property Insurance	49,000	0	49,000	49,000	0	49,000
925	Injuries and Damages	30,553	(90,498)	121,051	32,414	22,383	10,031
926	Employee Pension and Benefits	707,463	248,576	458,887	682,305	232,005	450,300
928	Regulatory Commission Expenses	48,384	45,551	2,833	43,526	45,551	(2,025)
929	Duplicate Charges - Credit	(49,056)	(5,028)	(44,028)	(39,006)	(6,685)	(32,321)
930	Miscellaneous General Expenses	63,201	10,675	52,526	(164)	4,738	(4,902)
931	Rents	218,130	94,466	123,664	211,812	102,538	109,274
935	Maintenance of General Plant	34,906	16,433	18,473	42,875	20,095	22,780

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 9 OF 14
WITNESS RESPONSIBLE:
W.D. WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	March 2006			April 2006		
		Base	Prior	Variance	Base	Prior	Variance
401	Non-Reg Charges	0	0	0	0	0	0
403	Depreciation Expenses	2,274,379	749,716	1,524,663	2,277,986	777,555	1,500,431
404	Amortization Expenses	101,650	109,366	(7,716)	101,032	93,011	8,021
408	Taxes Other Than Income Taxes	530,316	236,026	294,290	664,032	96,779	567,253
409	Current Income Taxes	576,221	(236,116)	812,337	(1,838,525)	(1,973,756)	135,231
410	Deferred Income Taxes - Deferrals	866,197	468,443	397,754	970,262	478,725	491,537
411	Deferred Income Taxes - Writebacks	249,294	(272,899)	522,193	354,485	(475,779)	830,264
421	Power Trading Reserve-MTM Gain	39,371	0	39,371	(13,030)	0	(13,030)
426	Power Trading Reserve-MTM Loss	0	0	0	0	0	0
440	Residential Sales	7,332,870	7,542,938	(210,068)	6,006,430	5,981,302	25,128
442	Commercial and Industrial Sales	9,818,250	9,631,062	187,188	9,178,391	9,038,539	139,852
444	Public Street and Highway Lighting	85,616	132,579	(46,963)	159,388	125,341	34,047
445	Other Sales to Public Authorities	1,423,333	1,389,360	33,973	1,283,449	1,260,281	23,168
447	Sales for Resale	2,651,534	0	2,651,534	2,805,462	0	2,805,462
448	Interdepartmental Sales	19,094	6,974	12,120	19,728	4,625	15,103
451	Miscellaneous Service Revenues	11,385	6,622	4,763	16,312	10,160	6,152
454	Rent from Electric Property	170,235	5,544	164,691	160,274	8,883	151,391
456	Other Electric Revenues	285,323	24,794	260,529	773,688	22,931	750,757
500	Operation Supervision and Engineering	164,259	0	164,259	222,642	0	222,642
501	Fuel	6,941,883	0	6,941,883	5,253,665	0	5,253,665
502	Steam Expenses	747,698	0	747,698	564,613	0	564,613
505	Electric Expenses	59,370	0	59,370	64,602	0	64,602
506	Miscellaneous Steam Power Expenses	202,443	0	202,443	220,533	196	220,337
507	Rents	38,730	0	38,730	38,730	0	38,730
509	Allowance	721,770	0	721,770	934,373	0	934,373
510	Maintenance Supervision and Engineering	93,024	0	93,024	59,441	0	59,441
511	Maintenance of Structures	124,282	0	124,282	126,791	0	126,791
512	Maintenance of Boiler Plant	494,594	0	494,594	1,211,549	0	1,211,549
513	Maintenance of Electric Plant	54,397	0	54,397	110,562	1,698	108,864
514	Maintenance of Misc. Steam Plant	56,506	0	56,506	49,952	0	49,952
546	Operation Supervision and Engineering	31,639	0	31,639	15,608	0	15,608
547	Fuel - Other Power Generation	318,676	0	318,676	760,663	0	760,663
548	Generation Expenses	33,197	0	33,197	34,222	0	34,222
549	Misc. Other Power Generation Expenses	49,680	0	49,680	22,787	0	22,787
551	Maintenance Supervision and Engineering	3,756	0	3,756	217	0	217
552	Maintenance of Structures	2,199	0	2,199	1,557	0	1,557
553	Maint. of Generating and Electric Plant	33,286	0	33,286	10,905	38	10,867
554	Maint. of Misc. and Other Power Generation Plant	331	0	331	2,165	0	2,165
555	Purchased Power	209,191	12,799,240	(12,590,049)	4,637,394	11,675,417	(7,038,023)
556	System Control and Load Dispatching	1,782	0	1,782	2,810	298	2,512
557	Other Expenses	61	0	61	3,552	0	3,552
560	Operation Supervision and Engineering	4,479	2,433	2,046	4,124	2,587	1,537
561	Load Dispatching	137,966	84,039	53,927	90,716	72,732	17,984
562	Station Expenses	52	987	(935)	73	(882)	955
563	Overhead Lines Expenses	885	1,350	(465)	1,067	1,611	(544)
565	Transmission of Electricity by Others	880,906	1,214,872	(333,966)	845,938	1,059,875	(213,937)
566	Miscellaneous Transmission Expenses	56,976	16,593	40,383	438	18,849	(18,411)
567	Rents	161,225	77	161,148	161,225	77	161,148
568	Maintenance Supervision and Engineering	2,467	1,656	811	1,493	1,831	(338)

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 10 OF 14
WITNESS RESPONSIBLE:
W D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	March 2006			April 2006		
		Base	Prior	Variance	Base	Prior	Variance
569	Maintenance of Structures	411	744	(333)	174	334	(160)
570	Maintenance of Station Equipment	2,583	4,370	(1,787)	7,364	8,691	(1,327)
571	Maintenance of Overhead Lines	6,054	5,045	1,009	4,875	20,405	(15,530)
573	Maint. of Miscellaneous Transmission Plant	0	315	(315)	0	0	0
575	Billings-Mkt Admin & Monitoring & Compliance	0	0	0	0	0	0
580	Operation Supervision and Engineering	28,037	22,493	5,544	22,589	25,676	(3,087)
581	Load Dispatching	16,844	15,522	1,322	15,000	15,435	(435)
582	Station Expenses	3,584	1,671	1,913	2,627	953	1,674
583	Overhead Lines Expenses	22,202	18,089	4,113	33,688	26,581	7,107
584	Underground Lines Expenses	23,778	9,423	14,355	6,075	10,550	(4,475)
585	Street Lighting and Signal System Expenses	370	154	216	177	0	177
586	Meter Expenses	(60,585)	(15,024)	(45,561)	12,139	11,186	953
587	Customer Installation Expenses	34,235	29,767	4,468	36,098	23,244	12,854
588	Miscellaneous Expenses	14,177	11,086	3,091	13,687	15,735	(2,048)
589	Rents	41,244	41,244	0	41,244	41,244	0
590	Maintenance Supervision and Engineering	21,928	16,359	5,569	16,288	18,900	(2,612)
591	Maintenance of Structures	1,060	1,040	20	721	4,870	(4,149)
592	Maintenance of Station Equipment	16,269	26,538	(10,269)	6,030	32,811	(26,781)
593	Maintenance of Overhead Lines	307,201	191,926	115,275	232,871	133,999	98,872
594	Maintenance of Underground Lines	10,140	14,120	(3,980)	10,804	14,727	(3,923)
595	Maintenance of Line Transformers	11,381	7,748	3,633	8,703	5,391	3,312
596	Maint. of Street Lighting and Signal Systems	13,442	5,593	7,849	16,072	14,359	1,713
597	Maintenance of Meters	16,795	9,053	7,742	14,636	13,009	1,627
598	Maintenance of Miscellaneous Distribution Plant	2,712	2,984	(272)	3,578	0	3,578
901	Supervision	3,104	(12,064)	15,168	1,481	3,014	(1,533)
902	Meter Reading Expenses	100,044	62,999	37,045	85,022	93,592	(8,570)
903	Customer Record and Collection Expenses	333,234	244,358	88,876	240,915	163,265	77,650
904	Uncollectible Accounts	208,003	264,174	(56,171)	120,431	247,250	(126,819)
905	Miscellaneous Customer Accounts Expense	736	3,176	(2,440)	610	1,314	(704)
908	Customer Assistance Expense	8,744	7,374	1,370	7,344	9,552	(2,208)
909	Informational and Instructional Expenses	25,787	0	25,787	21	108	(87)
910	Misc. Customer Service and Information Exp.	40,908	24,804	16,104	32,292	30,893	1,399
911	Supervision	1,819	12,642	(10,823)	59	2,309	(2,250)
912	Demonstrating and Selling Expenses	0	5	(5)	0	0	0
913	Advertising Expenses	23	0	23	0	2,861	(2,861)
916	Miscellaneous Sales Expenses	146,153	152,565	(6,412)	113,522	115,098	(1,576)
920	Administrative and General Salaries	363,079	373,074	(9,995)	671,723	177,532	494,191
921	Office Supplies and Expenses	172,898	81,685	91,213	379,500	59,342	320,158
922	Administrative Expenses Transferred - Credit	(90)	(1,240)	1,150	(126)	(81)	(45)
923	Outside Services Employed	355,920	99,422	256,498	(297,705)	82,315	(380,020)
924	Property Insurance	49,000	0	49,000	0	78,171	(78,171)
925	Injuries and Damages	41,793	18,863	22,930	3,608	14,296	(10,688)
926	Employee Pension and Benefits	838,341	268,061	570,280	759,980	249,898	510,082
928	Regulatory Commission Expenses	33,079	(85,708)	118,787	43,527	41,659	1,868
929	Duplicate Charges - Credit	(42,548)	(6,240)	(36,308)	(38,011)	(16,007)	(22,004)
930	Miscellaneous General Expenses	(93,453)	23,946	(117,399)	2,389	36,941	(34,552)
931	Rents	371,047	90,569	280,478	166,051	157,079	8,972
935	Maintenance of General Plant	38,945	24,268	14,677	25,296	17,158	8,138

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2005
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2 2
PAGE 11 OF 14
WITNESS RESPONSIBLE:
W D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	May 2006			June 2006		
		Base	Prior	Variance	Base	Prior	Variance
401	Non-Reg Charges	0	0	0	0	0	0
403	Depreciation Expenses	2,283,948	763,957	1,519,991	2,292,732	770,534	1,522,198
404	Amortization Expenses	137,535	87,610	49,925	136,773	86,754	50,019
408	Taxes Other Than Income Taxes	626,261	491,115	135,146	440,223	282,493	157,730
409	Current Income Taxes	(931,978)	(983,442)	51,464	(866,452)	1,307,903	(2,174,355)
410	Deferred Income Taxes - Deferrals	883,536	459,761	423,775	929,443	541,936	387,507
411	Deferred Income Taxes - Writebacks	211,365	160,801	50,564	1,055,245	26,460	1,028,785
421	Power Trading Reserve-MTM Gain	(25,037)	0	(25,037)	(1,304)	0	(1,304)
426	Power Trading Reserve-MTM Loss	0	0	0	(319,235)	0	(319,235)
440	Residential Sales	5,777,980	6,024,209	(246,229)	8,308,047	9,534,322	(1,226,275)
442	Commercial and Industrial Sales	10,124,342	9,927,576	196,766	10,889,952	10,949,763	(59,811)
444	Public Street and Highway Lighting	107,785	124,490	(16,705)	72,543	123,896	(51,353)
445	Other Sales to Public Authorities	1,520,111	1,493,828	26,283	1,523,884	1,519,812	4,072
447	Sales for Resale	614,194	0	614,194	2,942,593	0	2,942,593
448	Interdepartmental Sales	17,820	7,602	10,218	13,016	10,354	2,662
451	Miscellaneous Service Revenues	14,682	9,412	5,270	27,157	12,649	14,508
454	Rent from Electric Property	161,024	8,981	152,043	157,776	9,025	148,751
456	Other Electric Revenues	(255,812)	21,345	(277,157)	(344,443)	27,459	(371,902)
500	Operation Supervision and Engineering	177,605	0	177,605	218,888	0	218,888
501	Fuel	5,380,357	0	5,380,357	6,820,492	0	6,820,492
502	Steam Expenses	869,261	0	869,261	1,124,468	0	1,124,468
505	Electric Expenses	73,587	0	73,587	63,916	0	63,916
506	Miscellaneous Steam Power Expenses	125,817	179	125,638	149,406	442	148,964
507	Rents	38,730	0	38,730	38,730	0	38,730
509	Allowance	394,177	0	394,177	1,205,295	0	1,205,295
510	Maintenance Supervision and Engineering	110,229	0	110,229	80,360	0	80,360
511	Maintenance of Structures	116,021	0	116,021	147,604	0	147,604
512	Maintenance of Boiler Plant	2,305,226	0	2,305,226	1,090,574	0	1,090,574
513	Maintenance of Electric Plant	376,860	27	376,833	183,234	0	183,234
514	Maintenance of Misc. Steam Plant	77,193	0	77,193	80,989	0	80,989
546	Operation Supervision and Engineering	14,038	0	14,038	18,089	0	18,089
547	Fuel - Other Power Generation	277,875	0	277,875	486,490	0	486,490
548	Generation Expenses	31,908	0	31,908	45,266	0	45,266
549	Misc. Other Power Generation Expenses	23,157	0	23,157	34,581	0	34,581
551	Maintenance Supervision and Engineering	598	0	598	734	0	734
552	Maintenance of Structures	8,766	0	8,766	8,092	0	8,092
553	Maint. of Generating and Electric Plant	42,703	0	42,703	45,987	0	45,987
554	Maint. of Misc. and Other Power Generation Plant	2,198	0	2,198	1,909	0	1,909
555	Purchased Power	(434,063)	12,078,025	(12,512,088)	3,282,870	16,182,177	(12,899,307)
556	System Control and Load Dispatching	2,773	0	2,773	2,219	458	1,761
557	Other Expenses	2,854	0	2,854	3,656	0	3,656
560	Operation Supervision and Engineering	34,868	2,855	32,013	23,566	3,903	19,663
561	Load Dispatching	128,468	83,312	45,156	90,070	98,809	(8,739)
562	Station Expenses	2,650	2,304	346	5,022	2,694	2,328
563	Overhead Lines Expenses	643	301	342	556	310	246
565	Transmission of Electricity by Others	884,730	1,074,888	(190,158)	1,500,858	1,866,043	(365,185)
566	Miscellaneous Transmission Expenses	951	19,133	(18,182)	693	27,658	(26,965)
567	Rents	161,225	77	161,148	161,225	77	161,148
568	Maintenance Supervision and Engineering	1,852	2,135	(283)	1,884	2,073	(189)

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO 2005-XXX
COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 12 OF 14
WITNESS RESPONSIBLE:
W D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	May 2006			June 2006		
		Base	Prior	Variance	Base	Prior	Variance
569	Maintenance of Structures	911	0	911	737	221	516
570	Maintenance of Station Equipment	6,059	4,769	1,290	2,907	7,481	(4,574)
571	Maintenance of Overhead Lines	7,169	37,197	(30,028)	6,059	4,813	1,246
573	Maint. of Miscellaneous Transmission Plant	0	0	0	0	(5)	5
575	Billings-Mkt Admin & Monitoring & Compliance	75,857	0	75,857	70,153	0	70,153
580	Operation Supervision and Engineering	24,778	27,689	(2,911)	18,778	27,542	(8,764)
581	Load Dispatching	20,521	13,206	7,315	1,407	15,837	(14,430)
582	Station Expenses	3,306	1,055	2,251	19,579	2,350	17,229
583	Overhead Lines Expenses	58,146	28,873	29,273	56,564	43,334	13,230
584	Underground Lines Expenses	7,635	17,390	(9,755)	10,575	16,167	(5,592)
585	Street Lighting and Signal System Expenses	0	885	(885)	291	490	(199)
586	Meter Expenses	(10,962)	(748)	(10,214)	(20,779)	11,786	(32,565)
587	Customer Installation Expenses	34,138	28,776	5,362	33,755	29,603	4,152
588	Miscellaneous Expenses	16,186	22,848	(6,662)	15,004	16,824	(1,820)
589	Rents	41,244	41,244	0	41,244	41,244	0
590	Maintenance Supervision and Engineering	19,295	19,869	(574)	20,981	20,870	111
591	Maintenance of Structures	1,729	1,900	(171)	2,165	969	1,196
592	Maintenance of Station Equipment	19,045	102,917	(83,872)	17,897	18,387	(490)
593	Maintenance of Overhead Lines	350,782	348,599	2,183	322,967	485,376	(162,409)
594	Maintenance of Underground Lines	9,437	6,597	2,840	24,131	18,310	5,821
595	Maintenance of Line Transformers	8,251	12,410	(4,159)	8,236	5,824	2,412
596	Maint. of Street Lighting and Signal Systems	11,358	14,702	(3,344)	(80,458)	14,622	(95,080)
597	Maintenance of Meters	13,961	9,761	4,200	16,014	15,316	698
598	Maintenance of Miscellaneous Distribution Plant	563	2,265	(1,702)	877	194	683
901	Supervision	2,035	3,008	(973)	2,871	4,839	(1,968)
902	Meter Reading Expenses	93,379	85,225	8,154	95,556	88,876	6,680
903	Customer Record and Collection Expenses	289,309	226,307	63,002	344,419	213,165	131,254
904	Uncollectible Accounts	137,287	205,949	(68,662)	166,967	238,689	(71,722)
905	Miscellaneous Customer Accounts Expense	587	1,969	(1,382)	601	2,285	(1,684)
908	Customer Assistance Expense	7,310	8,763	(1,453)	7,383	8,151	(768)
909	Informational and Instructional Expenses	518	1,339	(821)	1,529	412	1,117
910	Misc. Customer Service and Information Exp.	36,335	30,864	5,471	30,767	28,143	2,624
911	Supervision	118	2,498	(2,380)	27	2,130	(2,103)
912	Demonstrating and Selling Expenses	0	0	0	0	0	0
913	Advertising Expenses	0	8,544	(8,544)	0	3,722	(3,722)
916	Miscellaneous Sales Expenses	89,040	212,069	(123,029)	119,057	9,661	109,396
920	Administrative and General Salaries	487,357	311,354	176,003	180,626	85,937	94,689
921	Office Supplies and Expenses	472,704	190,861	281,843	224,690	114,211	110,479
922	Administrative Expenses Transferred - Credit	(1,280)	(879)	(401)	(100)	(945)	845
923	Outside Services Employed	223,328	130,226	93,102	347,728	569,530	(221,802)
924	Property Insurance	314,188	49,000	265,188	157,094	49,000	108,094
925	Injuries and Damages	48,808	65,515	(16,707)	23,807	68,564	(44,757)
926	Employee Pension and Benefits	942,287	284,274	658,013	745,624	307,958	437,666
928	Regulatory Commission Expenses	47,553	44,578	2,975	48,818	44,578	4,240
929	Duplicate Charges - Credit	(27,389)	(11,986)	(15,403)	(19,600)	(15,406)	(4,194)
930	Miscellaneous General Expenses	120,128	11,725	108,403	80,899	146,307	(65,408)
931	Rents	177,967	113,839	64,128	246,391	158,977	87,414
935	Maintenance of General Plant	20,897	26,240	(5,343)	33,092	19,740	13,352

THE UNION LIGHT, HEAT AND POWER COMPANY
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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 13 OF 14
WITNESS RESPONSIBLE:
W D. WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

Account	Description	July 2006			August 2006		
		Base	Prior	Variance	Base	Prior	Variance
401	Non-Reg Charges	0	0	0	0	0	0
403	Depreciation Expenses	2,306,791	782,478	1,524,313	2,341,932	786,829	1,555,103
404	Amortization Expenses	136,773	86,328	50,445	134,347	86,328	48,019
408	Taxes Other Than Income Taxes	596,129	222,821	373,308	573,313	171,915	401,398
409	Current Income Taxes	(55,444)	1,331,533	(1,386,977)	1,869,888	2,089,229	(219,341)
410	Deferred Income Taxes - Deferrals	867,701	447,171	420,530	(535,983)	(4,217,511)	3,681,528
411	Deferred Income Taxes - Writebacks	(53,078)	(344,831)	291,753	(3,586,794)	(984,772)	(2,602,022)
421	Power Trading Reserve-MTM Gain	253,446	0	253,446	(253,446)	0	(253,446)
426	Power Trading Reserve-MTM Loss	319,235	0	319,235	0	0	0
440	Residential Sales	10,173,692	11,258,703	(1,085,011)	11,080,159	11,404,333	(324,174)
442	Commercial and Industrial Sales	11,313,070	11,528,284	(215,214)	12,601,702	11,784,979	816,723
444	Public Street and Highway Lighting	124,776	123,709	1,067	157,077	123,948	33,129
445	Other Sales to Public Authorities	1,504,122	1,493,468	10,654	1,714,503	1,879,617	(165,114)
447	Sales for Resale	1,622,510	0	1,622,510	2,764,520	0	2,764,520
448	Interdepartmental Sales	1,191	13,304	(12,113)	1,088	14,257	(13,169)
451	Miscellaneous Service Revenues	(798)	9,874	(10,672)	12,162	9,259	2,903
454	Rent from Electric Property	170,815	8,959	161,856	168,855	144,145	24,710
456	Other Electric Revenues	90,873	28,816	62,057	56,828	24,379	32,449
500	Operation Supervision and Engineering	149,274	0	149,274	262,029	0	262,029
501	Fuel	7,229,656	0	7,229,656	7,314,252	0	7,314,252
502	Steam Expenses	889,698	0	889,698	861,698	0	861,698
505	Electric Expenses	36,415	0	36,415	82,239	0	82,239
506	Miscellaneous Steam Power Expenses	71,122	162	70,960	160,689	170	160,519
507	Rents	38,730	0	38,730	38,730	0	38,730
509	Allowance	1,421,996	0	1,421,996	1,592,361	0	1,592,361
510	Maintenance Supervision and Engineering	46,145	0	46,145	81,334	0	81,334
511	Maintenance of Structures	83,754	0	83,754	119,792	0	119,792
512	Maintenance of Boiler Plant	889,677	0	889,677	321,213	0	321,213
513	Maintenance of Electric Plant	137,907	0	137,907	34,998	0	34,998
514	Maintenance of Misc. Steam Plant	44,599	0	44,599	81,701	0	81,701
546	Operation Supervision and Engineering	7,681	0	7,681	15,492	0	15,492
547	Fuel - Other Power Generation	443,795	0	443,795	2,319,905	0	2,319,905
548	Generation Expenses	17,904	0	17,904	80,955	0	80,955
549	Misc. Other Power Generation Expenses	28,076	0	28,076	41,129	0	41,129
551	Maintenance Supervision and Engineering	7,077	0	7,077	(327)	0	(327)
552	Maintenance of Structures	6,438	0	6,438	8,321	0	8,321
553	Maint. of Generating and Electric Plant	11,845	0	11,845	36,457	0	36,457
554	Maint. of Misc. and Other Power Generation Plant	130	0	130	3,281	0	3,281
555	Purchased Power	4,138,796	17,760,621	(13,621,825)	4,845,001	17,382,303	(12,537,302)
556	System Control and Load Dispatching	3,471	178	3,293	2,743	(100)	2,843
557	Other Expenses	10,299	0	10,299	5,043	0	5,043
560	Operation Supervision and Engineering	11,386	3,739	7,647	4,592	4,028	564
561	Load Dispatching	309,203	108,703	200,500	(175,590)	104,612	(280,202)
562	Station Expenses	3,908	4,443	(535)	5,342	2,283	3,059
563	Overhead Lines Expenses	448	435	13	524	997	(473)
565	Transmission of Electricity by Others	1,398,133	1,817,172	(419,039)	1,689,324	1,569,605	119,719
566	Miscellaneous Transmission Expenses	474	26,899	(26,425)	713	28,694	(27,981)
567	Rents	161,225	77	161,148	161,225	77	161,148
568	Maintenance Supervision and Engineering	1,084	1,895	(811)	2,907	2,172	735

THE UNION LIGHT, HEAT AND POWER COMPANY
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FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
AND THE TWELVE MONTHS ENDED AUGUST 31, 2005

SCHEDULE C-2.2
PAGE 14 OF 14
WITNESS RESPONSIBLE:
W D WATHEN

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

Account	Description	July 2006			August 2006		
		Base	Prior	Variance	Base	Prior	Variance
569	Maintenance of Structures	537	656	(119)	1,313	753	560
570	Maintenance of Station Equipment	4,451	3,384	1,067	9,752	2,935	6,817
571	Maintenance of Overhead Lines	4,488	4,490	(2)	6,953	11,586	(4,633)
573	Maint. of Miscellaneous Transmission Plant	0	0	0	0	0	0
575	Billings-Mkt Admin & Monitoring & Compliance	75,979	0	75,979	69,367	0	69,367
580	Operation Supervision and Engineering	11,140	28,999	(17,859)	22,077	28,018	(5,941)
581	Load Dispatching	2,568	15,639	(13,071)	2,319	15,431	(13,112)
582	Station Expenses	9,367	9,944	(577)	25,108	3,907	21,201
583	Overhead Lines Expenses	13,546	29,005	(15,459)	62,046	36,915	25,131
584	Underground Lines Expenses	771	7,900	(7,129)	27,675	14,249	13,426
585	Street Lighting and Signal System Expenses	31	0	31	0	0	0
586	Meter Expenses	3,428	6,746	(3,318)	14,823	(3,293)	18,116
587	Customer Installation Expenses	21,665	37,824	(16,159)	45,357	37,559	7,798
588	Miscellaneous Expenses	10,249	16,170	(5,921)	22,040	19,003	3,037
589	Rents	41,244	41,244	0	41,244	41,244	0
590	Maintenance Supervision and Engineering	16,128	19,912	(3,784)	10,005	11,110	(1,105)
591	Maintenance of Structures	1,110	1,807	(697)	2,815	2,040	775
592	Maintenance of Station Equipment	7,516	21,050	(13,534)	15,990	20,146	(4,156)
593	Maintenance of Overhead Lines	160,850	118,478	42,372	254,149	121,744	132,405
594	Maintenance of Underground Lines	11,259	19,915	(8,656)	45,451	17,626	27,825
595	Maintenance of Line Transformers	6,079	13,114	(7,035)	8,314	8,991	(677)
596	Maint. of Street Lighting and Signal Systems	9,164	13,159	(3,995)	25,822	14,456	11,366
597	Maintenance of Meters	8,318	17,985	(9,667)	21,135	19,506	1,629
598	Maintenance of Miscellaneous Distribution Plant	674	5,323	(4,649)	1,310	557	753
901	Supervision	2,146	2,986	(840)	2,207	3,098	(891)
902	Meter Reading Expenses	53,212	83,682	(30,470)	117,028	92,706	24,322
903	Customer Record and Collection Expenses	194,540	210,991	(16,451)	282,647	304,926	(22,279)
904	Uncollectible Accounts	198,159	299,466	(101,307)	189,536	(168,772)	358,308
905	Miscellaneous Customer Accounts Expense	603	6,700	(6,097)	25	586	(561)
908	Customer Assistance Expense	4,187	7,894	(3,707)	11,857	9,176	2,681
909	Informational and Instructional Expenses	10,066	11,883	(1,817)	5,584	0	5,584
910	Misc. Customer Service and Information Exp	20,606	28,031	(7,425)	24,368	32,014	(7,646)
911	Supervision	892	2,047	(1,155)	85	(3)	88
912	Demonstrating and Selling Expenses	0	0	0	0	0	0
913	Advertising Expenses	0	1,805	(1,805)	0	287	(287)
916	Miscellaneous Sales Expenses	153,985	201,493	(47,508)	177,419	218,729	(41,310)
920	Administrative and General Salaries	535,704	212,780	322,924	443,247	249,821	193,426
921	Office Supplies and Expenses	294,762	35,884	258,878	404,364	104,660	299,704
922	Administrative Expenses Transferred - Credit	(1,697)	(583)	(1,114)	(1,242)	(1,670)	428
923	Outside Services Employed	(12,410)	34,841	(47,251)	93,693	107,066	(13,373)
924	Property Insurance	(190,174)	49,000	(239,174)	70,277	49,000	21,277
925	Injuries and Damages	141,549	34,172	107,377	106,645	20,982	85,663
926	Employee Pension and Benefits	766,318	305,877	460,441	656,322	237,972	418,350
928	Regulatory Commission Expenses	50,295	45,501	4,794	48,154	54,769	(6,615)
929	Duplicate Charges - Credit	(1,145)	(17,901)	16,756	(1,112)	(19,321)	18,209
930	Miscellaneous General Expenses	54,365	6,177	48,188	37,834	6,325	31,509
931	Rents	161,632	106,278	55,354	159,153	100,931	58,222
935	Maintenance of General Plant	19,707	22,580	(2,873)	39,730	(5,866)	45,596

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE D-1
PAGE 1 OF 8
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ELEMENT of OPERATING INCOME SCHEDULE REFERENCE	TOTAL SCHEDULE D-1	TOTAL ADJ TO BASE PERIOD SCH D-1, PG. 2	TOTAL PRO FORMA ADJ. TO FORECASTED PERIOD SCH D-1, PG. 5
1	Operating Revenue			
2	Base	1,010,187	(1,181,471)	2,191,658
3	Fuel Cost Revenue	(65,176,951)	35,594,668	(100,771,619)
4	Other Revenue	(21,804,111)	(4,612,914)	(17,191,197)
5	Total Revenue	<u>(85,970,875)</u>	<u>29,800,283</u>	<u>(115,771,158)</u>
6				
7	Operating Expenses			
8	Operation and Maint. Expenses			0
9	Production Expenses			
10	Fuel and Purchased Power Expense	(128,764,673)	(14,872,298)	(113,892,375)
11	Other Production Expense	30,995,937	22,891,580	8,104,357
12	Total Production Expense	<u>(97,768,736)</u>	<u>8,019,282</u>	<u>(105,788,018)</u>
13				
14	Transmission Expense	(1,156,371)	1,654,080	(2,810,451)
15	Distribution Expense	795,091	757,991	37,100
16	Customer Accounts Expense	(2,123,117)	292,650	(2,415,767)
17	Customer Serv & Info Expense	(610,697)	(36,575)	(574,122)
18	Sales Expense	(1,724,425)	298,051	(2,022,476)
19	Admin & General Expense	2,626,902	5,266,442	(2,639,540)
20	Other	969,645	2,703	966,942
21	Total Oper and Maint Expenses	<u>(98,991,708)</u>	<u>16,254,624</u>	<u>(115,246,332)</u>
22				
23	Depreciation Expense	10,260,289	9,670,303	589,986
24				
25	Taxes Other Than Income Taxes			0
26	Other Federal Taxes	793,156	793,156	
27	State and Other Taxes	1,485,015	1,448,360	36,655
28	Total Taxes Other Than Income Tax	<u>2,278,171</u>	<u>2,241,516</u>	<u>36,655</u>
29				
30	State Income Taxes			
31	Normal and Surtax	(9)	764,606	(764,615)
32	Deferred Inc Tax - Net	(1,061,058)	(1,495,592)	434,534
33	Total State Income Tax Expense	<u>(1,061,067)</u>	<u>(730,986)</u>	<u>(330,081)</u>
34				
35	Federal Income Taxes			
36	Normal and Surtax	(837,037)	3,476,939	(4,313,976)
37	Deferred Inc Tax - Net	(1,574,330)	(4,011,963)	2,437,633
38	Amortization of Investment Tax Credit	25,417	25,417	0
39	Total Federal Income Tax Expense	<u>(2,385,950)</u>	<u>(509,607)</u>	<u>(1,876,343)</u>
40				
41	Total Oper. Expenses and Tax	<u>(89,900,265)</u>	<u>26,925,850</u>	<u>(116,826,115)</u>
42				
43	AFUDC Offset	373,481	0	373,481
44				
45	Net Operating Income	<u>4,302,871</u>	<u>2,874,433</u>	<u>1,428,438</u>

CHECK SCH C-2

DUKE ENERGY KENTUCKY
CASE NO 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
ADJUSTMENTS TO THE BASE PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE D-1
PAGE 2 OF 8
WITNESS RESPONSIBLE:
W D WATHEN

LINE NO.	ELEMENT of OPERATING INCOME	SCHEDULE REFERENCE	TOTAL	ADJUST	ADJUST	ADJUST	RESERVED	ADJUST
			ADJ TO BASE PERIOD	REVENUE	FUEL & PURCH. POWER COST	OTHER PROD. EXP.		TRANSMISSION EXPENSE
			D-2.1 thru D-2.14	D-2.1	D-2.2	D-2.3	D-2.4	D-2.5
1	Operating Revenue							
2	Base		(1,181,471)	(1,181,471)				
3	Fuel Cost Revenue		35,594,668	35,594,668				
4	Other Revenue		(4,612,914)	(4,612,914)				
5	Total Revenue		29,800,283	29,800,283	0	0	0	0
6								
7	Operating Expenses							
8	Operation and Maint Expenses							
9	Production Expenses							
10	Fuel and Purchased Power Expense		(14,872,298)		(14,872,298)			
11	Other Production Expense		22,891,580			22,891,580		
12	Total Production Expense		8,019,282	0	(14,872,298)	22,891,580	0	0
13								
14	Transmission Expense		1,654,080					1,654,080
15	Distribution Expense		757,991					
16	Customer Accounts Expense		292,650					
17	Customer Serv & Info Expense		(36,575)					
18	Sales Expense		298,051					
19	Admin & General Expense		5,266,442					
20	Other		2,703					
21	Total Oper and Maint Expenses		16,254,624	0	(14,872,298)	22,891,580	0	1,654,080
22								
23	Depreciation Expense		9,670,303	0	0	0	0	0
24								
25	Taxes Other Than Income Taxes							
26	Other Federal Taxes		793,156					
27	State and Other Taxes		1,448,360					
28	Total Taxes Other Than Income Tax		2,241,516	0	0	0	0	0
29								
30	State Income Taxes							
31	Normal and Surtax		764,606	2,086,020	1,041,061	(1,602,411)	0	(115,786)
32	Deferred Inc Tax - Net		(1,495,592)					
33	Total State Income Tax Expense		(730,986)	2,086,020	1,041,061	(1,602,411)	0	(115,786)
34								
35	Federal Income Taxes							
36	Normal and Surtax		3,476,939	9,699,992	4,840,933	(7,451,209)	0	(538,403)
37	Deferred Inc Tax - Net		(4,011,963)					
38	Amortization of Investment Tax Credit		25,417					
39	Total Federal Income Tax Expense		(509,607)	9,699,992	4,840,933	(7,451,209)	0	(538,403)
40								
41	Total Oper Expenses and Tax		26,925,850	11,786,012	(8,990,304)	13,837,960	0	999,891
42								
43	AFUDC Offset		0	0	0	0	0	0
44								
45	Net Operating Income		2,874,433	18,014,271	8,990,304	(13,837,960)	0	(999,891)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
ADJUSTMENTS TO THE BASE PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE D-1
PAGE 3 OF 8
WITNESS RESPONSIBLE:
W D WATHEN

LINE NO.	ELEMENT of OPERATING INCOME	ADJUST DISTRIBUTION EXPENSE	ADJUST CUSTOMER ACCOUNTS EXP.	ADJUST CUST SERV & INFO. EXP.	ADJUST SALES EXPENSE	ADJUST A&G EXPENSE	ADJUST OTHER OPER EXPENSE
	SCHEDULE REFERENCE	D-2.6	D-2.7	D-2.8	D-2.9	D-2.10	D-2.11
1	Operating Revenue						
2	Base						
3	Fuel Cost Revenue						
4	Other Revenue						
5	Total Revenue	0	0	0	0	0	0
6							
7	Operating Expenses						
8	Operation and Maint Expenses						
9	Production Expenses						
10	Fuel and Purchased Power Expense						
11	Other Production Expense						
12	Total Production Expense	0	0	0	0	0	0
13							
14	Transmission Expense						
15	Distribution Expense	757,991					
16	Customer Accounts Expense		292,650				
17	Customer Serv & Info Expense			(36,575)			
18	Sales Expense				298,051		
19	Admin & General Expense					5,266,442	
20	Other						2,703
21	Total Oper and Maint Expenses	757,991	292,650	(36,575)	298,051	5,266,442	2,703
22							
23	Depreciation Expense						
24							
25	Taxes Other Than Income Taxes						
26	Other Federal Taxes						
27	State and Other Taxes						
28	Total Taxes Other Than Income Tax	0	0	0	0	0	0
29							
30	State Income Taxes						
31	Normal and Surtax	(53,059)	(20,486)	2,560	(20,864)	(368,651)	(189)
32	Deferred Inc Tax - Net						
33	Total State Income Tax Expense	(53,059)	(20,486)	2,560	(20,864)	(368,651)	(189)
34							
35	Federal Income Taxes						
36	Normal and Surtax	(246,726)	(95,257)	11,905	(97,015)	(1,714,227)	(880)
37	Deferred Inc Tax - Net						
38	Amortization of Investment Tax Credit						
39	Total Federal Income Tax Expense	(246,726)	(95,257)	11,905	(97,015)	(1,714,227)	(880)
40							
41	Total Oper Expenses and Tax	458,206	176,907	(22,110)	180,172	3,183,564	1,634
42							
43	AFUDC Offset	0	0	0	0	0	0
44							
45	Net Operating Income	(458,206)	(176,907)	22,110	(180,172)	(3,183,564)	(1,634)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
ADJUSTMENTS TO THE BASE PERIOD
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
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SCHEDULE D-1
PAGE 4 OF 8
WITNESS RESPONSIBLE:
W D WATHEN

LINE NO.	ELEMENT of OPERATING INCOME	ADJUST DEPRECIATION EXPENSE D-2.12	ADJUST OTHER TAX EXP. D-2.13	ADJUST INCOME TAXES D-2.14
1	Operating Revenue			
2	Base			
3	Fuel Cost Revenue			
4	Other Revenue			
5	Total Revenue	0	0	0
6				
7	Operating Expenses			
8	Operation and Maint. Expenses			
9	Production Expenses			
10	Fuel and Purchased Power Expense			
11	Other Production Expense			
12	Total Production Expense	0	0	0
13				
14	Transmission Expense			
15	Distribution Expense			
16	Customer Accounts Expense			
17	Customer Serv & Info Expense			
18	Sales Expense			
19	Admin & General Expense			
20	Other			
21	Total Oper and Maint Expenses	0	0	0
22				
23	Depreciation Expense	9,670,303	0	0
24				
25	Taxes Other Than Income Taxes			
26	Other Federal Taxes		793,156	
27	State and Other Taxes		1,448,360	
28	Total Taxes Other Than Income Tax	0	2,241,516	0
29				
30	State Income Taxes			
31	Normal and Surtax	(676,921)	(156,906)	650,238
32	Deferred Inc Tax - Net			(1,495,592)
33	Total State Income Tax Expense	(676,921)	(156,906)	(845,354)
34				
35	Federal Income Taxes			
36	Normal and Surtax	(3,147,684)	(729,614)	2,945,124
37	Deferred Inc Tax - Net			(4,011,963)
38	Amortization of Investment Tax Credit			25,417
39	Total Federal Income Tax Expense	(3,147,684)	(729,614)	(1,041,422)
40				
41	Total Oper Expenses and Tax	5,845,698	1,354,996	(1,886,776)
42				
43	AFUDC Offset	0	0	0
44				
45	Net Operating Income	(5,845,698)	(1,354,996)	1,886,776

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATE: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
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SCHEDULE D-1
PAGE 5 OF 8
WITNESS RESPONSIBLE:
W D WATHEN

LINE NO.	ELEMENT of OPERATING INCOME	TOTAL PRO FORMA ADJUSTMENTS SCHEDULE REFERENCE	AMORTIZATION OF DEFERRED EXPENSES D-2.15	RATE CASE EXPENSE D-2.16	AFFILIATED COMPANY RENTS D-2.17	INTEREST EXPENSE D-2.18	ELIMINATE NON-NATIVE SALES D-2.19
1	Operating Revenue						
2	Base	2,191,658					
3	Fuel Cost Revenue	(100,771,619)					
4	Other Revenue	(17,191,197)			48,780		(17,670,012)
5	Total Revenue	(115,771,158)	0	0	48,780	0	(17,670,012)
6							
7	Operating Expenses						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Fuel and Purchased Power Expense	(113,892,375)					(10,930,572)
11	Other Production Expense	8,104,357					(2,327,094)
12	Total Production Expense	(105,788,018)	0	0	0	0	(13,257,666)
13							
14	Transmission Expense	(2,810,451)					
15	Distribution Expense	37,100			38,724		
16	Customer Accounts Expense	(2,415,767)			268		(97,055)
17	Customer Serv & Info Expense	(574,122)					
18	Sales Expense	(2,022,476)					
19	Admin. & General Expense	(2,639,540)					
20	Other	966,942	806,020	78,333			
21	Total Oper and Maint Expenses	(115,246,332)	806,020	78,333	38,992	0	(13,354,721)
22							
23	Depreciation Expense	589,986	0	0	0	0	0
24							
25	Taxes Other Than Income Taxes						
26	Other Federal Taxes	0					
27	State and Other Taxes	36,655			81		(29,509)
28	Total Taxes Other Than Income Tax	36,655	0	0	81	0	(29,509)
29							
30	State Income Taxes						
31	Normal and Surtax	(764,615)	(46,749)	(4,543)	563	(179,280)	(248,575)
32	Deferred Inc Tax - Net	434,534					
33	Total State Income Tax Expense	(330,081)	(46,749)	(4,543)	563	(179,280)	(248,575)
34							
35	Federal Income Taxes						
36	Normal and Surtax	(4,313,976)	(265,745)	(25,827)	3,200	(1,019,112)	(1,413,022)
37	Deferred Inc Tax - Net	2,437,633					
38	Amortization of Investment Tax Credit	0					
39	Total Federal Income Tax Expense	(1,876,343)	(265,745)	(25,827)	3,200	(1,019,112)	(1,413,022)
40							
41	Total Oper. Expenses and Tax	(116,826,115)	493,526	47,963	42,836	(1,198,392)	(15,045,827)
42							
43	AFUDC Offset	373,481	0	0	0	0	0
44							
45	Net Operating Income	1,428,438	(493,526)	(47,963)	5,944	1,198,392	(2,624,185)

DUKE ENERGY KENTUCKY
CASE NO 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
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SCHEDULE D-1
PAGE 6 OF 8
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ELEMENT of OPERATING INCOME	AFUDC OFFSET D-2.20	DSM ELIMINATION D-2.21	ELIMINATE MISCELLANEOUS EXPENSES D-2.22	ANNUALIZE DEPRECIATION D-2.23	ELIMINATE UNBILLED REVENUE D-2.24	BACK-UP POWER AGREEMENT D-2.25
	SCHEDULE REFERENCE						
1	Operating Revenue						
2	Base		(2,018,144)			(90,983)	
3	Fuel Cost Revenue						
4	Other Revenue						
5	Total Revenue	0	(2,018,144)	0	0	(90,983)	0
6							
7	Operating Expenses						
8	Operation and Maint. Expenses						
9	Production Expenses						
10	Fuel and Purchased Power Expense			(472)			10,431,923
11	Other Production Expense						
12	Total Production Expense	0	0	(472)	0	0	10,431,923
13							
14	Transmission Expense			(202)			
15	Distribution Expense			(1,624)			
16	Customer Accounts Expense		(11,085)	(17,453)		(500)	
17	Customer Serv & Info Expense			(206,796)			
18	Sales Expense		(2,018,144)	(4,332)			
19	Admin & General Expense			(129,507)			
20	Other						
21	Total Oper and Maint Expenses	0	(2,029,229)	(360,386)	0	(500)	10,431,923
22							
23	Depreciation Expense				227,766		
24							
25	Taxes Other Than Income Taxes						
26	Other Federal Taxes					(152)	
27	State and Other Taxes		(3,370)				
28	Total Taxes Other Than Income Tax	0	(3,370)	0	0	(152)	0
29							
30	State Income Taxes						
31	Normal and Surtax	0	838	20,902	0	(5,239)	(605,052)
32	Deferred Inc Tax - Net				(13,210)		
33	Total State Income Tax Expense	0	838	20,902	(13,210)	(5,239)	(605,052)
34							
35	Federal Income Taxes						
36	Normal and Surtax	0	4,766	118,819	0	(29,782)	(3,439,405)
37	Deferred Inc Tax - Net				(75,095)		
38	Amortization of Investment Tax Credit						
39	Total Federal Income Tax Expense	0	4,766	118,819	(75,095)	(29,782)	(3,439,405)
40							
41	Total Oper Expenses and Tax	0	(2,026,995)	(220,665)	139,461	(35,673)	6,387,466
42							
43	AFUDC Offset	373,481	0	0	0	0	0
44							
45	Net Operating Income	373,481	8,851	220,665	(139,461)	(55,310)	(6,387,466)

DUKE ENERGY KENTUCKY
CASE NO 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
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SCHEDULE D-1
PAGE 7 OF 8
WITNESS RESPONSIBLE:
W D WATHEN

LINE NO.	ELEMENT of OPERATING INCOME	SCHEDULE REFERENCE	CREDIT FOR DEK'S SHARE OF NITS REV REQ D-2.26	INCENTIVE COMPENSATION D-2.27	UPDATE NETWORK SERVICE RATES D-2.28	INCOME TAX SECTION 199 D-2.29	RECLASSIFY NON-JURIS INCOME TAX D-2.30	ADJUST UNCOLLECTIBLE EXPENSE D-2.31
1	Operating Revenue							
2	Base							
3	Fuel Cost Revenue							
4	Other Revenue							
5	Total Revenue		0	0	0	0		0
6								
7	Operating Expenses							
8	Operation and Maint Expenses							
9	Production Expenses							
10	Fuel and Purchased Power Expense							
11	Other Production Expense							
12	Total Production Expense		0	0	0	0	0	0
13								
14	Transmission Expense		(4,187,956)		1,377,707			
15	Distribution Expense							
16	Customer Accounts Expense							(2,289,942)
17	Customer Serv & Info Expense							
18	Sales Expense							
19	Admin & General Expense			(2,510,033)				
20	Other							
21	Total Oper and Maint Expenses		(4,187,956)	(2,510,033)	1,377,707	0	0	(2,289,942)
22								
23	Depreciation Expense		0	0	0	0	0	0
24								
25	Taxes Other Than Income Taxes							
26	Other Federal Taxes							
27	State and Other Taxes							
28	Total Taxes Other Than Income Tax		0	0	0	0	0	0
29								
30	State Income Taxes							
31	Normal and Surtax		242,901	145,582	(79,907)	(84,017)	(447,744)	132,817
32	Deferred Inc Tax - Net						447,744	
33	Total State Income Tax Expense		242,901	145,582	(79,907)	(84,017)	0	132,817
34								
35	Federal Income Taxes							
36	Normal and Surtax		1,380,769	827,558	(454,230)	(477,591)	(2,512,728)	754,994
37	Deferred Inc Tax - Net						2,512,728	
38	Amortization of Investment Tax Credit							
39	Total Federal Income Tax Expense		1,380,769	827,558	(454,230)	(477,591)	0	754,994
40								
41	Total Oper. Expenses and Tax		(2,564,286)	(1,536,893)	843,570	(561,608)	0	(1,402,131)
42								
43	AFUDC Offset		0	0	0	0	0	0
44								
45	Net Operating Income		2,564,286	1,536,893	(843,570)	561,608	0	1,402,131

DUKE ENERGY KENTUCKY
CASE NO 2006-00172
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO
OPERATING INCOME BY MAJOR ACCOUNTS
PRO FORMA ADJUSTMENTS TO THE FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISIED
WORK PAPER REFERENCE NO(S) : SEE BELOW

SCHEDULE D-1
PAGE 8 OF 8
WITNESS RESPONSIBLE:
W. D. WATHEN

LINE NO.	ELEMENT of OPERATING INCOME	MERGER SAVINGS CREDIT	ELIMINATE NATIVE FUEL REV & EXP	ADJUST BASE & OTHER REVENUE	ADVANCED METERING INITIATIVE	RESERVED FOR FUTURE USE	RESERVED FOR FUTURE USE
	SCHEDULE REFERENCE	D-2.32	D-2.33	D-2.34	D-2.35	D-2.36	D-2.37
1	Operating Revenue						
2	Base	2,044,825		2,255,960			
3	Fuel Cost Revenue		(100,771,619)				
4	Other Revenue			22,965	407,070		
5	Total Revenue	2,044,825	(100,771,619)	2,278,925	407,070		0
6							
7	Operating Expenses						
8	Operation and Maint Expenses						
9	Production Expenses						
10	Fuel and Purchased Power Expense		(102,961,803)				
11	Other Production Expense						
12	Total Production Expense	0	(102,961,803)	0	0	0	0
13							
14	Transmission Expense						
15	Distribution Expense						
16	Customer Accounts Expense						
17	Customer Serv & Info Expense				(367,326)		
18	Sales Expense						
19	Admin & General Expense						
20	Other				82,589		
21	Total Oper and Maint Expenses	0	(102,961,803)	0	(284,737)	0	0
22							
23	Depreciation Expense	0	0	0	362,220	0	0
24							
25	Taxes Other Than Income Taxes						
26	Other Federal Taxes						
27	State and Other Taxes				69,605		
28	Total Taxes Other Than Income Tax	0	0	0	69,605	0	0
29							
30	State Income Taxes						
31	Normal and Surtax	118,600	127,031	132,178	15,079	0	0
32	Deferred Inc Tax - Net						
33	Total State Income Tax Expense	118,600	127,031	132,178	15,079	0	0
34							
35	Federal Income Taxes						
36	Normal and Surtax	674,179	722,104	751,361	85,716	0	0
37	Deferred Inc Tax - Net						
38	Amortization of Investment Tax Credit						
39	Total Federal Income Tax Expense	674,179	722,104	751,361	85,716	0	0
40							
41	Total Oper Expenses and Tax	792,779	(102,112,668)	883,539	247,883	0	0
42							
43	AFUDC Offset	0	0	0	0	0	0
44							
45	Net Operating Income	1,252,046	1,341,049	1,395,386	159,187	0	0

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD REVENUE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.1a

SCHEDULE D-2.1
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period revenue to the level of revenue in the forecasted period.	
Base Revenue	To Sch D-1 Summary <-- \$ (1,181,471)
Fuel Cost Revenue	To Sch D-1 Summary <-- 35,594,668
Other Revenue	To Sch D-1 Summary <-- <u>(4,612,914)</u>
Total Revenue Adjustment	\$ 29,800,283
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u>\$ 29,800,283</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD PURCHASED POWER COST TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.2a

SCHEDULE D-2.2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period purchased power expense to the level of costs in the forecasted period.

Purchased Power Expense	\$ (14,872,298)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (14,872,298)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD OTHER PRODUCTION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.3a

SCHEDULE D-2.3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period other production expenses to the level of expenses in the forecasted period.	
Other Production Expenses	\$ 22,891,580
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 22,891,580</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
RESERVED FOR FUTURE USE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: Reserved for future use.

Reserved Adjustment

\$ -

Jurisdictional allocation percentage (A)

100.000%

Jurisdictional amount

To Sch D-1 Summary <---

\$ 0

(A) Allocation Code -

DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD TRANSMISSION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.5a

SCHEDULE D-2.5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period transmission expenses to the level of expenses in the forecasted period.

Distribution Expenses		\$ 1,654,080
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$ <u>1,654,080</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD DISTRIBUTION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.6a

SCHEDULE D-2.6
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period distribution expenses to the level of expenses in the forecasted period.	
Distribution Expenses	\$ 757,991
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 757,991</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD CUSTOMER ACCOUNTS EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.7a

SCHEDULE D-2.7
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period customer accounts expenses to the level of expenses in the forecasted period.

Customer Accounts Expenses		\$	292,650
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$	<u>292,650</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD CUSTOMER SERVICE & INFORMATION EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.8a

SCHEDULE D-2.8
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period customer service & information expense to the level of expenses in the forecasted period.	
Customer Service & Information Expenses	\$ (36,575)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (36,575)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD SALES EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.9a

SCHEDULE D-2.9
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period sales
expense to the level of expenses in the forecasted period.

Sales Expenses	\$ 298,051
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 298,051</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD A&G EXPENSES TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.10a

SCHEDULE D-2.10
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period A&G expense to the level of expenses in the forecast period.

A&G Expenses \$ 5,266,442

Jurisdictional allocation percentage (A) 100.000%

Jurisdictional amount To Sch D-1 Summary <--- \$ 5,266,442

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST OTHER OPERATING EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.11a

SCHEDULE D-2.11
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period other operating expense to the level in the forecasted period.	
Jobbing Expense	\$ 2,703
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 2,703</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD DEPRECIATION EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.12a

SCHEDULE D-2.12
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period depreciation expense to the level of expenses in the forecasted period.

Depreciation Expense	\$ 9,670,303
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 9,670,303</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE PERIOD OTHER TAX EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):: WPD-2.13a

SCHEDULE D-2.13
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To adjust base period other tax
expense to the level of the forecasted period.

Other Federal Taxes		\$ 793,156
State and Other Taxes		<u>1,448,360</u>
Total Taxes Other than Income Taxes		\$ 2,241,516
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ 2,241,516</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST INCOME TAX EXPENSE TO FORECASTED PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.14a

SCHEDULE D-2.14
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust base period income tax expense to the level of the forecasted period.	
State Income Taxes	
Current	\$ 650,238
Deferrals - Schedule E1	(1,495,592)
Federal Income Taxes - Current	
Current	\$ 2,945,124
Deferrals - Schedule E1	(4,011,963)
Amort of ITC - Schedule E1	<u>25,417</u>
Total Income Taxes	\$ (1,886,776)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (1,886,776)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
AMORTIZATION OF DEFERRED EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.15a

SCHEDULE D-2.15
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To include in operating expense the amortization of deferred expenses.	
Amortization of Deferred Expenses	\$ 806,020
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---- <u>\$ 806,020</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
RATE CASE EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCHEDULE F-6, WPD-2.16a.

SCHEDULE D-2.16
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the estimated cost of presenting this case as reflected on Schedule F-6, amortized over a three year period.

Total		\$	78,333
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	\$	<u>78,333</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE AFFILIATED COMPANY RENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.17a

SCHEDULE D-2.17
PAGE 1 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE and DESCRIPTION: To annualize affiliated company rental revenue and expenses.	
Rental Revenue	\$ 48,780
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 48,780</u>
Rent Expense	\$ 38,724
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 38,724</u>

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE UNCOLLECTIBLE ACCOUNT EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.17a

SCHEDULE D-2.17
PAGE 2 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the change in uncollectible accounts expense at 0.5493% as shown on Schedule H which would result from the change in revenue of \$48,780 as shown on Schedule D-2.17 (Page 1 of 3).	
Total	\$ 268
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>268</u>
(A) Allocation Code - DALL	

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE TAXES OTHER THAN INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.17a

SCHEDULE D-2.17
PAGE 3 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the change in KPSC maintenance tax which would result from the change in revenue of \$48,780 as shown on Schedule D-2.17. (Page 1 of 3) (\$48,780 x 0.167%)	
Total	\$ 81
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 81</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.18a, WPD-2.18b

SCHEDULE D-2.18
PAGE 1 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect federal income taxes at 35% due to interest deductible for tax purposes being based on allocated interest costs based on Proforma interest charges as contained on Schedule J-1.	
Total	\$ (1,019,112)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (1,019,112)</u>
(A) Allocation Code -	DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
INTEREST EXPENSE DEDUCTIBLE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.18a, WPD-2.18b

SCHEDULE D-2.18
PAGE 2 OF 2
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect state income taxes at 5.8% due to interest deductible for tax purposes being based on allocated interest costs based on Proforma interest charges as contained on Schedule J-1.

Total \$ (179,280)

Jurisdictional allocation percentage (A) 100.000%

Jurisdictional amount To Sch D-1 Summary <--- \$ (179,280)

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ELIMINATE NON-NATIVE REVENUE AND EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S).:

SCHEDULE D-2.19
PAGE 1 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of off-system sales revenue and related fuel, emission allowance and other variable expenses.	
Off-System Sales Revenue	\$ (17,670,012)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (17,670,012)</u>
Non-Native Fuel Expense	\$ (10,930,572)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (10,930,572)</u>
Emission Allowances	\$ (1,542,949)
Other Variable Costs	<u>\$ (784,145)</u>
Total Non-Native EA and Other Variable Expense	\$ (2,327,094)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (2,327,094)</u>

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE UNCOLLECTIBLE ACCOUNT EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.19
PAGE 2 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the change in uncollectible accounts expense at 0.5493% as shown on Schedule H which would result from the change in revenue of (\$17,670,012) as shown on Schedule D-2.19 (Page 1 of 3).	
Total	\$ (97,055)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <— \$ <u>(97,055)</u>
(A) Allocation Code - DALL	

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE TAXES OTHER THAN INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.19
PAGE 3 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the change in KPSC maintenance tax which would result from the change in revenue of (\$17,670,012) as shown on Schedule D-2.19.
(Page 1 of 3) ((\$17,670,012) x 0.167%.)

Total \$ (29,509)

Jurisdictional allocation percentage (A) 100.000%

Jurisdictional amount To Sch D-1 Summary <--- \$ (29,509)

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZATION OF AFUDC ASSOCIATED WITH CWIP
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.20a

SCHEDULE D-2.20
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect annualization of AFUDC related to \$4,263,000 CWIP subject to AFUDC for the 13-month average as of December 31, 2007 as shown on Schedule B-4 times the rate of return of 8.761% as shown on Schedule J-1, page 2. Per Commission precedent this adjustment is made to after tax operating income.	
Total	\$ 373,481
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary ← <u>\$ 373,481</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ELIMINATE DSM REVENUE & EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2b

SCHEDULE D-2.21
PAGE 1 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the elimination of revenues and expenses recovered through the DSM rider mechanism.

DSM Revenue		\$ (2,018,144)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ (2,018,144)</u>
DSM Expense		\$ (2,018,144)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ (2,018,144)</u>

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE UNCOLLECTIBLE ACCOUNT EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.21
PAGE 2 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the change in uncollectible accounts expense at 0.5493% as shown on Schedule H which would result from the change in revenue of (\$2,018,144) as shown on Schedule D-2.21 (Page 1 of 3).

Total \$ (11,085)

Jurisdictional allocation percentage (A) 100.000%

Jurisdictional amount To Sch D-1 Summary <--- \$ (11,085)

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE TAXES OTHER THAN INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.21
PAGE 3 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the change in KPSC maintenance tax which would result from the change in revenue of (\$2,018,144) as shown on Schedule D-2.21.
(Page 1 of 3) ((\$2,018,144) x 0.167%.)

Total \$ (3,370)

Jurisdictional allocation percentage (A) 100.000%

Jurisdictional amount To Sch D-1 Summary <--- \$ (3,370)

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ELIMINATE MISCELLANEOUS EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISD
WORK PAPER REFERENCE NO(S): WPD-2.22a

SCHEDULE D-2.22
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To eliminate miscellaneous expenses from the forecasted test period based on past Commission precedent.	
Production Expense	\$ (472)
Transmission Expense	(202)
Distribution Expense	(1,624)
Customer Accounts Expense	(17,453)
Customer Service & Information Expense	(206,796)
Sales Expense	(4,332)
A&G Expense	<u>(129,507)</u>
Total Miscellaneous Expense Adjustment	To Sch D-1 Summary <-- \$ (360,386)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	<u>\$ (360,386)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.23a

SCHEDULE D-2.23
PAGE 1 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the adjustment to annualized depreciation expense as calculated on Schedule B-3.2 based on 13 month average plant at December 31, 2007.

Total		\$	227,766
Jurisdictional allocation percentage (A)			<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary	←	<u>\$ 227,766</u>

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.23b

SCHEDULE D-2.23
PAGE 2 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the adjustment to state deferred taxes as a result of the annualization adjustment for depreciation from Schedule B-3.2 based on plant at December 31, 2007.

State Deferred Tax \$ (13,210)

Jurisdictional allocation percentage (A) 100.000%

Jurisdictional amount To Sch D-1 Summary <--- \$ (13,210)

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.23b

SCHEDULE D-2.23
PAGE 3 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the adjustment to federal deferred taxes as a result of the annualization adjustment for depreciation from Schedule B-3.2 based on plant at December 31, 2007.

Federal Deferred Tax		\$ (75,095)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---	<u>\$ (75,095)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ELIMINATE UNBILLED REVENUE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPC-2b

SCHEDULE D-2.24
PAGE 1 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To eliminate unbilled base revenue.	
Unbilled Base Revenue	\$ (90,983)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (90,983)</u>

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE UNCOLLECTIBLE ACCOUNT EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.24
PAGE 2 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To reflect the change in uncollectible accounts expense at 0.549% as shown on Schedule H which would result from the change in revenue of (\$90,983) as shown on Schedule D-2.24 (Page 1 of 3).

Total \$ (500)

Jurisdictional allocation percentage (A) 100.000%

Jurisdictional amount To Sch D-1 Summary <--- \$ (500)

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ANNUALIZE TAXES OTHER THAN INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.24
PAGE 3 OF 3
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the change in KPSC maintenance tax which would result from the change in revenue of (\$90,983) as shown on Schedule D-2.24. (Page 1 of 3) ((\$90,983) x 0.167%.)	
Total	\$ (152)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(152)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
CAPACITY CHARGE IN BACK-UP POWER SALES AGREEMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): See DFE-1

SCHEDULE D-2.25
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION

AMOUNT

PURPOSE AND DESCRIPTION: To update the monthly capacity charges per the terms of the Back-up Power Sales Agreement.

Other Production Costs

\$10,431,923

Jurisdictional allocation percentage (A)

100.000%

Jurisdictional amount

To Sch D-1 Summary <---

\$ 10,431,923

(A) Allocation Code -

DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
CREDIT FOR DEK'S SHARE OF NITS REVENUE REQUIREMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):: See WDW-3

SCHEDULE D-2.26
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To omit the double recovery of revenue requirement for network service. Based on DEK's share of revenue requirements per the May 2006 Attachment O filing.	
Total	\$ (4,187,956)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(4,187,956)</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
INCENTIVE COMPENSATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.27a

SCHEDULE D-2.27
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
-------------------------	--------

PURPOSE AND DESCRIPTION: To adjust incentive compensation to reflect a sharing of costs between customers and shareholders.

Total		\$ (2,510,033)
Jurisdictional allocation percentage (A)		<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary ←	<u>\$ (2,510,033)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
REFLECT UPDATED NETWORK SERVICE RATES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.28a

SCHEDULE D-2.28
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect updated network integration transmission service rates per May 2006 filing under Attachment O for MISO.	
Transmission Expense	\$1,377,707
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary ← <u>\$ 1,377,707</u>
(A) Allocation Code -	DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
INCOME TAX - SECTION 199
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.29a through WPD-2.29c

SCHEDULE D-2.29
PAGE 1 OF 1
WITNESS RESPONSIBLE:
K. G. BUTLER

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust Income Tax Payable in the Forecasted Period to reflect the IRC Section 199 Manufacturing Deduction.	
State Income Tax - Normal and Surtax	(84,017)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(84,017)</u>
Federal Income Tax - Normal and Surtax	(477,591)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(477,591)</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
RECLASSIFY NON-JURISDICTIONAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.30a

SCHEDULE D-2.30
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To adjust Income Tax Payable and Deferred Income Taxes in the Forecasted Period to reflect the below-the-line writeback of the deferred tax balance transferred to the Company with the generating plants.	
State Income Tax - Normal and Surtax	(447,744)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(447,744)</u>
Federal Income Tax - Normal and Surtax	(2,512,728)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>(2,512,728)</u>
State Income Tax - Deferred	447,744
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>447,744</u>
Federal Income Tax - Deferred	2,512,728
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- \$ <u>2,512,728</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST UNCOLLECTIBLE EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.31a

SCHEDULE D-2.31
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the reclassification of the "time value of money" portion of the total discount expense from uncollectible expense to interest expense.	
Total	\$ (2,289,942)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (2,289,942)</u>

(A) Allocation Code - DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ELIMINATE MERGER SAVINGS CREDIT
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPD-2.32a

SCHEDULE D-2.32
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To eliminate the effect of the merger savings credits that are applicable to ULH&P's customers per the merger settlement agreement approved by the KyPSC in Case No. 2005-00228.	
Total	\$ 2,044,825
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---- \$ <u>2,044,825</u>
(A) Allocation Code -	DALL

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ELIMINATE FUEL REVENUE, FUEL EXPENSE AND PURCHASED POWER EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): SCH-C2.1, WPC-2d

SCHEDULE D-2.33
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reflect the elimination of fuel revenue, fuel expense and purchased power expense applicable to native load customers.	
Fuel Revenue	\$ (100,771,619)
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (100,771,619)</u>
Fuel & Purchase Power Expense	<u>\$ (102,961,803)</u>
Total Fuel and Purchased Power Expense	<u>\$ (102,961,803)</u>
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ (102,961,803)</u>
(A) Allocation Code - - DALL	

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUST BASE & OTHER REVENUE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISD
WORK PAPER REFERENCE NO(S):

SCHEDULE D-2.34
PAGE 1 OF 1
WITNESS RESPONSIBLE:
J. R. BAILEY

PURPOSE AND DESCRIPTION	AMOUNT
PURPOSE AND DESCRIPTION: To reconcile base revenue calculated on Schedule M with base revenue calculated in the budget. See the direct testimony of Jeffrey R. Bailey for a detailed explanation. To reflect the proposed increase in reconnection charge revenue as shown on Schedule M.	
Base Revenue Adjustment	\$ 2,255,960
Reconnection Charges	<u>22,965</u>
Total	\$ 2,278,925
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <---- \$ <u>2,278,925</u>

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
REFLECT IMPLEMENTATION OF ADVANCED METERING INITIATIVE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISD
WORK PAPER REFERENCE NO(S):: WPD-2.35a

SCHEDULE D-2.35
PAGE 1 OF 1
WITNESS RESPONSIBLE:
W. D. WATHEN

PURPOSE AND DESCRIPTION	AMOUNT
<hr/>	
PURPOSE AND DESCRIPTION: To reflect the implementation of an advanced metering initiative.	
Incremental Revenue	\$ 407,070
Customer Service & Informational Expense	(367,326)
Other (Amortization of Implementation Costs)	82,589
Depreciation	362,220
Taxes Other Than Income Taxes - Property Taxes	<u>69,605</u>
Total	\$ 259,982
Jurisdictional allocation percentage (A)	<u>100.000%</u>
Jurisdictional amount	To Sch D-1 Summary <--- <u>\$ 259,982</u>

(A) Allocation Code - DALL

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
SUMMARY OF JURISDICTIONAL FACTORS
OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S)::

SCHEDULE D-3
PAGE 1 OF 1
WITNESS RESPONSIBLE:
P. F. OCHSNER

LINE NO.	ACCOUNT NUMBER	ACCOUNT TITLE	ALLOCATION CODE	JURISDICTIONAL FACTOR %	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
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Not Applicable - 100% Jurisdictional

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
JURISDICTIONAL STATISTICS
OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-4
PAGE 1 OF 1
WITNESS RESPONSIBLE:
P. F. OCHSNER

LINE NO.	ALLOCATION FACTOR	STATISTIC TOTAL COMPANY	STATISTIC FOR RATE AREA	ALLOCATION FACTOR %	WORK PAPER REFERENCE
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Not Applicable - 100% Jurisdictional

NO CHANGE

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES
OPERATING INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE D-5
PAGE 1 OF 1
WITNESS RESPONSIBLE:
P. F. OCHSNER

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	PROCEDURE APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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The procedures used are the same as those used in the Company's prior proceeding, Case No. 91-370.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

SCHEDULE E-1
PAGE 1 OF 3
WITNESS RESPONSIBLE:
K. G. BUTLER

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD (1)	ADJUSTMENTS (2)	FORECAST PERIOD (3)	PRO FORMA ADJ. TO FORECAST (4)	PRO FORMA FORECAST PERIOD (5)	ADJUSTMENTS (6)	ADJUSTED (7)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1	Operating Income before Federal and State Income Taxes	21,258,242	1,636,543	22,894,785	(1,151,467)	21,743,318	46,186,604	67,929,922
4	Reconciling Items:							
4	Interest Changes	(13,294,891)	148,891	(13,146,000)	(3,091,028)	(16,237,028)	0	(16,237,028)
5	Net Interest Charges	(13,294,891)	148,891	(13,146,000)	(3,091,028)	(16,237,028)	0	(16,237,028)
8	Tax Depreciation	(19,300,486)	(9,072,514)	(28,373,000)	12,497,894	(15,875,106)	0	(15,875,106)
9	Book Depreciation	22,911,929	9,670,305	32,582,234	(19,897,760)	12,684,474	0	12,684,474
11	Excess of Tax over Book Depreciation	3,611,443	597,791	4,209,234	(7,399,866)	(3,190,632)	0	(3,190,632)
12	Other Reconciling Items:							
13	Meter Capital Lease Principle Payments	(543,344)	(214,656)	(758,000)	0	(758,000)	0	(758,000)
14	Cost of Removal Adjustment	10,792	(1,529,792)	(1,519,000)	0	(1,519,000)	0	(1,519,000)
15	Amortization of Loss on Reacquired Debt	(1,143,991)	1,267,991	124,000	0	124,000	0	124,000
16	Other Temporary Differences	(4,924,518)	4,924,518	0	0	0	0	0
17	Other Permanent Differences	243,063	(218,063)	25,000	(1,448,562)	(1,423,562)	0	(1,423,562)
18	Total Other Reconciling Items	(6,357,999)	4,229,999	(2,128,000)	(1,448,562)	(3,576,562)	0	(3,576,562)
19	Total Reconciling Items	(16,041,447)	4,976,681	(11,064,766)	(11,939,456)	(23,004,222)	0	(23,004,222)

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b

SCHEDULE E-1
PAGE 2 OF 3
WITNESS RESPONSIBLE:
K. G. BUTLER

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD (1)	ADJUSTMENTS (2)	FORECAST PERIOD (3)	PRO FORMA ADJ. TO FORECAST (4)	PRO FORMA FORECAST PERIOD (5)	ADJUSTMENTS (6)	ADJUSTED (7)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
1	Operating Income before Federal and State Income Tax from Page 1	21,258,242	1,636,543	22,894,785	(1,151,467)	21,743,318	46,186,604	67,929,922
2	Total Reconciling Items from Page 1	(16,041,447)	4,976,681	(11,064,766)	(11,939,456)	(23,004,222)	0	(23,004,222)
3	Federal Taxable Income before State Income Tax to Page 3	5,216,795	6,613,224	11,830,019	(13,090,923)	(1,260,904)	46,186,604	44,925,700
4	Kentucky Income Tax Adjustments:							
5	Kentucky Tax Inc. Adjustment - Misc	(6,507,259)	5,398,259	(1,109,000)	0	(1,109,000)	0	(1,109,000)
6	Total Kentucky Income Tax Adjustments	(6,507,259)	5,398,259	(1,109,000)	0	(1,109,000)	0	(1,109,000)
7	Kentucky Taxable Income - Electric	(1,290,464)	12,011,483	10,721,019	(13,090,923)	(2,369,904)	46,186,604	43,816,700
8	Kentucky Taxable Income - Other	0	0	0	0	0	0	0
9	Total Kentucky Taxable Income	(1,290,464)	12,011,483	10,721,019	(13,090,923)	(2,369,904)	46,186,604	43,816,700
10	Kentucky Income Tax	(100,497)	722,316	621,819	(764,615)	(142,796)	2,678,823	2,536,027
11	Surtax Credit	863	(863)	0	0	0	0	0
12	Ohio Income Tax	7,068	(7,068)	0	0	0	0	0
13	Cincinnati Income Tax	435	(435)	0	0	0	0	0
14	State Income Tax - Deductible to Page 3	(92,131)	713,950	621,819	(764,615)	(142,796)	2,678,823	2,536,027
15	Allocated from the Service Company	1,981	(1,981)	0	0	0	0	0
16	Prior Year Adjustments	(50,656)	50,656	0	0	0	0	0
17	State Income Tax - Current to Page 3	(140,806)	764,606	621,819	(764,615)	(142,796)	2,678,823	2,536,027

(A) Calculation may be different due to rounding.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
ADJUSTED JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2006
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISED
WORK PAPER REFERENCE NO(S): WPE-1a, WPE-1b.

SCHEDULE E-1
PAGE 3 OF 3
WITNESS RESPONSIBLE:
K. G. BUTLER

LINE NO.	DESCRIPTION	AT CURRENT RATES				AT PROPOSED RATES		
		BASE PERIOD (1)	ADJUSTMENTS (2)	FORECAST PERIOD (3)	PRO FORMA ADJ. TO FORECAST (4)	PRO FORMA FORECAST PERIOD (5)	ADJUSTMENTS (6)	ADJUSTED (7)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
1	State Income Tax - Current from Page 2	(140,806)	764,606	621,819	(764,615)	(142,796)	2,678,823	2,536,027
2	Deferred State Income Taxes - Net	1,455,892	(1,495,592)	(39,700)	434,534	394,834	0	394,834
4	Total State Income Tax Expense	1,315,086	(730,986)	582,119	(330,081)	252,038	2,678,823	2,930,861
7	Federal Taxable Income before State Income Tax from Page 2	5,216,795	6,613,224	11,830,019	(13,090,923)	(1,260,904)	46,186,604	44,925,700
10	State Income Tax Deductible from Page 2	(92,131)	713,950	621,819	(764,615)	(142,796)	2,678,823	2,536,027
11	Federal Taxable Income	5,308,926	5,899,274	11,208,200	(12,326,308)	(1,118,108)	43,507,781	42,389,673
13	Federal Income Tax @ 35% (A)	1,859,070	2,063,799	3,922,869	(4,313,976)	(391,107)	15,227,723	14,836,616
14	Interperiod Income Tax Allocation	0	0	0	0	0	0	0
15	Fuel Tax Credit	(996)	996	0	0	0	0	0
16	Prior Year Adjustments	(1,177,404)	1,177,404	0	0	0	0	0
17	Allocated from the Service Company	(234,740)	234,740	0	0	0	0	0
18	Federal Income Tax - Current	445,930	3,476,939	3,922,869	(4,313,976)	(391,107)	15,227,723	14,836,616
19	Deferred Federal Income Taxes - Net	3,448,667	(4,011,963)	(563,296)	2,437,633	1,874,337	0	1,874,337
20	Amortization of Investment Tax Credit	(169,263)	25,417	(143,846)	0	(143,846)	0	(143,846)
22	Total Federal Income Tax Expense	3,725,334	(509,607)	3,215,727	(1,876,343)	1,339,384	15,227,723	16,567,107

(A) Calculation may be different due to rounding.

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES
BEFORE ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

NO CHANGE

DATA: BASE PERIOD "X" FORECASTED PERIOD
TYPE OF FILING: ORIGINAL "X" UPDATED REVISIED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-2
PAGE 1 OF 1
WITNESS RESPONSIBLE:
K. G. BUTLER

LINE NO.	ACCOUNT TITLE	TOTAL UTILITY (1)	JURISDIC- TIONAL % (2)	JURISDICTION (3)	JURISDICTIONAL CODE/EXPLANATION (4)
		(\$)		(\$)	

Not Applicable - 100% Jurisdictional