Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-030

REQUEST:

30. Regarding FASB Statement No. 143, FIN 47, and the FERC NOPR and Order No. 631 in Docket No. RM02-7-000, on a plant account-by-plant account basis, please identify any and all "legal obligations" associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."

RESPONSE:

Duke Energy Kentucky has asset retirement obligations associated with the following assets:

- Asbestos at certain generating stations (associated with plant account 312)
- East Bend Waste Landfill (associated with plant account 311)
- East Bend River Structure (associated with plant account 311)
- East Bend Catalysts in SCRs (associated with plant account 312)
- Gas Mains (associated with plant account 276)

The obligation for asbestos contamination is for future estimated asbestos abatement related to certain generating stations.

The obligation for the East Bend Waste Landfill is to perform the required closure and post-closure activities. Closure activities include covering the landfill with a soil cap, grading, and vegetating the landfill cover. Post-closure activities include groundwater monitoring, fixing erosion, any other landfill maintenance, and grass cutting (for a period of five years).

The obligation for river structures at the East Bend generating station is to either remove them or continue to mark them in accordance with their construction permits upon abandonment.

The obligation for East Bend catalysts in SCRs is for future estimated disposal costs. Catalysts become contaminated with fly ash during use and may be deemed to be Hazardous Waste as a result.

The obligation for gas mains is for future estimated purging, capping, and sealing costs.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-031

REQUEST:

31. For any asset retirement obligations identified above, please provide the "fair value" of the obligation. For the purposes of the question, fair value means "the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction." Provide all assumptions and calculations underlying these amounts.

RESPONSE:

At July 31, 2006, the fair values of the asset retirement obligations discussed in the response to question AG-DR-02-030 were as follows:

- East Bend Asbestos - $114,273
- Miami Fort Unit 6 Asbestos - $473,225
- East Bend Waste Landfill - $951,540
- East Bend River Structure - $79,923
- East Bend Catalysts in SCRs - $170,866
- Gas Mains - $6,528,484

All asset retirement obligations, with the exception of Gas Mains, were transferred from Duke Energy Ohio to Duke Energy Kentucky with the production assets January 1, 2006.

East Bend is a jointly owned facility. The fair values shown are Duke Energy Kentucky ownership shares.

See responses to AG-DR-02-028 and AG-DR-02-029 and Attachment AG-DR-02-031 for assumptions and calculations underlying these amounts.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

CLOSURE/POST CLOSURE COST ESTIMATES
(Based on 2003 Closure)

EAST BEND STATION LANDFILL

BOONE COUNTY, KENTUCKY

Report to
CINERGY CORP.
CINCINNATI, OHIO

Prepared by

BBC&M ENGINEERING, INC.
GEOSCIENCES AND MATERIALS CONSULTANTS
DUBLIN, OHIO

January 2003

BBCM

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January 30, 2003
011-08928-000

Mr. Jim Stieritz
Senior Environmental Scientist
Cinergy Corporation
P.O. Box 960
Cincinnati, Ohio 45201

Re: Closure/Post Closure Cost Estimates (2003 Closure)
East Band Station Landfill
Boone County, Kentucky

Dear Mr. Stieritz:

In accordance with a request from Ms. Christa Barnhart of Cinergy Incorporated, BBC&M Engineering, Inc. is herewith submitting Closure/Post Closure Cost Estimates for the East Bend Station Landfill in Boone County, Kentucky. The estimates were prepared to satisfy internal accounting requirements and are based on the assumption that the landfill would undergo final closure during 2003.

We appreciate the opportunity to be of continued service on this project. If you have any questions regarding the estimates, please do not hesitate to contact our office.

Respectfully submitted,
BBC&M Engineering, Inc.
Dublin, Ohio

M. Lynn McCready
Project Environmental Scientist

Stephen J. Loskota, P.E.
Senior Project Engineer

Enclosures: Closure/PostClosure Cost Estimates (2003 Closure)
cc: 2 copies to Ms. Christa Bernhart Cinergy Inc
1100 East Main Street
Plainfield, Indiana 46168-1782

1.0 INTRODUCTION

The East Bend Station Special Waste Landfill is located approximately 2,000 feet northeast of the East Bend Generating Station in Boone County, Kentucky (the USGS quadrangle map for the site and surrounding area indicating the local topography and adjacent land usages is presented as the Vicinity Map - Plate 1 of Appendix A). East Bend Station is located approximately two miles south of the village of Rabbit Hash, Kentucky. The Special Waste Landfill facility accepts approximately 900,000 cubic yards per year of stabilized Flue Gas Desulfurization (FGD) waste, bottom ash, fly ash and pyrites. The facility has been in operation since 1981 (original permit #008-00006 - last revision dated November 29, 2000) and the remaining anticipated design life (assuming 900,000 cy per year) is estimated to be 10 to 15 years. The landfill is classified by the State of Kentucky as a Special Waste Landfill and is regulated, as such, under 401 KAR Chapter 45.

The Closure/Post Closure Cost Estimates for the East Bend Landfill are presented in accordance with applicable sections of Rules 30: 031, 45:080, 45:100 and 45:110 of Volume 401 in the Kentucky Administrative Record (KAR) and the specific requirements outlined in the East Bend Landfill Permit To Install (PTI) and the current Closure/Post Closure Plan. For estimating purposes, it is assumed that all closure activities will be completed by third-part contractors and consultants. In order to satisfy internal accounting requirements specified by Ms. Christa Barnhart of Cinergy Incorporated, a 2003 closure of the East Bend Landfill was assumed.

Closure/Post Closure estimates were calculated assuming temporary cover was present on approximately 30 acres of the ~~80~~ 10 acres requiring final cover (as indicated on the Site Plan included in Appendix A). It was assumed that existing temporary cover would not be used for final cover, and therefore, would not reduce the volume of final cover. The estimates also assume a five year Post Closure monitoring period (as currently required under KAR 45:110 Section 5). Based on these assumptions, the total cost for Final Closure and Post Closure care at the East Bend Landfill is estimated to be $1,518,400 in current (2003) dollars.

FINAL CLOSURE ESTIMATE	$1,057,900
POST CLOSURE CARE	$ 460,500
TOTAL	$1,518,400

The primary contact for questions regarding the East Bend Station Landfill is:

Mr. James J. Stieritz
Senior Environmental Scientist
Cinergy Corp.
139 East Fourth Street Rm 552-A
Cincinnati, Ohio 45201
Telephone: (513) 287-2269
Email: Jstieritz@cinergy.com

2.0 CLOSURE SCOPE

It is anticipated that landfilling operations will progress systematically (filling the upper elevations of Sequences P-1 through P-11 and all of P-12 through P-16 over the next 10 to 15 years. An exact schedule for commencement and closure of each sequence is difficult to predict due to operational variables.

2.1 Description of Closure Activities

For the purpose of estimating final closure costs, it is assumed that the following closure activities will be required to ensure compliance with the applicable environmental performance standards in 401 KAR 45 and will include:

1) Placement of final cover in all areas of residual waste placement, other than those areas on which final cover has already been placed, which shall consist of the following:

(a) 24 inches of final cover (consisting of the blended soil mixture currently being used at the site), recompacted and properly graded to prevent ponding and erosion. In areas where temporary cover is indicated, it is assumed that any temporary vegetation, if present, will be stripped and final cover will then be applied (approximately four inches of stripping over 30 acres). It is assumed for the purpose of these estimates that suitable cover material will be obtained from on-site borrow areas or, if necessary, adjacent property owned by the permittee. Based on the findings of previous subsurface investigations and information contained in the original permit application, it is believed that adequate amounts of suitable cohesive material and topsoil are available for closure of the landfill facility.

(b) Grading of all land surfaces to prevent ponding of water where residual waste has been placed. It is assumed that the landfill final cover will have a minimum slope of two percent and a maximum slope of 25 percent (or an alternate slope based on stability analyses) and will generally be graded to the final contours shown on the attached Plan Sheet presented in Appendix A (Cinergy Drawing No. 56000S5100) or other suitable grades if final elevations have not been reached. Drainage channels have already been installed surrounding the landfill to direct surface water from the residual waste landfill facility; and,

2)Final closure cost estimates also assume implementation of the following erosion control measures during the closure of the landfill:

(a) erosion and sedimentation control measures will be implemented during final closure in accordance with Best Management Practices (to include installation of silt fences and use of hay bales as necessary);
(b) final grading and surface water drainage channels will provide drainage away from the landfill;
(c) vegetated cover; and,
(d) monthly facility inspections.

The final grades reflect the construction of erosion control benches and concrete surface runoff conveyance systems. Soil that may erode during construction will be settled in the on-site sedimentation pond. It is assumed that this pond will be maintained during the active life of the landfill and the post-closure period.

3)It is also assumed that final vegetation cover consisting of a prescribed mixture of grasses and/or clover will be established over the soil. For the purpose of estimating, the following final cover vegetation species have been chosen for their demonstrated adaptability to grow in a wide range of conditions. The seed mixture and planting rate is specified as follows:

12 lbs./acre Kentucky Blue Grass;
40 lbs./acre Kentucky 31 Fescue;
15 lbs./acre Domestic Rye Grass;
3 lbs./acre White Dutch Clover; and,
For Fall application, 3/4 bushel/acre Winter Rye would be added.

It is assumed that the newly seeded areas would be covered with mulch (straw, hydroseeding mulch or other suitable material). The vegetative cover would be monitored closely after seeding and after major storm events (particularly in the establishment year) and reseeded and/or mulched as necessary.

4) Maintenance of the existing groundwater monitoring system (locations indicated on the Site Plan of Appendix A) in accordance with the specifications of the current Groundwater Monitoring Plan. For estimating purposes, it is assumed that groundwater and surface water monitoring is continued in the same manner, as is currently prescribed, during the Closure and Post Closure periods. The results of the groundwater and surface water monitoring would continue to be reported to the KNREPC twice a year during the Closure/Post Closure periods; and,

5) It is assumed that regular construction monitoring and reporting will continue during the closure period. This cost estimate also assumes some surveying, engineering design work and additional agency reporting/coordination will be required for closure.

Costs associated with legal services that may be required for deed notations or, if necessary, agency negotiations, are not included in this estimate. Additionally, it is assumed that no QA/QC testing will be required for installation of the final cover.

2.2 Schedule of Closure Activities

It is assumed that closure activities will begin promptly and progress steadily until completion of the final closure requirements specified in 401 KAR 45. For the purpose of estimating, it is assumed that construction activities associated with final closure of the East Bend Landfill would be completed in approximately 4 months.

2.3 Closure Cost Estimates

The costs associated with closure activities, final grading, excavation and placement of soil barrier, seeding, mulching, erosion control, maintenance costs and other miscellaneous costs are estimated and summarized below. The detailed cost estimates are included in Appendix B.

Closure Cost Estimate
East Bend Landfill
Cinergy Corp.
Boone County, Kentucky

Engineer's Estimate
(Assumes 2003 Closure 70 Acres)

ITEM	DESCRIPTION	LABOR/MATERIALS	QUANTITY	ITEM TOTAL
1	Mobilization/Demobilization	$ L.S.E.	1	$ 50,000.00
2	Strip Temporary Vegetation	$ 0.50	16,200 c.y.	$ 8,100.00
3	Excavate, Load & Transport Cover	$ 1.50	230,000 c.y.	$ 345,000.00
4	Place & Grade Cover	$ 1.50	230,000 c.y.	$ 345,000.00
5	Concrete Channels	$ 150.00	890 c.y.	$ 133,500.00
6	Erosion Controls (misc.)	$ L.S.E.	1	$ 4,000.00
7	Surveying	$ L.S.E.	1	$ 32,000.00
8	Construction Monitoring	$ L.S.E.	1	$ 32,700.00
9	Seeding & Mulching	$ 0.25	334,500 s.y.	$ 83,600.00
10	Agency Coordination/Final Reporting	$ L.S.E.	1	$ 10,000.00
11	Engineering Design	$ L.S.E.	1	$ 14,000.00
			SUMMATION OF ESTIMATE	**$ 1,057,900.00**

3.0 POST CLOSURE SCOPE

3.1 General Responsibilities

In accordance with 401 KAR 45:080 and the specific requirements of the landfill PTI, after completion of the final closure activities, Cinergy personnel shall conduct post-closure care activities for the East Bend Landfill Facility. A 5 year post-closure care period is specified under 401 KAR 45:110 Section 5.

For estimating purposes it is assumed that the post-closure activities will be performed by qualified third party contractors or professional consultants. However, it is understood that any activities undertaken by third party contractors would be performed under the direct supervision of Cinergy Corp.

3.2 Post-Closure Activities

Post-closure care activities shall include:

(1) Continuing operation and maintenance of the surface water management system, access roads and fencing; and,

(2) Maintaining the integrity and effectiveness of the final cover, including making repairs to the cover as necessary to correct the effects of settling, dead vegetation, subsidence, erosion, or other events, and preventing run-on and runoff from eroding or otherwise damaging the final cover; and,

(3) Monthly inspection of the East Bend Residual Waste Landfill Facility during each year of the post-closure care period and submittal of a written summary to the KNREPC; and,

(4) Fulfilling all semi-annual groundwater/surface water monitoring and monthly inspection reporting.

3.3 Schedule of Post Closure Activities

In accordance with 401 KAR 45:110 the post closure care period will continue for five years. Upon expiration of the five year post-closure period, it is assumed that some final reporting and agency coordination will be required prior to issuance of the final letter from the KNREPC and release of Financial Assurance.

3.5 Post-Closure Cost Estimate

The costs associated with post-closure activities, groundwater monitoring, vegetation control, landfill/road maintenance, inspections/security and reporting are estimated and summarized in the following table. Detailed cost estimates are included in Appendix B.

Post Closure Cost Estimate
East Bend Landfill
Cinergy Corp.
Boone County, Kentucky

Engineer's Estimate
(Based on 5-Year Post Closure Period)

ITEM	DESCRIPTION	LABOR/MATERIALS	QUANTITY	ITEM TOTAL
1	Groundwater Monitoring	$ 3,050.00	10 (2/year)	$ 30,500.00
2	Vegetation Control (mowing)	$ 10,000.00	10 (2/year)	$ 100,000.00
3	Landfill/Road Maintenance	$ 60,000.00	5 (annually)	$ 300,000.00
4	Inspections/Reporting	$ 500.00	60 (monthly)	$ 30,000.00

SUMMATION OF ESTIMATE $ 460,500.00

Project/Proposal No. 011-08928-000CE2	Calculated by: MLM	Date 1-21-03
Project/Proposal Name: East Bend Landfill	Checked by: SJL	Date 1-23-03
Subject: Closure/Post Closure Cost Est.	Sheet 1 of 4	

CLOSURE ESTIMATES
2003 CLOSURE

Assumes: Fill placement at 3,000 yards per day. May through October

$$\frac{230{,}000cy}{3{,}000} = 77days(approximately 4 months)$$

Item 1 Final Cover:

Area (measured by microstation):

A = 3,009,268 S.F.

3,009,268 S.F./43,560 S.F. per acre ≈ 69 acres (say 70 acres)

3,009,268 ÷ 9 = 334,363 sq. yards

Volume (c.y.):

$$V = (3{,}009{,}268ft^2)(24inches.)(\frac{1ft}{12inches})x(\frac{1cy}{27ft^3}) = 222{,}909c.y.$$

+3% = 6,687

Total = 229,596 (say 230,000 c.y.)

Item 2 Temporary Cover

Area (measured by microstation)

A ≈ 30 acres

4 inches stripped

30 x 43560 s.f./area = 1,306,800 s.f. x .333' = 435,164 c.f.

435,164 c.f. / 27 = 16,117 c.y. (say 16,200 c.y.)

16,200 c.y. x 0.50 = $8,100 for stripping

Items 3 & 4

Excavate, Load & Transport Cover

230,000 c.y. soil x $1.50/c.y. = $345,000

Place & Grade

230,000 c.y. soil x $1.50/c.y. = $345,000

Project/Proposal Name: East Bend Landfill	Checked by: SJL	Date 1-23-03
Subject: Closure/Post Closure Cost Est.	Sheet 2 of 4	

Item 5

Concrete Channels

Assumes 1,600' concrete channel
1,600' x 10' width = 16,000 s.f.
16,000 s.f. x 0.5' thickness = 8,000 c.f
8,000 c.f. ÷ 9 = 889 cubic yards (say 890 c.y.)

890 c.y. x $150.00/c.y. = $133,500

Item 6

Erosion Controls

Silt Fence ≈ 750 l.f. x $4.50/l.f. = $3,375
Straw Bales ≈ 100 @ $5.00 ea. = $ 500
$3,875 (say $4,000)

Item 7

Surveying

Assumes 16 weeks
Surveyors 2 times per week = 32 site visits

	8 hours per visit
Crew Chief	256 hrs. x $75/hr = $19,200
Rodman	256 hrs. x $40/hr = $10,240
Mileage	200 mi x 32 x $.0.38 = $ 2,432

$31,872 (say $32,000)

Item 8

Construction Monitoring

Assumes 16 weeks

Field

1 Staff Engineering Technician @ $45.00/hour
16 weeks x 8 hrs/day x 5 days/wk = 640 hours
640 hours x $45.00/hour = $28,800
Mileage 60 miles x 5 x 16 = 4,800 x $0.38 = $ 1,824

Home Office Support

Staff Engineer	24 hrs. @ $45.00/hour =	$ 1,080
Senior Engineer	10 hrs @ $100.00/hour =	$ 1,000

$ 32,704 (say $32,700)

Project/Proposal No. 011-08928-000CE2	Calculated by: MLM	Date 1-21-03
Project/Proposal Name: East Bend Landfill	Checked by: SJL	Date 1-23-03
Subject: Closure/Post Closure Cost Est.	Sheet 3 of 4	

Item 9

Seeding & Mulching

Assumes 3,009,268 s.f.
3,009,268 s.f. ÷ 9 = 334,363 s.y. (say 334,500 s.y.)
334,500 s.y. x $0.25/s.y. = $83,625

Item 10

Agency Coordination / Final Reporting

Staff Engineering Technician	10 hrs.	$45/hr	450.00
Project Engineer	30 hrs.	$80/hr.	2400.00
Staff Engineer	50 hrs.	$60/hr.	3000.00
Senior Engineer	30 hrs.	$100/hr.	3000.00
Misc. Expense (copies, etc.)			500.00
Mileage	500 miles	$0.38/mile	190.00
			$9,540.00
			(say 10,000.00)

Item 11

Engineering Design.

Staff Engineer	90 hrs.	$60/hr	5400.00
Senior Engineer	20 hrs.	$100/hr.	2000.00
CADD Technician	20 hrs.	$45/hr.	900.00
Project Engineer	60hrs	$80/hr.	4800.00
Misc. Expenses			1000.00
			$14100.00
			(say 14,000.00)

Project/Proposal No. 011-08928-000CE2	Calculated by: MLM	Date 1-21-03
Project/Proposal Name: East Bend Landfill	Checked by: SJL	Date 1-23-03
Subject: Closure/Post Closure Cost Est.	Sheet 4 of 4	

POST CLOSURE COST ESTIMATES

Item 1

Groundwater Monitoring

$3,050 (current cost from URS)
2/year x 5 years = 10
$3,050 x 10 = $30,500

Item 2

Mowing

$10,000 (current cost)
2/year x 5 years = 10
$10,000 x 10 = $100,000

Item 3

Maintenance

Cost average based on post-closure maintenance costs for similar landfills

Item 4

Inspections/Reporting

Assumes 1/month x 5 years = 60

Staff Engineering Technician	10 hrs	$45/hr	$450.00
Mileage	200 miles	$0.38/mi	76.00
			$526.00
			(say $500.00)

60 months x $500 = $30,000.00

Infl Factors and Disc Rates

Assumed rate of inflation: 2.50%

Inflation Factors

	# Periods Into Future	Factor
2003	0.5	1.0124
2004	1.5	1.0377
2005	2.5	1.0637
2006	3.5	1.0903
2007	4.5	1.1175
2008	5.5	1.1455
2009	6.5	1.1741
2010	7.5	1.2035
2011	8.5	1.2335
2012	9.5	1.2644
2013	10.5	1.2960
2014	11.5	1.3284
2015	12.5	1.3616
2016	13.5	1.3956
2017	14.5	1.4305
2018	15.5	1.4663
2019	16.5	1.5029
2020	17.5	1.5405
2021	18.5	1.5790
2022	19.5	1.6185
2023	20.5	1.6590
2024	21.5	1.7004
2025	22.5	1.7430
2026	23.5	1.7865
2027	24.5	1.8312
2028	25.5	1.8770
2029	26.5	1.9239
2030	27.5	1.9720
2031	28.5	2.0213
2032	29.5	2.0718
2033	30.5	2.1236

Discount Rates

PSI

	Risk-free Rate	Credit Spread	Discount Rate
2003	1.206%	1.35%	2.556%
2004	1.391%	1.35%	2.741%
2005	1.766%	1.35%	3.116%
2006	2.240%	1.35%	3.590%
2007	2.631%	1.38%	4.006%
2008	3.031%	1.40%	4.431%
2009	3.451%	1.45%	4.901%
2010	3.800%	1.50%	5.300%
2011	3.988%	1.52%	5.505%
2012	4.079%	1.53%	5.612%
2013	4.417%	1.55%	5.967%
2014	4.550%	1.56%	6.110%
2015	4.697%	1.57%	6.267%
2016	4.821%	1.58%	6.401%
2017	4.958%	1.59%	6.548%
2018	5.060%	1.60%	6.660%
2019	5.166%	1.61%	6.776%
2020	5.220%	1.62%	6.840%
2021	5.274%	1.63%	6.904%
2022	5.308%	1.64%	6.948%
2023	5.329%	1.65%	6.979%
2024	5.344%	1.66%	7.004%
2025	5.353%	1.67%	7.023%
2026	5.336%	1.68%	7.016%
2027	5.343%	1.69%	7.033%
2028	5.281%	1.70%	6.981%
2029	5.257%	1.71%	6.967%
2030	5.228%	1.72%	6.948%
2031	5.228%	1.73%	6.958%
2032	5.228%	1.74%	6.968%
2033	5.228%	1.75%	6.978%

CG&E

	Risk-free Rate	Credit Spread	Discount Rate
2003	1.206%	1.30%	2.506%
2004	1.391%	1.30%	2.691%
2005	1.766%	1.30%	3.066%
2006	2.240%	1.30%	3.540%
2007	2.631%	1.33%	3.956%
2008	3.031%	1.35%	4.381%
2009	3.451%	1.40%	4.851%
2010	3.800%	1.45%	5.250%
2011	3.988%	1.47%	5.455%
2012	4.079%	1.48%	5.562%
2013	4.417%	1.50%	5.917%
2014	4.550%	1.51%	6.060%
2015	4.697%	1.52%	6.217%
2016	4.821%	1.53%	6.351%
2017	4.958%	1.54%	6.498%
2018	5.060%	1.55%	6.610%
2019	5.166%	1.56%	6.726%
2020	5.220%	1.57%	6.790%
2021	5.274%	1.58%	6.854%
2022	5.308%	1.59%	6.898%
2023	5.329%	1.60%	6.929%
2024	5.344%	1.61%	6.954%
2025	5.353%	1.62%	6.973%
2026	5.336%	1.63%	6.966%
2027	5.343%	1.64%	6.983%
2028	5.281%	1.65%	6.931%
2029	5.257%	1.66%	6.917%
2030	5.228%	1.67%	6.898%
2031	5.228%	1.68%	6.908%
2032	5.228%	1.69%	6.918%
2033	5.228%	1.70%	6.928%

Infl Factors and Disc Rates

Assumed rate of inflation: 2.50%

Inflation Factors

	# Periods Into Future	Factor
2034	31.5	2.1767
2035	32.5	2.2311
2036	33.5	2.2869
2037	34.5	2.3441
2038	35.5	2.4027
2039	36.5	2.4628
2040	37.5	2.5243
2041	38.5	2.5874
2042	39.5	2.6521
2043	40.5	2.7184

Discount Rates

	PSI			CG&E		
	Risk-free Rate	Credit Spread	Discount Rate	Risk-free Rate	Credit Spread	Discount Rate
2034	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2035	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2036	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2037	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2038	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2039	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2040	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2041	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2042	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%
2043	5.228%	1.75%	6.978%	5.228%	1.70%	6.928%

East Bend-Total

Remaining acreage to close: 70 acres

Closure:

	Area Closed (acres)	Closure Cost (2003 $)	Inflation Factor	Inflated $	Discount Rate	$ Discounted to 1/1/2003	$ Discounted to 6/30/1981	Accretion Cumulative Effect
2003	8.3	125,626	1.0124	127,186	2.506%	125,643	73,758	51,885
2004	8.3	125,626	1.0377	130,366	2.691%	125,289	70,751	54,538
2005	8.3	125,626	1.0637	133,625	3.066%	123,923	64,700	59,224
2006	8.3	125,626	1.0903	136,966	3.540%	121,282	57,367	63,915
2007	8.3	125,626	1.1175	140,390	3.956%	117,918	51,165	66,754
2008	8.3	125,626	1.1455	143,900	4.381%	113,676	45,178	68,498
2009	8.3	125,626	1.1741	147,497	4.851%	108,415	39,116	69,299
2010	8.3	125,626	1.2035	151,184	5.250%	103,008	34,248	68,760
2011	1.8	26,448	1.2335	32,624	5.455%	20,774	6,624	14,149
2012	1.8	26,448	1.2644	33,440	5.562%	19,995	6,238	13,757
	70	1,057,900		1,177,177		979,923	449,144	530,779

Post-closure:

	Post-closure Cost (2003 $)	Inflation Factor	Inflated $	Discount Rate	$ Discounted to 1/1/2003	$ Discounted to 6/30/1981	Accretion Cumulative Effect
2018	92,100	1.4663	135,045	6.610%	50,061	12,626	37,435
2019	92,100	1.5029	138,421	6.726%	47,278	11,650	35,629
2020	92,100	1.5405	141,882	6.790%	44,921	10,926	33,995
2021	92,100	1.5790	145,429	6.854%	42,641	10,238	32,402
2022	92,100	1.6185	149,065	6.898%	40,576	9,657	30,919
	460,500		709,843		225,477	55,097	170,380
Totals	1,518,400		1,887,020		1,205,400	504,240	701,159

	% of remaining construction	Acres to close - 2003		Years until closure	Acres per year
1-10	75%	70	53	8	6.5625
11-12	25%	70	18	10	1.7500
			70		8.3125

East Bend-CG&E

Remaining acreage to close: 70 acres

Closure:

	Area Closed (acres)	Closure Cost (2003 $)	Inflation Factor	Inflated $	Discount Rate	$ Discounted to 1/1/2003	$ Discounted to 6/30/1981	Accretion Cumulative Effect
2003	8.3	86,682	1.0124	87,759	2.506%	86,694	50,893	35,801
2004	8.3	86,682	1.0377	89,952	2.691%	86,449	48,818	37,632
2005	8.3	86,682	1.0637	92,201	3.066%	85,507	44,643	40,864
2006	8.3	86,682	1.0903	94,506	3.540%	83,684	39,583	44,101
2007	8.3	86,682	1.1175	96,869	3.956%	81,364	35,304	46,060
2008	8.3	86,682	1.1455	99,291	4.381%	78,436	31,173	47,264
2009	8.3	86,682	1.1741	101,773	4.851%	74,806	26,990	47,816
2010	8.3	86,682	1.2035	104,317	5.250%	71,076	23,631	47,444
2011	1.8	18,249	1.2335	22,511	5.455%	14,334	4,571	9,763
2012	1.8	18,249	1.2644	23,073	5.562%	13,796	4,304	9,492
	70	729,951		812,252		676,147	309,909	366,238

Post-closure:

	Post-closure Cost (2003 $)	Inflation Factor	Inflated $	Discount Rate	$ Discounted to 1/1/2003	$ Discounted to 6/30/1981	Accretion Cumulative Effect
2018	63,549	1.4663	93,181	6.610%	34,542	8,712	25,830
2019	63,549	1.5029	95,511	6.726%	32,622	8,038	24,584
2020	63,549	1.5405	97,899	6.790%	30,995	7,539	23,456
2021	63,549	1.5790	100,346	6.854%	29,422	7,064	22,358
2022	63,549	1.6185	102,855	6.898%	27,997	6,663	21,334
	317,745		489,791		155,579	38,017	117,562
Totals	1,047,696		1,302,044		831,726	347,926	483,800

	% of remaining construction	Acres to close as of 2003		Years until closure	Acres per year
1-10	75%	70	53	8	6.5625
11-12	25%	70	18	10	1.7500
			70		8.3125

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-032

REQUEST:

32. Provide complete copies of all Board of Director's minutes and internal management meeting minutes during the past five years in which any or all of the following subjects were discussed:. the Company's electric plant depreciation rates; retirement unit costs; SFAS No. 143; FIN 47; and, FERC RM02-7-000.

RESPONSE:

Upon information and belief, there are no Duke Energy Kentucky Board of Directors minutes or internal management meeting minutes which discussed these subjects. Nevertheless, Duke Energy Kentucky will make its Board of Directors minutes available for inspection and copying at a mutually convenient date, subject to a mutually agreeable confidentiality agreement.

WITNESS RESPONSIBLE: Dwight L. Jacobs

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-033

REQUEST:

33. Refer to page 138 of ULH&P's December 31, 2005 Form 10K. Provide the accounting entries (debits and credits) used to implement SFAS No. 143 and FIN 47, along with all workpapers supporting those entries, including the workpapers supporting the calculation of the $29 million (2005) and $30 million (2004) regulatory liabilities for asset cost of removal. Please provide all these workpapers and calculations in electronic format (Excel) with all formulae intact.

RESPONSE:

Duke Energy Kentucky implemented SFAS No. 143 effective January 1, 2003. Duke Energy Kentucky implemented FIN 47 December 2005. See Attachments AG-DR-02-033 and AG-DR-02-033(a) for entries and workpapers for the gas asset retirement obligation recorded. No legal asset retirement obligations for electric operations were identified upon implementation of SFAS No. 143 or FIN 47.

Based on SEC guidance arising from SFAS No. 143, Duke Energy Kentucky reclassified the cost of removal component of Accumulated Depreciation to Regulatory Liabilities for SEC financial statement presentation. See Attachment AG-DR-02-033(b) for workpapers supporting the reclassification. See Attachment AG-DR-02-033(c) and reconciliation below for further support of the $30 million 2004 and $29 million 2005 balances referenced in the question.

Regulatory Liability Reconciliation:
The amounts referenced, $30 million in 2004 and $29 million in 2005, represent Duke Energy Kentucky's total Regulatory Liabilities. The regulatory liability for cost of removal (electric, common, and gas) for 2004 and 2005 was $30 million and $32 million, respectively.

(Dollars in thousands)

	2005	2004
Regulatory Liabilities		
Accumulated depreciation COR	$35,133	$32,515
Retirement work in progress	(3,110)	(2,982)
Subtotal COR	32,023	29,533
Regulatory asset - legal ARO	(5,197)	-
Gas cost recovery liability	(324)	446
Deferred fuel costs	650	-
Amt due from customers-income taxes	1,886	-
	$29,038	**$29,979**

WITNESS RESPONSIBLE: Carl J. Council, Jr.

ARO Transition Journal Entry Report

Company / ARO	Account	Transition thru Nov		December Adjustment	
				Cum Effect Adj	Depreciation & Accretion calc to be included
Cincinnati Gas & Electric Co.		*Debits*	*Credits*	*Debits*	*Credits*
Beckjord 1-5 Asbestos					
Long-lived asset:	101850 - NonReg Plant In Service AR	371,656.46			
Initial liability:	230850 - Asset Retirement Obligatio		371,656.46		
Accretion Expense:	230850 - Asset Retirement Obligatio		587,193.16		2,846.84
Accumulated depreciation:			145,778.36		455.35
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	732,971.52	-	3,302.19	
Beckjord 1-5 River Structure					
Long-lived asset:	101850 - NonReg Plant In Service AR	17,789.96			
Initial liability:	230850 - Asset Retirement Obligatio		17,789.96		
Accretion Expense:	230850 - Asset Retirement Obligatio		476,766.18		2,596.42
Accumulated depreciation:			12,312.96		19.35
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	489,079.14	-	2,615.77	
Beckjord 6 Asbestos					
Long-lived asset:	101850 - NonReg Plant In Service AR	28,901.40			
Initial liability:	230850 - Asset Retirement Obligatio		28,901.40		
Accretion Expense:	230850 - Asset Retirement Obligatio		45,273.00		389.42
Accumulated depreciation:			11,274.49		62.29
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	56,547.49	-	451.71	
Beckjord 6 River Structure					
Long-lived asset:	101850 - NonReg Plant In Service AR	1,334.25			
Initial liability:	230850 - Asset Retirement Obligatio		1,334.25		
Accretion Expense:	230850 - Asset Retirement Obligatio		35,757.10		194.73
Accumulated depreciation:			922.20		1.46
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	36,679.30	-	196.19	
Conesville Asbestos					
Long-lived asset:	101850 - NonReg Plant In Service AR	12,762.62			
Initial liability:	230850 - Asset Retirement Obligatio		12,762.62		
Accretion Expense:	230850 - Asset Retirement Obligatio		19,992.12		171.96
Accumulated depreciation:			4,512.33		24.93
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	24,504.45	-	196.89	
East Bend Asbestos					
Long-lived asset:	101850 - NonReg Plant In Service AR	42,698.67			
Initial liability:	230850 - Asset Retirement Obligatio		42,698.67		
Accretion Expense:	230850 - Asset Retirement Obligatio		66,885.90		575.32
Accumulated depreciation:			12,711.63		70.23
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	79,597.53	-	645.55	
East Bend River Structure					
Long-lived asset:	101850 - NonReg Plant In Service AR	17,053.76			
Initial liability:	230850 - Asset Retirement Obligatio		17,053.76		
Accretion Expense:	230850 - Asset Retirement Obligatio		59,590.80		402.38
Accumulated depreciation:			6,868.80		23.85
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	66,459.60	-	426.23	
East Bend SCR Catalyst A 2002					
Long-lived asset:	101850 - NonReg Plant In Service AR	71,110.28			
Initial liability:	230850 - Asset Retirement Obligatio		71,110.28		
Accretion Expense:	230850 - Asset Retirement Obligatio		13,989.82		382.95
Accumulated depreciation:			27,504.85		670.85
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	41,494.67	-	1,053.80	
East Bend SCR Catalyst B 2002					
Long-lived asset:	101850 - NonReg Plant In Service AR	66,364.10			
Initial liability:	230850 - Asset Retirement Obligatio		66,364.10		
Accretion Expense:	230850 - Asset Retirement Obligatio		13,320.01		365.22
Accumulated depreciation:			20,930.09		510.49
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	34,250.10	-	875.71	
Killen Asbestos					
Long-lived asset:	101850 - NonReg Plant In Service AR	19,656.86			
Initial liability:	230850 - Asset Retirement Obligatio		19,656.86		
Accretion Expense:	230850 - Asset Retirement Obligatio		30,791.67		264.85
Accumulated depreciation:			5,737.70		31.71
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	36,529.37	-	296.56	
Killen River Structure					
Long-lived asset:	101850 - NonReg Plant In Service AR	20,022.46			

Initial liability:	230850 - Asset Retirement Obligatio		20,022.46			
Accretion Expense:	230850 - Asset Retirement Obligatio		64,483.75			443.66
Accumulated depreciation:			7,728.00			28.01
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	72,211.75	-	471.67		
K CR Catalyst A 2004						
Long-lived asset:	101850 - NonReg Plant In Service AR	43,079.11				
Initial liability:	230850 - Asset Retirement Obligatio		43,079.11			
Accretion Expense:	230850 - Asset Retirement Obligatio		3,486.87			201.79
Accumulated depreciation:			17,052.12			897.48
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	20,538.99	-	1,099.27		
Killen SCR Catalyst B 2004						
Long-lived asset:	101850 - NonReg Plant In Service AR	40,558.73				
Initial liability:	230850 - Asset Retirement Obligatio		40,558.73			
Accretion Expense:	230850 - Asset Retirement Obligatio		3,348.37			193.92
Accumulated depreciation:			10,703.08			563.31
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	14,051.45	-	757.23		
Miami Fort 3-5 Asbestos						
Long-lived asset:	101850 - NonReg Plant In Service AR	216,408.49				
Initial liability:	230850 - Asset Retirement Obligatio		216,408.49			
Accretion Expense:	230850 - Asset Retirement Obligatio		338,995.60			2,915.87
Accumulated depreciation:			68,479.54			378.33
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	407,475.14	-	3,294.20		
Miami Fort 5&6 River Structure						
Long-lived asset:	101850 - NonReg Plant In Service AR	2,043.34				
Initial liability:	230850 - Asset Retirement Obligatio		2,043.34			
Accretion Expense:	230850 - Asset Retirement Obligatio		66,544.33			360.09
Accumulated depreciation:			1,290.24			1.93
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	67,834.57	-	362.02		
Miami Fort 6 Asbestos						
Long-lived asset:	101850 - NonReg Plant In Service AR	176,823.48				
Initial liability:	230850 - Asset Retirement Obligatio		176,823.48			
Accretion Expense:	230850 - Asset Retirement Obligatio		276,987.26			2,382.51
Accumulated depreciation:			55,952.53			309.13
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	332,939.79	-	2,691.64		
I ort 7 SCR Catalyst A 2003						
Long-lived asset:	101850 - NonReg Plant In Service AR	127,465.02				
Initial liability:	230850 - Asset Retirement Obligatio		127,465.02			
Accretion Expense:	230850 - Asset Retirement Obligatio		16,405.42			623.44
Accumulated depreciation:			63,732.43			2,197.68
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	80,137.85	-	2,821.12		
Miami Fort 7 SCR Catalyst B 2003						
Long-lived asset:	101850 - NonReg Plant In Service AR	119,908.44				
Initial liability:	230850 - Asset Retirement Obligatio		119,908.44			
Accretion Expense:	230850 - Asset Retirement Obligatio		15,747.64			599.15
Accumulated depreciation:			42,406.70			1,462.30
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	58,154.34	-	2,061.45		
Miami Fort 7&8 River Structure						
Long-lived asset:	101850 - NonReg Plant In Service AR	6,699.38				
Initial liability:	230850 - Asset Retirement Obligatio		6,699.38			
Accretion Expense:	230850 - Asset Retirement Obligatio		37,197.11			230.46
Accumulated depreciation:			3,211.20			8.92
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	40,408.31	-	239.38		
Miami Fort 8 SCR Catalyst A 2002						
Long-lived asset:	101850 - NonReg Plant In Service AR	117,772.83				
Initial liability:	230850 - Asset Retirement Obligatio		117,772.83			
Accretion Expense:	230850 - Asset Retirement Obligatio		22,237.53			606.71
Accumulated depreciation:			58,886.25			1,436.26
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	81,123.78	-	2,042.97		
Miami Fort 8 SCR Catalyst B 2002						
Long-lived asset:	101850 - NonReg Plant In Service AR	109,611.81				
Initial liability:	230850 - Asset Retirement Obligatio		109,611.81			
Accretion Expense:	230850 - Asset Retirement Obligatio		21,564.35			590.29
Accumulated depreciation:			42,396.87			1,034.08
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	63,961.22	-	1,624.37		
1 SCR Catalyst A 2004						
Long-lived asset:	101850 - NonReg Plant In Service AR	110,711.89				
Initial liability:	230850 - Asset Retirement Obligatio		110,711.89			
Accretion Expense:	230850 - Asset Retirement Obligatio		9,319.05			540.14
Accumulated depreciation:			21,911.75			1,153.25
Depreciation Adjustments:		-	-			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	31,230.80	-	1,693.39		

Stuart 1 SCR Catalyst B 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	102,392.60			
Initial liability:	230850 - Asset Retirement Obligatio		102,392.60		
Accretion Expense:	230850 - Asset Retirement Obligatio		8,950.81		519.60
Accumulated depreciation:			16,212.13		853.27
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	25,162.94	-	1,372.87	
Stuart 2 SCR Catalyst A 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	110,711.89			
Initial liability:	230850 - Asset Retirement Obligatio		110,711.89		
Accretion Expense:	230850 - Asset Retirement Obligatio		9,319.05		540.14
Accumulated depreciation:			21,911.75		1,153.25
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	31,230.80	-	1,693.39	
Stuart 2 SCR Catalyst B 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	102,392.60			
Initial liability:	230850 - Asset Retirement Obligatio		102,392.60		
Accretion Expense:	230850 - Asset Retirement Obligatio		8,950.81		519.60
Accumulated depreciation:			16,212.13		853.27
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	25,162.94	-	1,372.87	
Stuart 3 SCR Catalyst A 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	106,577.02			
Initial liability:	230850 - Asset Retirement Obligatio		106,577.02		
Accretion Expense:	230850 - Asset Retirement Obligatio		9,143.70		530.39
Accumulated depreciation:			18,749.58		986.83
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	27,893.28	-	1,517.22	
Stuart 3 SCR Catalyst B 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	98,177.10			
Initial liability:	230850 - Asset Retirement Obligatio		98,177.10		
Accretion Expense:	230850 - Asset Retirement Obligatio		8,741.79		507.86
Accumulated depreciation:			14,131.63		743.77
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	22,873.42	-	1,251.63	
Stuart 4 SCR Catalyst A 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	122,031.52			
Initial liability:	230850 - Asset Retirement Obligatio		122,031.52		
Accretion Expense:	230850 - Asset Retirement Obligatio		9,877.29		571.60
Accumulated depreciation:			38,643.34		2,033.86
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	48,520.63	-	2,605.46	
Stuart 4 SCR Catalyst B 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	106,577.02			
Initial liability:	230850 - Asset Retirement Obligatio		106,577.02		
Accretion Expense:	230850 - Asset Retirement Obligatio		9,143.70		530.39
Accumulated depreciation:			18,749.58		986.83
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	27,893.28	-	1,517.22	
Stuart 4 SCR Catalyst C 2005					
Long-lived asset:	101850 - NonReg Plant In Service AR	102,941.47			
Initial liability:	230850 - Asset Retirement Obligatio		102,941.47		
Accretion Expense:	230850 - Asset Retirement Obligatio		3,977.42		507.86
Accumulated depreciation:			7,594.02		843.78
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	11,571.44	-	1,351.64	
Stuart Asbestos					
Long-lived asset:	101850 - NonReg Plant In Service AR	426,891.66			
Initial liability:	230850 - Asset Retirement Obligatio		426,891.66		
Accretion Expense:	230850 - Asset Retirement Obligatio		668,709.27		5,751.90
Accumulated depreciation:			147,457.08		814.68
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	816,166.35	-	6,566.58	
Stuart River Structure					
Long-lived asset:	101850 - NonReg Plant In Service AR	18,679.43			
Initial liability:	230850 - Asset Retirement Obligatio		18,679.43		
Accretion Expense:	230850 - Asset Retirement Obligatio		159,760.13		936.81
Accumulated depreciation:			10,411.20		24.11
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	170,171.33	-	960.92	
Zimmer Asbestos					
Long-lived asset:	101850 - NonReg Plant In Service AR	298,501.14			
Initial liability:	230850 - Asset Retirement Obligatio		298,501.14		
Accretion Expense:	230850 - Asset Retirement Obligatio		417,176.75		3,757.31
Accumulated depreciation:			70,136.64		417.48
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	487,313.39	-	4,174.79	
Zimmer River Structure					
Long-lived asset:	101850 - NonReg Plant In Service AR	22,058.61			
Initial liability:	230850 - Asset Retirement Obligatio		22,058.61		
Accretion Expense:	230850 - Asset Retirement Obligatio		30,828.48		277.66
Accumulated depreciation:			5,182.80		30.85

Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	36,011.28	-	308.51	
Zimmer SCR Catalyst A 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	148,956.94			
Initial liability:	230850 - Asset Retirement Obligatio		148,956.94		
Accretion Expense:	230850 - Asset Retirement Obligatio		12,297.27		712.21
Accumulated depreciation:			39,308.15		2,068.84
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	51,605.42	-	2,781.05	
Zimmer SCR Catalyst B 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	139,685.43			
Initial liability:	230850 - Asset Retirement Obligatio		139,685.43		
Accretion Expense:	230850 - Asset Retirement Obligatio		11,757.86		681.49
Accumulated depreciation:			27,646.14		1,455.06
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	39,404.00	-	2,136.55	
Zimmer SCR Catalyst C 2004					
Long-lived asset:	101850 - NonReg Plant In Service AR	129,189.56			
Initial liability:	230850 - Asset Retirement Obligatio		129,189.56		
Accretion Expense:	230850 - Asset Retirement Obligatio		11,293.26		655.59
Accumulated depreciation:			20,455.02		1,076.58
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	31,748.28	-	1,732.17	
Gas Mains					
Long-lived asset:	101200 - Gas plant	6,305,213.00			
Initial liability:	230850 - Asset Retirement Obligatio		25,600,275.00		
Accumulated depreciation:			2,460,667.00		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	21,755,729.00	-		
CGE TOTAL					
Long-lived asset:	101850 - NonReg Plant In Service AR	3,776,197.33			
Long-lived asset:	101200 - Gas plant	6,305,213.00			
Initial liability:	230850 - Asset Retirement Obligatio		29,376,472.33		
Accretion Expense:	230850 - Asset Retirement Obligatio		3,605,804.63		34,878.53
Accumulated depreciation:			3,575,772.31		25,683.65
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	21,755,729.00			
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	4,720,909.94		60,562.18	
ULHP					
Gas Mains					
Long-lived asset:	101200 - Gas plant	1,745,998.00			
Initial liability:	230850 - Asset Retirement Obligatio		6,305,777.00		
Accumulated depreciation:			636,896.00		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	5,196,675.00	-		
KO Transmission					
Gas Mains					
Long-lived asset:	101200 - Gas plant	32,690.00			
Initial liability:	230850 - Asset Retirement Obligatio		73,695.00		
Accumulated depreciation:			27,580.00		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	435300 - ARO Extraordinary Deduct	68,585.00	-		
PSI Energy, Inc.					
Cayuga Asbestos					
Long-lived asset:	101800 - Reg Plant In Service ARO	155,162.02			
Initial liability:	230800 - ARO Liability		155,162.02		
Accretion Expense:	230800 - ARO Liability		243,055.35		
Accumulated depreciation:			56,167.92		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	299,223.27	-		
Cayuga River Structure					
Long-lived asset:	101800 - Reg Plant In Service ARO	10,684.41			
Initial liability:	230800 - ARO Liability		10,684.41		
Accretion Expense:	230800 - ARO Liability		85,165.35		
Accumulated depreciation:			6,073.20		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	91,238.55	-		
E[illegible]dsport Asbestos					
Long-lived asset:	101800 - Reg Plant In Service ARO	650,548.04			
Initial liability:	230800 - ARO Liability		650,548.04		
Accretion Expense:	230800 - ARO Liability		899,001.36		
Accumulated depreciation:			626,325.16		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	1,525,326.52	-		
Gallagher Asbestos					

Long-lived asset:	101800 - Reg Plant In Service ARO	1,228,287.37		
Initial liability:	230800 - ARO Liability		1,228,287.37	
Accretion Expense:	230800 - ARO Liability		1,947,671.14	
Accumulated depreciation:			604,130.94	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	2,551,802.08	-	
Ga. .er River Structure				
Long-lived asset:	101800 - Reg Plant In Service ARO	5,644.15		
Initial liability:	230800 - ARO Liability		5,644.15	
Accretion Expense:	230800 - ARO Liability		104,520.81	
Accumulated depreciation:			4,241.28	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	108,762.09	-	
Gibson 1 SCR Catalyst A 2005				
Long-lived asset:	101800 - Reg Plant In Service ARO	248,745.65		
Initial liability:	230800 - ARO Liability		248,745.65	
Accretion Expense:	230800 - ARO Liability		6,792.14	
Accumulated depreciation:			24,183.60	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	30,975.74	-	
Gibson 1 SCR Catalyst B 2005				
Long-lived asset:	101800 - Reg Plant In Service ARO	232,799.66		
Initial liability:	230800 - ARO Liability		232,799.66	
Accretion Expense:	230800 - ARO Liability		6,475.80	
Accumulated depreciation:			16,975.00	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	23,450.80	-	
Gibson 1-4 Asbestos				
Long-lived asset:	101800 - Reg Plant In Service ARO	669,481.94		
Initial liability:	230800 - ARO Liability		669,481.94	
Accretion Expense:	230800 - ARO Liability		1,048,717.52	
Accumulated depreciation:			195,445.61	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	1,244,163.13	-	
Gibson 1-4 River Structure				
Long-lived asset:	101800 - Reg Plant In Service ARO	2,441.43		
Initial liability:	230800 - ARO Liability		2,441.43	
Accretion Expense:	230800 - ARO Liability		13,555.71	
Accumulated depreciation:			1,101.60	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	14,657.31	-	
Gi. .n 2 SCR Catalyst A 2002				
Long-lived asset:	101800 - Reg Plant In Service ARO	229,427.63		
Initial liability:	230800 - ARO Liability		229,427.63	
Accretion Expense:	230800 - ARO Liability		43,319.89	
Accumulated depreciation:			114,713.90	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	158,033.79	-	
Gibson 2 SCR Catalyst B 2002				
Long-lived asset:	101800 - Reg Plant In Service ARO	213,529.31		
Initial liability:	230800 - ARO Liability		213,529.31	
Accretion Expense:	230800 - ARO Liability		42,008.46	
Accumulated depreciation:			82,591.63	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	124,600.09	-	
Gibson 2 SCR Catalyst C 2004				
Long-lived asset:	101800 - Reg Plant In Service ARO	221,379.13		
Initial liability:	230800 - ARO Liability		221,379.13	
Accretion Expense:	230800 - ARO Liability		17,896.31	
Accumulated depreciation:			37,241.28	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	55,137.59	-	
Gibson 3 SCR Catalyst A 2002				
Long-lived asset:	101800 - Reg Plant In Service ARO	235,752.34		
Initial liability:	230800 - ARO Liability		235,752.34	
Accretion Expense:	230800 - ARO Liability		44,514.09	
Accumulated depreciation:			138,083.49	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	182,597.58	-	
Gibson 3 SCR Catalyst B 2002				
Long-lived asset:	101800 - Reg Plant In Service ARO	221,556.02		
Initial liability:	230800 - ARO Liability		221,556.02	
Accretion Expense:	230800 - ARO Liability		42,709.16	
Accumulated depreciation:			96,636.18	
Depreciation Adjustments:		-	-	
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	139,345.34	-	
G. .n 3 SCR Catalyst C 2004				
Long-lived asset:	101800 - Reg Plant In Service ARO	229,948.28		
Initial liability:	230800 - ARO Liability		229,948.28	
Accretion Expense:	230800 - ARO Liability		18,238.81	
Accumulated depreciation:			43,569.18	
Depreciation Adjustments:		-	-	

Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	61,807.99	-		
Gibson 4 SCR Catalyst A 2003					
Long-lived asset:	101800 - Reg Plant In Service ARO	255,153.30			
Initial liability:	230800 - ARO Liability		255,153.30		
Accretion Expense:	230800 - ARO Liability		32,839.57		
Accumulated depreciation:			160,857.49		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	193,697.06	-		
Gibson 4 SCR Catalyst B 2003					
Long-lived asset:	101800 - Reg Plant In Service ARO	241,646.35			
Initial liability:	230800 - ARO Liability		241,646.35		
Accretion Expense:	230800 - ARO Liability		31,101.16		
Accumulated depreciation:			100,110.61		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	131,211.77	-		
Gibson 4 SCR Catalyst C 2004					
Long-lived asset:	101800 - Reg Plant In Service ARO	110,689.26			
Initial liability:	230800 - ARO Liability		110,689.26		
Accretion Expense:	230800 - ARO Liability		8,948.15		
Accumulated depreciation:			18,620.64		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	27,568.79	-		
Gibson 5 Asbestos					
Long-lived asset:	101800 - Reg Plant In Service ARO	82,661.73			
Initial liability:	230800 - ARO Liability		82,661.73		
Accretion Expense:	230800 - ARO Liability		129,486.39		
Accumulated depreciation:			24,132.73		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	153,619.12	-		
Gibson 5 River Structure					
Long-lived asset:	101800 - Reg Plant In Service ARO	305.48			
Initial liability:	230800 - ARO Liability		305.48		
Accretion Expense:	230800 - ARO Liability		1,696.59		
Accumulated depreciation:			136.80		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	1,833.39	-		
Gibson 5 SCR Catalyst A 2005					
Long-lived asset:	101800 - Reg Plant In Service ARO	128,812.96			
Initial liability:	230800 - ARO Liability		128,812.96		
Accretion Expense:	230800 - ARO Liability		3,451.46		
Accumulated depreciation:			15,028.16		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	18,479.62	-		
Gibson 5 SCR Catalyst B 2005					
Long-lived asset:	101800 - Reg Plant In Service ARO	120,916.06			
Initial liability:	230800 - ARO Liability		120,916.06		
Accretion Expense:	230800 - ARO Liability		3,301.68		
Accumulated depreciation:			10,076.36		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	13,378.04	-		
Noblesville Asbestos					
Long-lived asset:	101800 - Reg Plant In Service ARO	57,426.65			
Initial liability:	230800 - ARO Liability		57,426.65		
Accretion Expense:	230800 - ARO Liability		89,956.70		
Accumulated depreciation:			18,172.40		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	108,129.10	-		
Wabash River Asbestos					
Long-lived asset:	101800 - Reg Plant In Service ARO	410,210.13			
Initial liability:	230800 - ARO Liability		410,210.13		
Accretion Expense:	230800 - ARO Liability		650,462.22		
Accumulated depreciation:			164,264.74		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	814,726.96	-		
Wabash River River Structure					
Long-lived asset:	101800 - Reg Plant In Service ARO	6,533.60			
Initial liability:	230800 - ARO Liability		6,533.60		
Accretion Expense:	230800 - ARO Liability		168,498.22		
Accumulated depreciation:			4,555.20		
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	173,053.42	-		
PSI TOTAL					
Long-lived asset:	101800 - Reg Plant In Service ARO	5,969,742.90			
Initial liability:	230800 - ARO Liability		5,969,742.90		
Accretion Expense:	230800 - ARO Liability		5,683,384.04		58,308.90
Accumulated depreciation:			2,563,435.10		43,888.45
Depreciation Adjustments:		-	-		
Cumulative-effect adjustment:	182303 - ARO Other Regulatory Asset	8,246,819.14		102,197.35	

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-033 (a)

Total CG&E (and Cinergy) Consolidated		
CG&E Consolicated Mains 12/31/05 Adoption entry:		
dr. ARC	8,083,902	
dr. COR	26,952,404	
dr. Cum effect	68,585	
cr. ARC Accum dep		3,125,144
cr. ARO		31,979,747

CG&E Standalone

CG&E Bare Steel and Cast Iron 12/31/05 Adoption entry:		
dr. ARC	1,173,599	
dr. COR	7,632,664	
cr. ARC Accum dep		1,044,399
cr. ARO		7,761,864

CG&E Coated Steel 12/31/05 Adoption entry:		
dr. ARC	2,007,400	
dr. COR	11,272,921	
cr. ARC Accum dep		971,366
cr. ARO		12,308,955

CG&E Plastic 12/31/05 Adoption entry:		
dr. ARC	3,124,214	
dr. COR	2,850,144	
cr. ARC Accum dep		444,902
cr. ARO		5,529,456

Total CG&E Standalone		
CG&E Mains 12/31/05 Adoption Entry:		
dr. ARC	6,305,213	
dr. COR	21,755,729	
cr. ARC Accum dep		2,460,667
cr. ARO		25,600,275

ULH&P

ULH&P Bare Steel and Cast Iron 12/31/05 Adoption entry:		
dr. ARC	180,463	
dr. COR	1,128,299	
cr. ARC Accum dep		169,113
cr. ARO		1,139,649

ULH&P Coated Steel 12/31/05 Adoption entry:		
dr. ARC	657,230	
dr. COR	3,297,557	
cr. ARC Accum dep		345,251
cr. ARO		3,609,536

ULH&P Plastic 12/31/05 Adoption entry:		
dr. ARC	908,305	
dr. COR	770,819	
cr. ARC Accum dep		122,533
cr. ARO		1,556,591

Total ULH&P		
CG&E Mains 12/31/05 Adoption Entry:		
dr. ARC	1,745,998	
dr. COR	5,196,675	
cr. ARC Accum dep		636,896
cr. ARO		6,305,777

KO Transmission		
KO 12/31/05 River Project Adoption entry:		
dr. ARC	32,691	
dr. Cum effect	68,585	
cr. ARC Accum dep		27,580
cr. ARO		73,695

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-033 (a)

Main type:	In-service for river portion:	Cinergy's Purchase date	DOT regulations effective date:	ARO vintage	Age at 12/31/2005:	Expected Settlement Date:	Inflation rate:	Discount rate:	Obligation 2005 $s	Inflation factor	Inflated to Settlement	$ Discounted to 12/31/2005	$ Discounted to 6/1/1990	Accretion Cum Catch	Depreciation Cum Catch	$ Discounted to 9/30/2005	$ Discounted to 6/30/2005	$ Discounted to 3/31/2005	$ Discounted to 12/31/2004	$ Discounted to 12/31/2003	$ Discounted to 12/31/2002
KO																					
Coated steel	1948	6/1/1990	8/19/1970	6/1/1990	57	6/30/2007	2.50%	5.33%	$ 20,000	1.0377	$ 20,755	19,205	8,551	10,654	7,802	18,955	18,709	18,468	18,234	17,309	16,434
Coated steel	1948	6/1/1990	8/19/1970	6/1/1990	57	6/30/2008	2.50%	5.33%	20,000	1.0637	$ 21,274	18,687	8,320	10,367	7,171	18,444	18,204	17,970	17,742	16,842	15,991
Coated steel	1948	6/1/1990	8/19/1970	6/1/1990	57	6/30/2009	2.50%	5.33%	20,000	1.0903	$ 21,805	18,185	8,097	10,089	6,613	17,949	17,716	17,488	17,266	16,391	15,562
Coated steel	1948	6/1/1990	8/19/1970	6/1/1990	57	6/30/2010	2.50%	5.43%	20,000	1.1175	$ 22,351	17,618	7,723	9,895	5,994	17,385	17,155	16,930	16,711	15,848	15,032
									$ 80,000			73,695	32,691	41,005	27,580	72,733	71,784	70,857	69,952	66,390	63,018

KO 12/31/05 River Project Adoption entry:

dr. ARC	32,691	
dr. Cum effect	68,585	
cr. ARC Accum dep		27,580
cr. ARO		73,695

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-033 (a)

Main type:	Miles:	% of total	Average in service:	DOT regulations effective date:	ARO vintage	Life per Spanos' study:	Expected Settlement Date:	Obligation 2005 $s
CG&E								
Bare steel (1)	142	3%	1924	8/19/1970	8/19/1970	N/A	2006-2015	1,749,021
Cast Iron (1)	587	11%	1927	8/19/1970	8/19/1970	N/A	2006-2015	7,222,702
Coated steel	2,697	49%	N/A	8/19/1970	dependent on in-service date	60	dependent on in-service date	33,175,475
Plastic	2,077	38%	N/A	8/19/1970	dependent on in-service date	50	dependent on in-service date	25,546,017
	5,502							67,693,215
ULH&P								
Bare steel (2)	19	1%	1927	8/19/1970	8/19/1970	N/A	2006-2010	233,387
Cast Iron (2)	80	6%	1930	8/19/1970	8/19/1970	N/A	2006-2010	986,410
Coated steel	660	49%	N/A	8/19/1970	dependent on in-service date	53	dependent on in-service date	8,121,574
Plastic	598	44%	N/A	8/19/1970	dependent on in-service date	50	dependent on in-service date	7,352,007
	1,357							16,693,378
Total	**6,859**							**84,386,593**

(1) Will be removed over next 10 years with AMRP program.
(2) Will be removed over next 5 years with AMRP program.

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-033 (a)

Main type:	Vintage (DOT regulations effective date):	Expected Settlement Date:	Inflation rate:	Discount rate:	Footage:	Obligation 2005 $s	Inflation factor	Inflated to Settlement	$ Discounted to 12/31/2005	$ Discounted to 8/19/1970	Accretion Cum Catch	ARC Depreciation Cum Catch	$ Discounted to 9/30/2005	$ Discounted to 6/30/2005	$ Discounted to 3/31/2005	$ Discounted to 12/31/2004	$ Discounted to 12/31/2003	$ Discounted to 12/31/2002
CG&E																		
Bare mains and cast iro	8/19/1970	6/30/2006	2.50%	5.33%	385,053	$ 897,172	1.0124	$ 908,318	885,244	141,100	744,145	139,150	873,742	862,389	851,305	840,482	797,870	757,527
Bare mains and cast iro	8/19/1970	6/30/2007	2.50%	5.33%	385,053	$ 897,172	1.0377	$ 931,026	861,494	137,314	724,180	131,746	850,301	839,252	828,465	817,933	776,465	737,203
Bare mains and cast iro	8/19/1970	6/30/2008	2.50%	5.33%	385,053	$ 897,172	1.0637	$ 954,301	838,263	133,611	704,651	124,800	827,371	816,620	806,124	795,876	755,526	717,323
Bare mains and cast iro	8/19/1970	6/30/2009	2.50%	5.33%	385,053	$ 897,172	1.0903	$ 978,159	815,773	130,027	685,747	118,329	805,174	794,712	784,497	774,524	735,256	698,078
Bare mains and cast iro	8/19/1970	6/30/2010	2.50%	5.43%	385,053	$ 897,172	1.1175	$ 1,002,613	790,339	121,611	668,728	107,896	779,874	769,548	759,468	749,629	710,914	674,295
Bare mains and cast iro	8/19/1970	6/30/2011	2.50%	5.54%	385,053	$ 897,172	1.1455	$ 1,027,678	764,175	113,514	650,661	98,250	753,868	743,699	733,776	724,092	686,010	650,027
Bare mains and cast iro	8/19/1970	6/30/2012	2.50%	5.54%	385,053	$ 897,172	1.1741	$ 1,053,370	742,085	110,233	631,852	93,126	732,075	722,200	712,564	703,160	666,179	631,236
Bare mains and cast iro	8/19/1970	6/30/2013	2.50%	5.64%	385,053	$ 897,172	1.2035	$ 1,079,704	715,377	102,587	612,790	84,646	705,551	695,859	686,404	677,179	640,924	606,701
Bare mains and cast iro	8/19/1970	6/30/2014	2.50%	5.75%	385,053	$ 897,172	1.2335	$ 1,106,697	688,259	95,282	592,978	76,827	678,635	669,145	659,889	650,861	615,401	581,961
Bare mains and cast iro	8/19/1970	6/30/2015	2.50%	5.85%	385,053	$ 897,172	1.2644	$ 1,134,364	660,853	88,321	572,532	69,628	651,449	642,178	633,138	624,322	589,719	557,120
						$ 8,971,723			$ 7,761,864	$ 1,173,599	$ 6,588,265	$ 1,044,399	$ 7,658,039	$ 7,555,604	$ 7,455,631	$ 7,358,060	$ 6,974,263	$ 6,611,471
CG&E Bare Main and Cast Iron 12/31/05 Adoption entry:																		
dr. ARC		1,173,599																
dr. COR		7,632,664																
cr. ARC Accum dep			1,044,399															
cr. ARO			7,761,864															
ULH&P																		
Bare mains and cast iro	8/19/1970	6/30/2006	2.50%	5.33%	104,704	$ 243,959	1.0124	$ 246,990	240,716	38,368	202,348	37,838	237,588	234,501	231,487	228,544	216,957	205,987
Bare mains and cast iro	8/19/1970	6/30/2007	2.50%	5.33%	104,704	$ 243,959	1.0377	$ 253,165	234,258	37,339	196,919	35,824	231,214	228,210	225,277	222,413	211,137	200,461
Bare mains and cast iro	8/19/1970	6/30/2008	2.50%	5.33%	104,704	$ 243,959	1.0637	$ 259,494	227,941	36,332	191,609	33,936	224,979	222,056	219,202	216,415	205,443	195,055
Bare mains and cast iro	8/19/1970	6/30/2009	2.50%	5.33%	104,704	$ 243,959	1.0903	$ 265,981	221,825	35,357	186,468	32,176	218,943	216,098	213,321	210,609	199,931	189,822
Bare mains and cast iro	8/19/1970	6/30/2010	2.50%	5.43%	104,704	$ 243,959	1.1175	$ 272,631	214,909	33,069	181,841	29,339	212,064	209,256	206,515	203,839	193,312	183,354
						$ 1,219,797			$1,139,649	$ 180,463	$ 959,186	$ 169,113	$1,124,788	$1,110,121	$ 1,095,801	$1,081,820	$1,026,779	$ 974,678
ULH&P Bare Steel and Cast Iron 12/31/05 Adoption entry:																		
dr. ARC		180,463																
dr. COR		1,128,299																
cr. ARC Accum dep			169,113															
cr. ARO			1,139,649															

Fin 47 Gas Mains

December 31, 2005 Adoption Entries

DOT Regs Dt: 8/19/1970

Avg. Age	Footage	Avg.	Years Old	Age	Expected retirement (settlement)	Vintage	Obligation 2005 $s	Inflation factor	Inflated to Settlement	Discount rate:	$ Discounted to 12/31/2005	$ Discounted to Vintage	Accretion Cum Catch	ARC Depreciation Cum Catch	$ Discounted to 9/30/2005	$ Discounted to 6/30/2005	$ Discounted to 3/31/2005	$ Discounted to 12/31/2004	$ Discounted to 12/31/2003	$ Discounted to 12/31/2002
1946 Total	11,398	1946	59.5	6/30/1946	6/30/2006	8/19/1970	$ 26,557	1.0124	$ 26,887	5.33%	26,204	4,177	22,028	4,119	25,864	25,528	25,200	24,879	23,618	22,424
1947 Total	1,667	1947	58.5	6/30/1947	6/30/2007	8/19/1970	$ 3,884	1.0377	$ 4,031	5.33%	3,730	594	3,135	570	3,681	3,633	3,587	3,541	3,362	3,192
1948 Total	38,668	1948	57.5	6/30/1948	6/30/2008	8/19/1970	$ 90,096	1.0637	$ 95,833	5.33%	84,181	13,418	70,763	12,533	83,087	82,007	80,953	79,924	75,872	72,035
1949 Total	31,847	1949	56.5	6/30/1949	6/30/2009	8/19/1970	$ 74,204	1.0903	$ 80,902	5.33%	67,471	10,754	56,717	9,787	66,594	65,729	64,884	64,059	60,812	57,737
1950 Total	32,251	1950	55.5	6/30/1950	6/30/2010	8/19/1970	$ 75,145	1.1175	$ 83,976	5.43%	66,197	10,186	56,011	9,037	65,320	64,455	63,611	62,787	59,544	56,477
1951 Total	87,097	1951	54.5	6/30/1951	6/30/2011	8/19/1970	$ 202,936	1.1455	$ 232,456	5.54%	172,853	25,676	147,176	22,224	170,521	168,221	165,977	163,786	155,172	147,033
1952 Total	32,648	1952	53.5	6/30/1952	6/30/2012	8/19/1970	$ 76,070	1.1741	$ 89,314	5.54%	62,920	9,346	53,574	7,896	62,072	61,234	60,417	59,620	56,484	53,521
1953 Total	17,416	1953	52.5	6/30/1953	6/30/2013	8/19/1970	$ 40,579	1.2035	$ 48,835	5.64%	32,357	4,640	27,717	3,829	31,912	31,474	31,046	30,629	28,989	27,441
1954 Total	46,665	1954	51.5	6/30/1954	6/30/2014	8/19/1970	$ 108,729	1.2335	$ 134,122	5.75%	83,411	11,547	71,864	9,311	82,245	81,095	79,973	78,879	74,581	70,529
1955 Total	72,678	1955	50.5	6/30/1955	6/30/2015	8/19/1970	$ 169,340	1.2644	$ 214,109	5.85%	124,735	16,670	108,065	13,142	122,960	121,210	119,504	117,840	111,308	105,155
1956 Total	118,071	1956	49.5	6/30/1956	6/30/2016	8/19/1970	$ 275,105	1.2960	$ 356,533	5.96%	194,155	25,050	169,105	19,317	191,344	188,574	185,873	183,240	172,911	163,190
1957 Total	252,687	1957	48.5	6/30/1957	6/30/2017	8/19/1970	$ 588,761	1.3284	$ 782,102	6.17%	392,862	47,240	345,622	35,652	386,980	381,186	375,540	370,039	348,484	328,239
1958 Total	208,404	1958	47.5	6/30/1958	6/30/2018	8/19/1970	$ 485,581	1.3616	$ 661,166	6.27%	308,952	35,865	273,087	26,502	304,250	299,619	295,109	290,714	273,507	257,362
1959 Total	365,793	1959	46.5	6/30/1959	6/30/2019	8/19/1970	$ 852,298	1.3956	$ 1,189,497	6.38%	516,041	57,832	458,209	41,860	508,060	500,202	492,549	485,096	455,929	428,588
1960 Total	598,467	1960	45.5	6/30/1960	6/30/2020	8/19/1970	$ 1,394,428	1.4305	$ 1,994,767	6.49%	801,706	86,738	714,968	61,521	789,108	776,709	764,636	752,881	706,907	663,855
1961 Total	657,910	1961	44.5	6/30/1961	6/30/2021	8/19/1970	$ 1,532,930	1.4663	$ 2,247,721	6.59%	835,367	87,253	748,113	60,671	822,034	808,915	796,144	783,711	735,122	689,665
1962 Total	395,316	1962	43.5	6/30/1962	6/30/2022	8/19/1970	$ 921,086	1.5029	$ 1,384,344	6.59%	482,678	50,415	432,263	34,380	474,975	467,394	460,015	452,832	424,756	398,491
1963 Total	389,230	1963	42.5	6/30/1963	6/30/2023	8/19/1970	$ 906,906	1.5405	$ 1,397,108	6.59%	457,007	47,734	409,273	31,936	449,713	442,536	435,549	428,748	402,165	377,297
1964 Total	437,587	1964	41.5	6/30/1964	6/30/2024	8/19/1970	$ 1,019,578	1.5790	$ 1,609,948	6.59%	493,978	51,596	442,383	33,878	486,094	478,336	470,784	463,433	434,700	407,820
1965 Total	730,012	1965	40.5	6/30/1965	6/30/2025	8/19/1970	$ 1,700,928	1.6185	$ 2,752,969	6.59%	792,458	82,772	709,686	53,358	779,810	767,365	755,250	743,456	697,362	654,240
1966 Total	606,811	1966	39.5	6/30/1966	6/30/2026	8/19/1970	$ 1,413,870	1.6590	$ 2,345,571	6.59%	633,436	66,162	567,274	41,888	623,326	613,378	603,694	594,267	557,423	522,954
1967 Total	458,888	1967	38.5	6/30/1967	6/30/2027	8/19/1970	$ 1,069,209	1.7004	$ 1,818,133	6.59%	460,637	48,113	412,524	29,926	453,285	446,051	439,009	432,153	405,360	380,294
1968 Total	847,441	1968	37.5	6/30/1968	6/30/2028	8/19/1970	$ 1,974,538	1.7430	$ 3,441,536	6.59%	817,878	85,427	732,451	52,214	804,824	791,979	779,476	767,304	719,731	675,226
1969 Total	677,002	1969	36.5	6/30/1969	6/30/2029	8/19/1970	$ 1,577,415	1.7865	$ 2,818,102	6.49%	643,175	69,586	573,589	41,810	633,069	623,121	613,436	604,005	567,122	532,583
1970 Total	449,176	1970	35.5	6/30/1970	6/30/2030	8/19/1970	$ 1,046,580	1.8312	$ 1,916,493	6.49%	410,762	44,441	366,321	26,256	404,308	397,955	391,769	385,746	362,191	340,133
1971 Total	347,100	1971	34.5	6/30/1971	6/30/2031	6/30/1971	$ 808,743	1.8770	$ 1,517,991	6.49%	305,537	34,899	270,638	20,070	300,736	296,010	291,409	286,929	269,408	253,001
1972 Total	221,128	1972	33.5	6/30/1972	6/30/2032	6/30/1972	$ 515,228	1.9239	$ 991,247	6.49%	187,332	22,789	164,544	12,725	184,389	181,491	178,670	175,924	165,181	155,121
1973 Total	189,102	1973	32.5	6/30/1973	6/30/2033	6/30/1973	$ 440,608	1.9720	$ 868,877	6.49%	154,206	19,976	134,230	10,821	151,783	149,398	147,075	144,814	135,971	127,690
1974 Total	50,214	1974	31.5	6/30/1974	6/30/2034	6/30/1974	$ 116,999	2.0213	$ 236,489	6.49%	39,415	5,437	33,978	2,855	38,796	38,186	37,593	37,015	34,754	32,638
1975 Total	65,509	1975	30.5	6/30/1975	6/30/2035	6/30/1975	$ 152,636	2.0718	$ 316,236	6.49%	49,497	7,270	42,226	3,696	48,719	47,953	47,208	46,482	43,644	40,986
1976 Total	29,750	1976	29.5	6/30/1976	6/30/2036	6/30/1976	$ 69,318	2.1236	$ 147,204	6.49%	21,633	3,384	18,249	1,664	21,293	20,959	20,633	20,316	19,075	17,913
1977 Total	25,743	1977	28.5	6/30/1977	6/30/2037	6/30/1977	$ 59,981	2.1767	$ 130,562	6.49%	18,019	3,002	15,017	1,426	17,736	17,457	17,186	16,922	15,888	14,921
1978 Total	58,605	1978	27.5	6/30/1978	6/30/2038	6/30/1978	$ 136,550	2.2311	$ 304,661	6.49%	39,486	7,004	32,481	3,211	38,865	38,254	37,660	37,081	34,817	32,696
1979 Total	51,883	1979	26.5	6/30/1979	6/30/2039	6/30/1979	$ 120,887	2.2869	$ 276,459	6.49%	33,648	6,356	27,293	2,808	33,120	32,599	32,092	31,599	29,670	27,863
1980 Total	203,156	1980	25.5	6/30/1980	6/30/2040	6/30/1980	$ 473,353	2.3441	$ 1,109,581	6.49%	126,803	25,509	101,293	10,843	124,810	122,849	120,939	119,080	111,809	104,999
1981 Total	186,715	1981	24.5	6/30/1981	6/30/2041	6/30/1981	$ 435,046	2.4027	$ 1,045,279	6.49%	112,179	24,031	88,148	9,814	110,417	108,682	106,992	105,347	98,915	92,890
1982 Total	121,238	1982	23.5	6/30/1982	6/30/2042	6/30/1982	$ 282,485	2.4628	$ 695,690	6.49%	70,114	15,994	54,120	6,265	69,013	67,928	66,872	65,844	61,824	58,058
1983 Total	102,378	1983	22.5	6/30/1983	6/30/2043	6/30/1983	$ 238,541	2.5243	$ 602,154	6.49%	56,991	13,844	43,148	5,193	56,096	55,215	54,356	53,521	50,252	47,192
1984 Total	157,433	1984	21.5	6/30/1984	6/30/2044	6/30/1984	$ 366,819	2.5874	$ 949,119	6.49%	84,345	21,820	62,525	7,820	83,020	81,715	80,445	79,208	74,371	69,842
1985 Total	165,289	1985	20.5	6/30/1985	6/30/2045	6/30/1985	$ 385,123	2.6521	$ 1,021,392	6.49%	85,240	23,482	61,758	8,024	83,900	82,582	81,298	80,049	75,160	70,583
1986 Total	408,669	1986	19.5	6/30/1986	6/30/2046	6/30/1986	$ 952,199	2.7184	$ 2,588,476	6.49%	202,864	59,509	143,355	19,345	199,676	196,539	193,484	190,509	178,876	167,982
1987 Total	525,605	1987	18.5	6/30/1987	6/30/2047	6/30/1987	$ 1,224,660	2.7864	$ 3,412,368	6.49%	251,147	78,450	172,696	24,196	247,200	243,316	239,534	235,851	221,450	207,963
1988 Total	768,187	1988	17.5	6/30/1988	6/30/2048	6/30/1988	$ 1,789,876	2.8560	$ 5,111,957	6.49%	353,261	117,524	235,737	34,284	347,710	342,246	336,926	331,746	311,489	292,519
1989 Total	630,384	1989	16.5	6/30/1989	6/30/2049	6/30/1989	$ 1,468,795	2.9274	$ 4,299,810	6.49%	279,041	98,853	180,188	27,191	274,657	270,341	266,139	262,047	246,046	231,061
1990 Total	566,865	1990	15.5	6/30/1990	6/30/2050	6/30/1990	$ 1,320,795	3.0006	$ 3,963,214	6.49%	241,534	91,114	150,419	23,545	237,738	234,003	230,366	226,824	212,973	200,003
1991 Total	636,656	1991	14.5	6/30/1991	6/30/2051	6/30/1991	$ 1,483,408	3.0756	$ 4,562,434	6.49%	261,119	104,891	156,228	25,358	257,016	252,977	249,045	245,216	230,242	216,220
1992 Total	244,995	1992	13.5	6/30/1992	6/30/2052	6/30/1992	$ 570,838	3.1525	$ 1,799,587	6.49%	96,705	41,373	55,333	9,311	95,186	93,690	92,234	90,816	85,270	80,077
1993 Total	107,015	1993	12.5	6/30/1993	6/30/2053	6/30/1993	$ 249,345	3.2313	$ 805,720	6.49%	40,660	18,524	22,137	3,860	40,022	39,393	38,780	38,184	35,853	33,669
1994 Total	64,770	1994	11.5	6/30/1994	6/30/2054	6/30/1994	$ 150,914	3.3121	$ 499,847	6.49%	23,688	11,492	12,197	2,203	23,316	22,950	22,593	22,246	20,887	19,615
1995 Total	49,351	1995	10.5	6/30/1995	6/30/2055	6/30/1995	$ 114,988	3.3949	$ 390,376	6.49%	17,374	8,975	8,399	1,571	17,101	16,832	16,570	16,316	15,319	14,386
1996 Total	22,296	1996	9.5	6/30/1996	6/30/2056	6/30/1996	$ 51,950	3.4798	$ 180,775	6.49%	7,554	4,156	3,398	658	7,435	7,319	7,205	7,094	6,661	6,255
1997 Total	52,203	1997	8.5	6/30/1997	6/30/2057	6/30/1997	$ 121,633	3.5668	$ 433,841	6.49%	17,025	9,974	7,051	1,414	16,758	16,494	16,238	15,988	15,012	14,098
1998 Total	28,724	1998	7.5	6/30/1998	6/30/2058	6/30/1998	$ 66,927	3.6560	$ 244,683	6.49%	9,017	5,625	3,392	704	8,876	8,736	8,600	8,468	7,951	7,467
1999 Total	46,266	1999	6.5	6/30/1999	6/30/2059	6/30/1999	$ 107,800	3.7474	$ 403,966	6.49%	13,981	9,287	4,693	1,007	13,761	13,545	13,334	13,129	12,327	11,577
2000 Total	33,140	2000	5.5	6/30/2000	6/30/2060	6/30/2000	$ 77,216	3.8411	$ 296,592	6.49%	9,638	6,819	2,819	625	9,486	9,337	9,192	9,051	8,498	7,981
2001 Total	89,197	2001	4.5	6/30/2001	6/30/2061	6/30/2001	$ 207,829	3.9371	$ 818,242	6.49%	24,969	18,811	6,158	1,412	24,577	24,191	23,815	23,449	22,017	20,676
2002 Total	122,447	2002	3.5	6/30/2002	6/30/2062	6/30/2002	$ 285,301	4.0355	$ 1,151,333	6.49%	32,994	26,469	6,525	1,546	32,476	31,966	31,469	30,985	29,093	27,321
2003 Total	183,814	2003	2.5	6/30/2003	6/30/2063	6/30/2003	$ 428,285	4.1364	$ 1,771,559	6.49%	47,677	40,728	6,948	1,700	46,927	46,190	45,472	44,773	42,039	39,479
2004 Total	95,627	2004	1.5	6/30/2004	6/30/2064	6/30/2004	$ 222,812	4.2398	$ 944,679	6.49%	23,871	21,718	2,153	544	23,496	23,127	22,767	22,417	21,048	19,766
2005 Total	21,818	2005	0.5	6/30/2005	6/30/2065	6/30/2005	$ 50,835	4.3458	$ 220,918	6.49%	5,242	5,079	163	43	5,160	5,079	5,000	4,923	4,622	4,341
Grand Total	14,238,401						$33,175,475				$ 12,308,955	$2,007,400	##########	$ 971,366	$ 12,116,702	$ 11,927,455	$11,743,177	$ 11,563,729	$ 10,861,827	$ 10,204,334
miles:	2,697																			

CG&E Coated Steel 12/31/05 Adoption entry:

dr. ARC	$ 2,007,400	
dr. COR	$11,272,921	
cr. ARC Accum dep		$ 971,366
cr. ARO		$12,308,955

AG-DR-02-033 (a) Attachment.xls workbook, CG&E Coated Steel (ARO calc) tab

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-033 (a)

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

DOT Regs Dt: 8/19/1970

Avg. Age	Footage	Avg.	Years Old	Age	Expected retirement (settlement)	Vintage	Obligation 2005 $s	Inflation factor	Inflated to Settlement	Discount rate:	$ Discounted to 12/31/2005	$ Discounted to Vintage	Accretion Cum Catch	ARC Depreciation Cum Catch	$ Discounted to 9/30/2005	$ Discounted to 6/30/2005	$ Discounted to 3/31/2005	$ Discounted to 12/31/2004	$ Discounted to 12/31/2003	$ Discounted to 12/31/2002
1966 Total	4,511	**1966**	39.5	6/30/1966	6/30/2016	8/19/1970	$ 10,511	1.2960	$ 13,622	5.96%	7,418	957	6,461	738	7,310	7,205	7,101	7,001	6,606	6,235
1969 Total	72,726	**1969**	36.5	6/30/1969	6/30/2019	8/19/1970	$ 169,452	1.3956	$ 236,493	6.38%	102,598	11,498	91,100	8,323	101,011	99,449	97,927	96,445	90,647	85,211
1970 Total	72,674	**1970**	35.5	6/30/1970	6/30/2020	8/19/1970	$ 169,330	1.4305	$ 242,232	6.49%	97,354	10,533	86,821	7,471	95,824	94,319	92,853	91,425	85,842	80,614
1971 Total	182,194	**1971**	34.5	6/30/1971	6/30/2021	6/30/1971	$ 424,512	1.4663	$ 622,458	6.59%	231,337	25,531	205,805	17,619	227,645	224,011	220,475	217,032	203,576	190,988
1972 Total	179,039	**1972**	33.5	6/30/1972	6/30/2022	6/30/1972	$ 417,161	1.5029	$ 626,971	6.59%	218,606	25,721	192,885	17,235	215,117	211,683	208,341	205,088	192,373	180,477
1973 Total	147,265	**1973**	32.5	6/30/1973	6/30/2023	6/30/1973	$ 343,127	1.5405	$ 528,595	6.59%	172,908	21,685	151,223	14,097	170,149	167,433	164,790	162,216	152,159	142,750
1974 Total	13,688	**1974**	31.5	6/30/1974	6/30/2024	6/30/1974	$ 31,893	1.5790	$ 50,360	6.59%	15,452	2,066	13,386	1,301	15,205	14,963	14,726	14,496	13,598	12,757
1975 Total	10,748	**1975**	30.5	6/30/1975	6/30/2025	6/30/1975	$ 25,043	1.6185	$ 40,532	6.59%	11,667	1,663	10,005	1,014	11,481	11,298	11,120	10,946	10,267	9,632
1976 Total	6,819	**1976**	29.5	6/30/1976	6/30/2026	6/30/1976	$ 15,888	1.6590	$ 26,358	6.59%	7,118	1,081	6,037	638	7,005	6,893	6,784	6,678	6,264	5,877
1977 Total	11,138	**1977**	28.5	6/30/1977	6/30/2027	6/30/1977	$ 25,952	1.7004	$ 44,129	6.59%	11,180	1,810	9,370	1,032	11,002	10,826	10,655	10,489	9,839	9,230
1978 Total	4,387	**1978**	27.5	6/30/1978	6/30/2028	6/30/1978	$ 10,222	1.7430	$ 17,816	6.59%	4,234	731	3,503	402	4,166	4,100	4,035	3,972	3,726	3,495
1979 Total	17,195	**1979**	26.5	6/30/1979	6/30/2029	6/30/1979	$ 40,064	1.7865	$ 71,576	6.49%	16,336	3,086	13,250	1,636	16,079	15,826	15,580	15,341	14,404	13,527
1980 Total	81,025	**1980**	25.5	6/30/1980	6/30/2030	6/30/1980	$ 188,788	1.8312	$ 345,708	6.49%	74,096	14,906	59,190	7,603	72,931	71,785	70,670	69,583	65,334	61,355
1981 Total	20,522	**1981**	24.5	6/30/1981	6/30/2031	6/30/1981	$ 47,816	1.8770	$ 89,750	6.49%	18,065	3,870	14,195	1,897	17,781	17,501	17,229	16,964	15,929	14,958
1982 Total	128	**1982**	23.5	6/30/1982	6/30/2032	6/30/1982	$ 298	1.9239	$ 574	6.49%	108	25	84	12	107	105	103	102	96	90
1983 Total	3,017	**1983**	22.5	6/30/1983	6/30/2033	6/30/1983	$ 7,030	1.9720	$ 13,862	6.49%	2,460	598	1,863	269	2,422	2,384	2,346	2,310	2,169	2,037
1984 Total	4,884	**1984**	21.5	6/30/1984	6/30/2034	6/30/1984	$ 11,380	2.0213	$ 23,002	6.49%	3,834	992	2,842	427	3,773	3,714	3,656	3,600	3,380	3,174
1985 Total	4,425	**1985**	20.5	6/30/1985	6/30/2035	6/30/1985	$ 10,310	2.0718	$ 21,361	6.49%	3,343	921	2,422	378	3,291	3,239	3,189	3,140	2,948	2,769
1986 Total	855	**1986**	19.5	6/30/1986	6/30/2036	6/30/1986	$ 1,992	2.1236	$ 4,231	6.49%	622	182	439	71	612	602	593	584	548	515
1987 Total	6,298	**1987**	18.5	6/30/1987	6/30/2037	6/30/1987	$ 14,674	2.1767	$ 31,942	6.49%	4,408	1,377	3,031	510	4,339	4,271	4,204	4,140	3,887	3,650
1988 Total	9,553	**1988**	17.5	6/30/1988	6/30/2038	6/30/1988	$ 22,258	2.2311	$ 49,662	6.49%	6,436	2,141	4,295	750	6,335	6,236	6,139	6,044	5,675	5,330
1989 Total	7,964	**1989**	16.5	6/30/1989	6/30/2039	6/30/1989	$ 18,556	2.2869	$ 42,436	6.49%	5,165	1,830	3,335	604	5,084	5,004	4,926	4,850	4,554	4,277
1990 Total	27,030	**1990**	15.5	6/30/1990	6/30/2040	6/30/1990	$ 62,980	2.3441	$ 147,630	6.49%	16,871	6,364	10,507	1,973	16,606	16,345	16,091	15,844	14,876	13,970
1991 Total	58,042	**1991**	14.5	6/30/1991	6/30/2041	6/30/1991	$ 135,238	2.4027	$ 324,934	6.49%	34,872	14,008	20,864	4,064	34,324	33,785	33,260	32,748	30,748	28,876
1992 Total	345,417	**1992**	13.5	6/30/1992	6/30/2042	6/30/1992	$ 804,822	2.4628	$1,982,078	6.49%	199,762	85,462	114,299	23,081	196,623	193,533	190,525	187,596	176,141	165,413
1993 Total	674,308	**1993**	12.5	6/30/1993	6/30/2043	6/30/1993	$ 1,571,138	2.5243	$3,966,059	6.49%	375,372	171,007	204,365	42,766	369,474	363,668	358,015	352,511	330,985	310,828
1994 Total	731,137	**1994**	11.5	6/30/1994	6/30/2044	6/30/1994	$ 1,703,549	2.5874	$4,407,816	6.49%	391,708	190,021	201,686	43,721	385,553	379,495	373,596	367,852	345,390	324,355
1995 Total	641,460	**1995**	10.5	6/30/1995	6/30/2045	6/30/1995	$ 1,494,602	2.6521	$3,963,859	6.49%	330,802	170,882	159,920	35,902	325,604	320,488	315,506	310,655	291,686	273,922
1996 Total	628,514	**1996**	9.5	6/30/1996	6/30/2046	6/30/1996	$ 1,464,438	2.7184	$3,980,956	6.49%	311,995	171,649	140,346	32,625	307,093	302,268	297,569	292,994	275,103	258,349
1997 Total	940,048	**1997**	8.5	6/30/1997	6/30/2047	6/30/1997	$ 2,190,312	2.7864	$6,103,042	6.49%	449,178	263,148	186,030	44,756	442,120	435,173	428,408	421,822	396,064	371,943
1998 Total	720,552	**1998**	7.5	6/30/1998	6/30/2048	6/30/1998	$ 1,678,886	2.8560	$4,794,966	6.49%	331,355	206,711	124,644	31,024	326,148	321,024	316,034	311,175	292,174	274,380
1999 Total	178,043	**1999**	6.5	6/30/1999	6/30/2049	6/30/1999	$ 414,840	2.9274	$1,214,420	6.49%	78,811	52,354	26,457	6,811	77,573	76,354	75,167	74,011	69,492	65,260
2000 Total	675,371	**2000**	5.5	6/30/2000	6/30/2050	6/30/2000	$ 1,573,614	3.0006	$4,721,830	6.49%	287,767	203,594	84,173	22,408	283,245	278,794	274,461	270,241	253,739	238,286
2001 Total	853,466	**2001**	4.5	6/30/2001	6/30/2051	6/30/2001	$ 1,988,575	3.0756	$6,116,146	6.49%	350,041	263,713	86,328	23,755	344,541	339,127	333,856	328,723	308,650	289,853
2002 Total	942,091	**2002**	3.5	6/30/2002	6/30/2052	6/30/2002	$ 2,195,073	3.1525	$6,920,041	6.49%	371,866	298,324	73,542	20,909	366,022	360,271	354,671	349,218	327,894	307,925
2003 Total	867,098	**2003**	2.5	6/30/2003	6/30/2053	6/30/2003	$ 2,020,337	3.2313	$6,528,411	6.49%	329,455	281,440	48,014	14,101	324,278	319,183	314,221	309,390	290,498	272,806
2004 Total	1,024,395	**2004**	1.5	6/30/2004	6/30/2054	6/30/2004	$ 2,386,839	3.3121	$7,905,524	6.49%	374,654	340,867	33,787	10,247	368,767	362,972	357,330	351,837	330,352	310,233
2005 Total	795,930	**2005**	0.5	6/30/2005	6/30/2055	6/30/2005	$ 1,854,516	3.3949	$6,295,960	6.49%	280,203	271,466	8,737	2,735	275,800	271,466	267,247	263,138	247,070	232,023
	10,963,856						$25,546,017				$ 5,529,456	$3,124,214	$ 2,405,242	$ 444,902	$ 5,442,439	$ 5,356,792	$ 5,273,402	$5,192,205	$ 4,874,684	$ 4,577,370
miles:	2,077																			

CG&E Plastic 12/31/05 Adoption entry:

dr. ARC	$3,124,214	
dr. COR	$2,850,144	
cr. ARC Accum dep		$ 444,902
cr. ARO		$5,529,456

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

DOT Regs Dt: 8/19/1970

Avg. Age	Footage	Avg.	Years Old	Age	Expected retirement (settlement)	Vintage	Obligation 2005 $s	Inflation factor	Inflated to Settlement	Discount rate:	$ Discounted to 12/31/2005	$ Discounted to Vintage	Accretion Cum Catch	ARC Depreciation Cum Catch	$ Discounted to 9/30/2005	$ Discounted to 6/30/2005	$ Discounted to 3/31/2005	$ Discounted to 12/31/2004	$ Discounted to 12/31/2003	$ Discounted to 12/31/2002
1924 Total	163	1924	81.5	6/30/1924	6/30/2006	8/19/1970	$ 380	1.0124	$ 385	5.33%	375	60	315	59	370	365	360	356	338	321
1941 Total	82	1941	64.5	6/30/1941	6/30/2006	8/19/1970	$ 191	1.0124	$ 193	5.33%	189	30	158	30	186	184	181	179	170	161
1946 Total	2,608	1946	59.5	6/30/1946	6/30/2006	8/19/1970	$ 6,077	1.0124	$ 6,152	5.33%	5,996	956	5,040	942	5,918	5,841	5,766	5,693	5,404	5,131
1947 Total	1,067	1947	58.5	6/30/1947	6/30/2006	8/19/1970	$ 2,486	1.0124	$ 2,517	5.33%	2,453	391	2,062	386	2,421	2,390	2,359	2,329	2,211	2,099
1948 Total	2,776	1948	57.5	6/30/1948	6/30/2006	8/19/1970	$ 6,468	1.0124	$ 6,548	5.33%	6,382	1,017	5,365	1,003	6,299	6,217	6,137	6,059	5,752	5,461
1949 Total	16	1949	56.5	6/30/1949	6/30/2006	8/19/1970	$ 37	1.0124	$ 38	5.33%	37	6	31	6	36	36	35	35	33	31
1950 Total	634	1950	55.5	6/30/1950	6/30/2006	8/19/1970	$ 1,477	1.0124	$ 1,496	5.33%	1,458	232	1,225	229	1,439	1,420	1,402	1,384	1,314	1,247
1951 Total	113	1951	54.5	6/30/1951	6/30/2006	8/19/1970	$ 263	1.0124	$ 267	5.33%	260	41	218	41	256	253	250	247	234	222
1952 Total	383	1952	53.5	6/30/1952	6/30/2006	8/19/1970	$ 892	1.0124	$ 903	5.33%	881	140	740	138	869	858	847	836	794	753
1953 Total	14,993	1953	52.5	6/30/1953	6/30/2006	8/19/1970	$ 34,934	1.0124	$ 35,368	5.33%	34,469	5,494	28,975	5,418	34,021	33,579	33,148	32,726	31,067	29,496
1954 Total	4,079	1954	51.5	6/30/1954	6/30/2007	8/19/1970	$ 9,504	1.0377	$ 9,863	5.33%	9,126	1,455	7,672	1,396	9,008	8,891	8,776	8,665	8,225	7,809
1955 Total	69,259	1955	50.5	6/30/1955	6/29/2008	8/19/1970	$ 161,373	1.0377	$ 167,463	5.33%	147,121	23,450	123,671	21,905	145,209	143,322	141,480	139,682	132,600	125,895
1956 Total	9,827	1956	49.5	6/30/1956	6/30/2009	8/19/1970	$ 22,897	1.0903	$ 24,964	5.33%	20,820	3,318	17,501	3,020	20,549	20,282	20,021	19,767	18,765	17,816
1957 Total	14,526	1957	48.5	6/30/1957	6/30/2010	8/19/1970	$ 33,846	1.1175	$ 37,823	5.43%	29,815	4,588	25,228	4,070	29,421	29,031	28,651	28,280	26,819	25,438
1958 Total	51,120	1958	47.5	6/30/1958	6/30/2011	8/19/1970	$ 119,110	1.1455	$ 136,436	5.54%	101,453	15,070	86,383	13,044	100,084	98,734	97,417	96,131	91,075	86,298
1959 Total	35,589	1959	46.5	6/30/1959	6/29/2012	8/19/1970	$ 82,876	1.1455	$ 94,931	5.54%	66,888	9,936	56,952	8,394	65,985	65,095	64,227	63,379	60,046	56,896
1960 Total	62,539	1960	45.5	6/30/1960	6/30/2013	8/19/1970	$ 145,716	1.2035	$ 175,362	5.64%	116,189	16,662	99,527	13,748	114,593	113,019	111,484	109,985	104,097	98,538
1961 Total	38,145	1961	44.5	6/30/1961	6/30/2014	8/19/1970	$ 84,218	1.2335	$ 103,886	5.75%	64,607	8,944	55,663	7,212	63,704	62,813	61,944	61,097	57,768	54,629
1962 Total	24,547	1962	43.5	6/30/1962	6/30/2015	8/19/1970	$ 57,195	1.2644	$ 72,315	5.85%	42,129	5,630	36,499	4,439	41,530	40,939	40,362	39,800	37,594	35,516
1963 Total	65,830	1963	42.5	6/30/1963	6/29/2016	8/19/1970	$ 153,384	1.2644	$ 193,935	5.85%	106,736	14,265	92,471	11,001	105,218	103,720	102,260	100,836	95,247	89,982
1964 Total	73,822	1964	41.5	6/30/1964	6/30/2017	8/19/1970	$ 172,005	1.3284	$ 228,489	6.17%	114,774	13,801	100,973	10,416	113,055	111,363	109,713	108,106	101,809	95,894
1965 Total	375,928	1965	40.5	6/30/1965	6/30/2018	8/19/1970	$ 875,912	1.3616	$ 1,192,639	6.27%	557,301	64,694	492,606	47,805	548,819	540,466	532,329	524,402	493,364	464,240
1966 Total	89,055	1966	39.5	6/30/1966	6/30/2019	8/19/1970	$ 207,498	1.3956	$ 289,592	6.38%	125,634	14,080	111,554	10,191	123,691	121,778	119,915	118,100	110,999	104,343
1967 Total	105,389	1967	38.5	6/30/1967	6/29/2020	8/19/1970	$ 245,556	1.3956	$ 342,707	6.38%	139,761	15,663	124,099	11,110	137,600	135,472	133,399	131,380	123,481	116,076
1968 Total	222,180	1968	37.5	6/30/1968	6/30/2021	8/19/1970	$ 517,679	1.4663	$ 759,068	6.59%	282,108	29,466	252,642	20,489	277,606	273,175	268,862	264,664	248,255	232,904
1969 Total	158,444	1969	36.5	6/30/1969	6/30/2022	8/19/1970	$ 369,175	1.5029	$ 554,850	6.59%	193,459	20,207	173,253	13,780	190,372	187,333	184,376	181,497	170,244	159,717
1970 Total	150,890	1970	35.5	6/30/1970	6/30/2023	8/19/1970	$ 351,574	1.5405	$ 541,607	6.59%	177,165	18,505	158,660	12,381	174,337	171,555	168,846	166,210	155,905	146,264
1971 Total	78,807	1971	34.5	6/30/1971	6/29/2024	6/30/1971	$ 183,620	1.5405	$ 282,871	6.59%	86,808	9,581	77,228	6,237	85,423	84,059	82,732	81,440	76,391	71,667
1972 Total	73,450	1972	33.5	6/30/1972	6/30/2025	6/30/1972	$ 171,139	1.6185	$ 276,989	6.59%	79,733	9,381	70,352	5,930	78,460	77,208	75,989	74,803	70,165	65,826
1973 Total	23,894	1973	32.5	6/30/1973	6/30/2026	6/30/1973	$ 55,673	1.6590	$ 92,360	6.59%	24,942	3,128	21,814	1,918	24,544	24,153	23,771	23,400	21,949	20,592
1974 Total	35,078	1974	31.5	6/30/1974	6/30/2027	6/30/1974	$ 81,732	1.7004	$ 138,980	6.59%	35,212	4,707	30,505	2,798	34,650	34,097	33,558	33,034	30,986	29,070
1975 Total	78,922	1975	30.5	6/30/1975	6/29/2028	6/30/1975	$ 183,888	1.7004	$ 312,692	6.59%	74,324	10,591	63,733	6,096	73,138	71,971	70,834	69,728	65,405	61,361
1976 Total	10,987	1976	29.5	6/30/1976	6/30/2029	6/30/1976	$ 25,600	1.7865	$ 45,735	6.49%	10,438	1,633	8,805	909	10,274	10,113	9,955	9,802	9,204	8,643
1977 Total	9,898	1977	28.5	6/30/1977	6/30/2030	6/30/1977	$ 23,062	1.8312	$ 42,232	6.49%	9,052	1,508	7,544	811	8,909	8,769	8,633	8,500	7,981	7,495
1978 Total	16,803	1978	27.5	6/30/1978	6/30/2031	6/30/1978	$ 39,151	1.8770	$ 73,485	6.49%	14,791	2,624	12,167	1,362	14,559	14,330	14,107	13,890	13,042	12,248
1979 Total	35,388	1979	26.5	6/30/1979	6/29/2032	6/30/1979	$ 82,454	1.8770	$ 154,764	6.49%	29,253	5,526	23,728	2,763	28,794	28,341	27,901	27,472	25,794	24,223
1980 Total	65,188	1980	25.5	6/30/1980	6/30/2033	6/30/1980	$ 151,888	1.9720	$ 299,523	6.49%	53,158	10,694	42,464	5,146	52,323	51,501	50,700	49,921	46,873	44,018
1981 Total	39,691	1981	24.5	6/30/1981	6/30/2034	6/30/1981	$ 92,480	2.0213	$ 186,930	6.49%	31,155	6,674	24,481	3,086	30,666	30,184	29,715	29,258	27,471	25,798
1982 Total	43,777	1982	23.5	6/30/1982	6/30/2035	6/30/1982	$ 102,000	2.0718	$ 211,327	6.49%	33,077	7,545	25,531	3,346	32,557	32,045	31,547	31,062	29,165	27,389
1983 Total	49,823	1983	22.5	6/30/1983	6/29/2036	6/30/1983	$ 116,088	2.0718	$ 240,514	6.49%	35,352	8,587	26,765	3,646	34,797	34,250	33,717	33,199	31,172	29,273
1984 Total	25,122	1984	21.5	6/30/1984	6/30/2037	6/30/1984	$ 58,534	2.1767	$ 127,412	6.49%	17,584	4,549	13,035	1,846	17,308	17,036	16,771	16,513	15,505	14,561
1985 Total	48,824	1985	20.5	6/30/1985	6/30/2038	6/30/1985	$ 113,760	2.2311	$ 253,814	6.49%	32,896	9,062	23,833	3,506	32,379	31,870	31,375	30,892	29,006	27,239
1986 Total	67,235	1986	19.5	6/30/1986	6/30/2039	6/30/1986	$ 156,658	2.2869	$ 358,262	6.49%	43,605	12,791	30,814	4,707	42,920	42,245	41,589	40,949	38,449	36,107
1987 Total	140,344	1987	18.5	6/30/1987	6/29/2040	6/30/1987	$ 327,002	2.2869	$ 747,824	6.49%	85,476	26,700	58,776	9,323	84,133	82,811	81,524	80,270	75,369	70,779
1988 Total	176,099	1988	17.5	6/30/1988	6/30/2041	6/30/1988	$ 410,311	2.4027	$ 985,848	6.49%	105,801	35,198	70,603	11,624	104,139	102,502	100,909	99,358	93,291	87,609
1989 Total	190,511	1989	16.5	6/30/1989	6/30/2042	6/30/1989	$ 443,891	2.4628	$ 1,093,194	6.49%	110,176	39,031	71,145	12,154	108,445	106,741	105,082	103,466	97,148	91,232
1990 Total	276,251	1990	15.5	6/30/1990	6/30/2043	6/30/1990	$ 643,665	2.5243	$ 1,624,818	6.49%	153,783	58,012	95,771	16,971	151,366	148,988	146,672	144,417	135,598	127,340
1991 Total	171,336	1991	14.5	6/30/1991	6/29/2044	6/30/1991	$ 399,213	2.5243	$ 1,007,742	6.49%	89,570	35,980	53,590	9,847	88,163	86,777	85,429	84,115	78,979	74,169
1992 Total	63,920	1992	13.5	6/30/1992	6/30/2045	6/30/1992	$ 148,934	2.6521	$ 394,989	6.49%	32,964	14,103	18,861	3,593	32,446	31,936	31,439	30,956	29,066	27,296
1993 Total	22,262	1993	12.5	6/30/1993	6/30/2046	6/30/1993	$ 51,870	2.7184	$ 141,006	6.49%	11,051	5,034	6,016	1,188	10,877	10,706	10,540	10,378	9,744	9,151
1994 Total	2,392	1994	11.5	6/30/1994	6/30/2047	6/30/1994	$ 5,573	2.7864	$ 15,530	6.49%	1,143	554	588	120	1,125	1,107	1,090	1,073	1,008	946
1995 Total	231	1995	10.5	6/30/1995	6/29/2048	6/30/1995	$ 538	2.7864	$ 1,500	6.49%	104	54	50	11	102	100	99	97	91	86
1996 Total	3,970	1996	9.5	6/30/1996	6/30/2049	6/30/1996	$ 9,250	2.9274	$ 27,079	6.49%	1,757	967	791	173	1,730	1,703	1,676	1,650	1,550	1,455
1997 Total	3,446	1997	8.5	6/30/1997	6/30/2050	6/30/1997	$ 8,029	3.0006	$ 24,093	6.49%	1,468	860	608	138	1,445	1,423	1,400	1,379	1,295	1,216
1998 Total	6,275	1998	7.5	6/30/1998	6/30/2051	6/30/1998	$ 14,621	3.0756	$ 44,968	6.49%	2,574	1,606	968	227	2,533	2,493	2,455	2,417	2,269	2,131
1999 Total	42,640	1999	6.5	6/30/1999	6/29/2052	6/30/1999	$ 99,351	3.0756	$ 305,569	6.49%	16,423	10,910	5,513	1,339	16,165	15,911	15,664	15,423	14,481	13,599
2000 Total	15,337	2000	5.5	6/30/2000	6/30/2053	6/30/2000	$ 35,735	3.2313	$ 115,473	6.49%	5,827	4,123	1,705	428	5,736	5,646	5,558	5,472	5,138	4,825
2001 Total	22,748	2001	4.5	6/30/2001	6/30/2054	6/30/2001	$ 53,002	3.3121	$ 175,551	6.49%	8,320	6,268	2,052	533	8,189	8,060	7,935	7,813	7,336	6,889
2002 Total	16,124	2002	3.5	6/30/2002	6/30/2055	6/30/2002	$ 37,569	3.3949	$ 127,543	6.49%	5,676	4,554	1,123	301	5,587	5,499	5,414	5,331	5,005	4,700
2003 Total	29,863	2003	2.5	6/30/2003	6/29/2056	6/30/2003	$ 69,581	3.3949	$ 236,222	6.49%	9,873	8,434	1,439	399	9,718	9,565	9,416	9,272	8,705	8,175
2004 Total	8,143	2004	1.5	6/30/2004	6/30/2057	6/30/2004	$ 18,974	3.5668	$ 67,677	6.49%	2,656	2,416	240	69	2,614	2,573	2,533	2,494	2,342	2,199
2005 Total	18,891	2005	0.5	6/30/2005	6/30/2058	6/30/2005	$ 44,016	3.6560	$ 160,921	6.49%	5,930	5,745	185	55	5,837	5,745	5,656	5,569	5,229	4,911
	3,485,654						$8,121,574				$ 3,609,536	$ 657,230	$ 2,952,306	$345,251	$3,554,644	$3,500,590	$3,447,934	$3,396,640	$3,195,812	$3,007,401
miles:	660																			

ULH&P Coated Steel 12/31/05 Adoption entry:

dr. ARC	$ 657,230	
dr. COR	$3,297,557	
cr. ARC Accum dep		$ 345,251
cr. ARO		$3,609,536

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

DOT Regs Dt: 8/19/1970

Avg. Age	Footage	Avg.	Years Old	Age	Expected retirement (settlement)	Vintage	Obligation 2005 $s	Inflation factor	Inflated to Settlement	Discount rate:	$ Discounted to 12/31/2005	$ Discounted to Vintage	Accretion Cum Catch	ARC Depreciation Cum Catch	$ Discounted to 9/30/2005	$ Discounted to 6/30/2005	$ Discounted to 3/31/2005	$ Discounted to 12/31/2004	$ Discounted to 12/31/2003	$ Discounted to 12/31/2002
1965 Total	592	**1965**	40.5	6/30/1965	6/30/2015	8/19/1970	$ 1,379	1.2644	$ 1,744	5.85%	1,016	136	880	107	1,002	987	973	960	907	857
1968 Total	3,762	**1968**	37.5	6/30/1968	6/30/2018	8/19/1970	$ 8,765	1.3616	$ 11,935	6.27%	5,577	647	4,930	478	5,492	5,409	5,327	5,248	4,937	4,646
1970 Total	33,236	**1970**	35.5	6/30/1970	6/30/2020	8/19/1970	$ 77,440	1.4305	$ 110,780	6.49%	44,523	4,817	39,706	3,417	43,823	43,135	42,464	41,811	39,258	36,867
1971 Total	50,664	**1971**	34.5	6/30/1971	6/30/2021	6/30/1971	$ 118,047	1.4663	$ 173,091	6.59%	64,329	7,100	57,230	4,899	63,303	62,292	61,309	60,352	56,610	53,109
1972 Total	44,242	**1972**	33.5	6/30/1972	6/30/2022	6/30/1972	$ 103,084	1.5029	$ 154,930	6.59%	54,019	6,356	47,663	4,259	53,157	52,309	51,483	50,679	47,537	44,597
1973 Total	28,637	**1973**	32.5	6/30/1973	6/30/2023	6/30/1973	$ 66,724	1.5405	$ 102,790	6.59%	33,624	4,217	29,407	2,741	33,087	32,559	32,045	31,544	29,589	27,759
1974 Total	10,679	**1974**	31.5	6/30/1974	6/30/2024	6/30/1974	$ 24,882	1.5790	$ 39,290	6.59%	12,055	1,612	10,444	1,015	11,863	11,673	11,489	11,310	10,609	9,953
1975 Total	7,031	**1975**	30.5	6/30/1975	6/30/2025	6/30/1975	$ 16,382	1.6185	$ 26,515	6.59%	7,632	1,088	6,545	664	7,511	7,391	7,274	7,160	6,717	6,301
1976 Total	3,214	**1976**	29.5	6/30/1976	6/30/2026	6/30/1976	$ 7,489	1.6590	$ 12,423	6.59%	3,355	510	2,845	301	3,301	3,249	3,197	3,148	2,952	2,770
1977 Total	746	**1977**	28.5	6/30/1977	6/30/2027	6/30/1977	$ 1,738	1.7004	$ 2,956	6.59%	749	121	628	69	737	725	714	703	659	618
1978 Total	7,535	**1978**	27.5	6/30/1978	6/30/2028	6/30/1978	$ 17,557	1.7430	$ 30,600	6.59%	7,272	1,255	6,017	690	7,156	7,042	6,931	6,822	6,399	6,004
1979 Total	8,783	**1979**	26.5	6/30/1979	6/30/2029	6/30/1979	$ 20,464	1.7865	$ 36,560	6.49%	8,344	1,576	6,768	835	8,213	8,084	7,958	7,836	7,357	6,909
1980 Total	12,817	**1980**	25.5	6/30/1980	6/30/2030	6/30/1980	$ 29,864	1.8312	$ 54,686	6.49%	11,721	2,358	9,363	1,203	11,537	11,355	11,179	11,007	10,335	9,706
1981 Total	3,149	**1981**	24.5	6/30/1981	6/30/2031	6/30/1981	$ 7,337	1.8770	$ 13,772	6.49%	2,772	594	2,178	291	2,728	2,685	2,644	2,603	2,444	2,295
1983 Total	1,295	**1983**	22.5	6/30/1983	6/30/2033	6/30/1983	$ 3,017	1.9720	$ 5,950	6.49%	1,056	257	800	115	1,039	1,023	1,007	992	931	874
1984 Total	4,344	**1984**	21.5	6/30/1984	6/30/2034	6/30/1984	$ 10,122	2.0213	$ 20,459	6.49%	3,410	882	2,528	379	3,356	3,303	3,252	3,202	3,007	2,823
1986 Total	1,664	**1986**	19.5	6/30/1986	6/30/2036	6/30/1986	$ 3,877	2.1236	$ 8,234	6.49%	1,210	355	855	138	1,191	1,172	1,154	1,136	1,067	1,002
1987 Total	3,019	**1987**	18.5	6/30/1987	6/30/2037	6/30/1987	$ 7,034	2.1767	$ 15,312	6.49%	2,113	660	1,453	244	2,080	2,047	2,015	1,984	1,863	1,750
1988 Total	585	**1988**	17.5	6/30/1988	6/30/2038	6/30/1988	$ 1,363	2.2311	$ 3,041	6.49%	394	131	263	46	388	382	376	370	348	326
1989 Total	2,787	**1989**	16.5	6/30/1989	6/30/2039	6/30/1989	$ 6,494	2.2869	$ 14,851	6.49%	1,807	640	1,167	211	1,779	1,751	1,724	1,697	1,594	1,497
1990 Total	2,583	**1990**	15.5	6/30/1990	6/30/2040	6/30/1990	$ 6,018	2.3441	$ 14,108	6.49%	1,612	608	1,004	189	1,587	1,562	1,538	1,514	1,422	1,335
1991 Total	10,044	**1991**	14.5	6/30/1991	6/30/2041	6/30/1991	$ 23,403	2.4027	$ 56,229	6.49%	6,034	2,424	3,610	703	5,940	5,846	5,755	5,667	5,321	4,997
1992 Total	79,828	**1992**	13.5	6/30/1992	6/30/2042	6/30/1992	$ 185,999	2.4628	$ 458,070	6.49%	46,166	19,751	26,415	5,334	45,441	44,727	44,032	43,355	40,707	38,228
1993 Total	138,683	**1993**	12.5	6/30/1993	6/30/2043	6/30/1993	$ 323,131	2.5243	$ 815,688	6.49%	77,202	35,170	42,031	8,796	75,989	74,795	73,632	72,500	68,073	63,927
1994 Total	188,769	**1994**	11.5	6/30/1994	6/30/2044	6/30/1994	$ 435,172	2.5874	$ 1,125,977	6.49%	100,062	48,541	51,521	11,168	98,490	96,942	95,435	93,968	88,230	82,856
1995 Total	160,937	**1995**	10.5	6/30/1995	6/30/2045	6/30/1995	$ 374,983	2.6521	$ 994,499	6.49%	82,995	42,873	40,122	9,007	81,691	80,408	79,158	77,941	73,182	68,725
1996 Total	194,077	**1996**	9.5	6/30/1996	6/30/2046	6/30/1996	$ 452,199	2.7184	$ 1,229,268	6.49%	96,340	53,003	43,337	10,074	94,826	93,336	91,886	90,473	84,948	79,775
1997 Total	236,363	**1997**	8.5	6/30/1997	6/30/2047	6/30/1997	$ 550,726	2.7864	$ 1,534,532	6.49%	112,940	66,165	46,775	11,253	111,165	109,419	107,718	106,062	99,585	93,520
1998 Total	173,172	**1998**	7.5	6/30/1998	6/30/2048	6/30/1998	$ 403,491	2.8560	$ 1,152,386	6.49%	79,635	49,679	29,956	7,456	78,384	77,152	75,953	74,785	70,219	65,942
1999 Total	186,042	**1999**	6.5	6/30/1999	6/30/2049	6/30/1999	$ 433,478	2.9274	$ 1,268,981	6.49%	82,352	54,706	27,646	7,117	81,058	79,784	78,544	77,337	72,614	68,192
2000 Total	194,065	**2000**	5.5	6/30/2000	6/30/2050	6/30/2000	$ 452,171	3.0006	$ 1,356,798	6.49%	82,689	58,502	24,187	6,439	81,389	80,110	78,865	77,653	72,911	68,471
2001 Total	278,069	**2001**	4.5	6/30/2001	6/30/2051	6/30/2001	$ 647,900	3.0756	$ 1,992,710	6.49%	114,047	85,921	28,127	7,740	112,255	110,491	108,774	107,102	100,562	94,437
2002 Total	290,520	**2002**	3.5	6/30/2002	6/30/2052	6/30/2002	$ 676,912	3.1525	$ 2,133,987	6.49%	114,675	91,996	22,679	6,448	112,873	111,100	109,373	107,691	101,115	94,957
2003 Total	332,353	**2003**	2.5	6/30/2003	6/30/2053	6/30/2003	$ 774,382	3.2313	$ 2,502,296	6.49%	126,278	107,874	18,404	5,405	124,294	122,341	120,439	118,587	111,346	104,565
2004 Total	259,982	**2004**	1.5	6/30/2004	6/30/2054	6/30/2004	$ 605,758	3.3121	$ 2,006,351	6.49%	95,084	86,509	8,575	2,601	93,590	92,119	90,687	89,293	83,840	78,734
2005 Total	203,100	**2005**	0.5	6/30/2005	6/30/2055	6/30/2005	$ 473,223	3.3949	$ 1,606,562	6.49%	71,500	69,271	2,229	698	70,377	69,271	68,194	67,146	63,046	59,206
	3,155,368						$7,352,007		$21,088,358		$ 1,556,591	$ 908,305	$ 648,287	$ 122,533	$1,532,092	$1,507,977	$1,484,499	$1,461,638	$1,372,239	$1,288,532
miles:	598																			

ULH&P Coated Steel 12/31/05 Adoption entry:

dr. ARC	$ 908,305	
dr. COR	$ 770,819	
cr. ARC Accum dep		$ 122,533
cr. ARO		$1,556,591

Assumed rate of inflation: 2.50% a

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

Inflation Factors			Discount Rates			
			CGE, PSI, and ULHP			
				b Risk-free	c Credit	Discount
	# Periods Into Future	Factor		Rate	Spread	Rate
2006	0.5	1.0124	2006	4.47%	0.68%	5.20%
2007	1.5	1.0377	2007	4.46%	0.68%	5.20%
2008	2.5	1.0637	2008	4.44%	0.68%	5.20%
2009	3.5	1.0903	2009	4.45%	0.73%	5.20%
2010	4.5	1.1175	2010	4.42%	0.80%	5.30%
2011	5.5	1.1455	2011	4.43%	0.88%	5.40%
2012	6.5	1.1741	2012	4.44%	0.93%	5.40%
2013	7.5	1.2035	2013	4.46%	0.98%	5.50%
2014	8.5	1.2335	2014	4.49%	1.02%	5.60%
2015	9.5	1.2644	2015	4.58%	1.06%	5.70%
2016	10.5	1.2960	2016	4.63%	1.10%	5.80%
2017	11.5	1.3284	2017	4.69%	1.23%	6.00%
2018	12.5	1.3616	2018	4.73%	1.35%	6.10%
2019	13.5	1.3956	2019	4.76%	1.40%	6.20%
2020	14.5	1.4305	2020	4.80%	1.45%	6.30%
2021	15.5	1.4663	2021	4.83%	1.50%	6.40%
2022	16.5	1.5029	2022	4.83%	1.50%	6.40%
2023	17.5	1.5405	2023	4.83%	1.51%	6.40%
2024	18.5	1.5790	2024	4.83%	1.51%	6.40%
2025	19.5	1.6185	2025	4.83%	1.51%	6.40%
2026	20.5	1.6590	2026	4.81%	1.52%	6.40%
2027	21.5	1.7004	2027	4.80%	1.52%	6.40%
2028	22.5	1.7430	2028	4.78%	1.52%	6.40%
2029	23.5	1.7865	2029	4.76%	1.53%	6.30%
2030	24.5	1.8312	2030	4.74%	1.53%	6.30%
2031	25.5	1.8770	2031	4.74%	1.53%	6.30%
2032	26.5	1.9239	2032	4.74%	1.54%	6.30%
2033	27.5	1.9720	2033	4.74%	1.54%	6.30%
2034	28.5	2.0213	2034	4.74%	1.54%	6.30%
2035	29.5	2.0718	2035	4.74%	1.55%	6.30%
2036	30.5	2.1236	2036	4.74%	1.55%	6.30%
2037	31.5	2.1767	2037	4.74%	1.55%	6.30%
2038	32.5	2.2311	2038	4.74%	1.55%	6.30%
2039	33.5	2.2869	2039	4.74%	1.55%	6.30%
2040	34.5	2.3441	2040	4.74%	1.55%	6.30%
2041	35.5	2.4027	2041	4.74%	1.55%	6.30%
2042	36.5	2.4628	2042	4.74%	1.55%	6.30%
2043	37.5	2.5243	2043	4.74%	1.55%	6.30%
2044	38.5	2.5874	2044	4.74%	1.55%	6.30%
2045	39.5	2.6521	2045	4.74%	1.55%	6.30%
2046	40.5	2.7184	2046	4.74%	1.55%	6.30%
2047	41.5	2.7864	2047	4.74%	1.55%	6.30%
2048	42.5	2.8560	2048	4.74%	1.55%	6.30%
2049	43.5	2.9274	2049	4.74%	1.55%	6.30%
2050	44.5	3.0006	2050	4.74%	1.55%	6.30%
2051	45.5	3.0756	2051	4.74%	1.55%	6.30%
2052	46.5	3.1525	2052	4.74%	1.55%	6.30%
2053	47.5	3.2313	2053	4.74%	1.55%	6.30%
2054	48.5	3.3121	2054	4.74%	1.55%	6.30%
2055	49.5	3.3949	2055	4.74%	1.55%	6.30%
2056	50.5	3.4798	2056	4.74%	1.55%	6.30%
2057	51.5	3.5668	2057	4.74%	1.55%	6.30%
2058	52.5	3.6560	2058	4.74%	1.55%	6.30%
2059	53.5	3.7474	2059	4.74%	1.55%	6.30%
2060	54.5	3.8411	2060	4.74%	1.55%	6.30%
2061	55.5	3.9371	2061	4.74%	1.55%	6.30%
2062	56.5	4.0355	2062	4.74%	1.55%	6.30%
2063	57.5	4.1364	2063	4.74%	1.55%	6.30%
2064	58.5	4.2398	2064	4.74%	1.55%	6.30%
2065	59.5	4.3458	2065	4.74%	1.55%	6.30%
2066	60.5	4.4544	2066	4.74%	1.55%	6.30%
2067	61.5	4.5658	2067	4.74%	1.55%	6.30%
2068	62.5	4.6800	2068	4.74%	1.55%	6.30%
2069	63.5	4.7970	2069	4.74%	1.55%	6.30%
2070	64.5	4.9169	2070	4.74%	1.55%	6.30%
2071	65.5	5.0398	2071	4.74%	1.55%	6.30%
2072	66.5	5.1658	2072	4.74%	1.55%	6.30%
2073	67.5	5.2949	2073	4.74%	1.55%	6.30%
2074	68.5	5.4273	2074	4.74%	1.55%	6.30%
2075	69.5	5.5630	2075	4.74%	1.55%	6.30%
2076	70.5	5.7021	2076	4.74%	1.55%	6.30%
2077	71.5	5.8446	2077	4.74%	1.55%	6.30%
2078	72.5	5.9907	2078	4.74%	1.55%	6.30%
2079	73.5	6.1405	2079	4.74%	1.55%	6.30%
2080	74.5	6.2940	2080	4.74%	1.55%	6.30%
2081	75.5	6.4514	2081	4.74%	1.55%	6.30%

a Rate of inflation obtained from Jon Gomez, Manager - Power Operations Financial Analysis. Rate based on historical CPI.

b Rate obtained from Bloomberg report run by Ed Bowen, Treasury. Average of bid and ask price used, where different, from an approximate midpoint of each year. Interpolated where necessary.

c Credit spread obtained from Barclays Capital report provided by Larry Riffe, Treasury. Interpolated where necessary. Midpoint used when reoffer spread was a range.

Fin 47 Gas Mains
December 31, 2005 Adoption Entries

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-033 (a)

	Pro-Forma Gas Main ARO Liability					
	9/30/2005	6/30/2005	3/31/2005	12/31/2004	12/31/2003	12/31/2002
KOT						
River project	72,733	71,784	70,857	69,952	66,390	63,018
ULH&P						
AMRP items	1,124,788	1,110,121	1,095,801	1,081,820	1,026,779	974,678
Coated Steel	3,554,644	3,500,590	3,447,934	3,396,640	3,195,812	3,007,401
Plastic	1,532,092	1,507,977	1,484,499	1,461,638	1,372,239	1,288,532
Total ULH&P	6,211,523	6,118,688	6,028,234	5,940,097	5,594,831	5,270,610
CG&E Standalone						
AMRP items	7,658,039	7,555,604	7,455,631	7,358,060	6,974,263	6,611,471
Coated Steel	12,116,702	11,927,455	11,743,177	11,563,729	10,861,827	10,204,334
Plastic	5,442,439	5,356,792	5,273,402	5,192,205	4,874,684	4,577,370
Total CG&E Standalone	25,217,179	24,839,850	24,472,210	24,113,994	22,710,773	21,393,174
Total CG&E Consolidated	31,501,436	31,030,322	30,571,302	30,124,044	28,371,994	26,726,803

Gannett Fleming

OUCC Q.15-379-J

GANNETT FLEMING, INC.
P.O. Box 67100
Harrisburg, PA 17106-7100
Location:
207 Senate Avenue
Camp Hill, PA 17011
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April 30, 2003

VIA FEDERAL-EXPRESS

Ms. Peggy Laub
Manager, Fixed Asset Accounting
Cinergy Corporation
139 East Fourth Street
Cincinnati, OH 45202

Dear Peggy:

The Valuation and Rate Division of Gannett Fleming, Inc. was retained by Cinergy Corp. to perform a study that would result in a determination of the portion of Account 108, Accumulated Provision for Depreciation, that relates to cost of removal as of December 31, 2002. The results of the study are presented in the attached tabulations. In our opinion, the amounts set forth on the attachments provide a reasonable estimate of the net amount of the historical accumulated accruals and charges related to cost of removal. The remainder of this letter provides background on this issue and the methods that we used to estimate the portion of accumulated depreciation related to cost of removal.

Cinergy Corp. has for many years provided for and charged the cost of removing plant in service to Account 108, Accumulated Provision for Depreciation. Such entries were in accordance with both the Uniform System of Accounts as promulgated by the Federal Energy Regulatory Commission and Generally Accepted Accounting Principles (GAAP) as defined by the Financial Accounting Standards Board (FASB). With the issuance of FAS 143, Accounting for Asset Retirement Obligations (ARO), the FASB has changed GAAP for "legal obligations associated with the retirement of long-lived assets..." FAS 143 requires that the liability for the ARO be recognized at fair value when it is incurred and that asset retirement costs be capitalized as part of the asset. The amount to be reported as the cumulative effect of implementing this financial standard is the difference between the amounts previously recognized, i.e., the cost of removal entries recorded to Account 108, and the net amount to be recognized pursuant to the statement.

There are two alternatives for the determination of the portion of the Accumulated Provision for Depreciation that relates to costs of removal and the accruals for such costs. The first alternative is the identification of the portion of historical accruals that represented accruals for cost of removal and the historical costs of removal charged to accumulated depreciation. This approach is neither practical nor feasible. The time required to research such entries over a period of at least 60 years would exceed the time limits of implementation. Further, it is questionable if the records required for such a determination could be located, if they exist at this point.

Ms. Peggy Laub
Cincinnati, OH 45202

April 30, 2003

The second alternative is to estimate the net amount of these entries using two calculations of the theoretical accumulated depreciation, one that includes and one that excludes a factor for cost of removal. The theoretical accumulated depreciation is also referred to as the theoretical reserve or the calculated accrued depreciation. The theoretical calculation is used regularly to measure the adequacy of the book accumulated depreciation. Although it represents the portion of service value (original cost less net salvage) that will not be recovered through future depreciation expense if the current estimates of service life and net salvage are used for the remaining life of the plant in service (the prospective view), it also can be considered as a measure of the accumulation of historical entries of accruals, retirements, cost of removal and gross salvage (the retrospective view). This is particularly true when the overall history is the primary basis for the estimates of service life and net salvage. By calculating the theoretical reserve with and without an adjustment for cost of removal, the ratio of the difference between these two calculations to the calculation with cost of removal can be applied to the actual book amount as an estimate of the portion of the accumulated depreciation that relates to cost of removal entries.

However, when there has been a trend in the historical data such as the ever increasing levels of cost of removal as a percent of the original cost retired, the results of applying the ratio developed from the theoretical accumulated depreciation calculations described above require adjustment. That is, the use of the forecasted cost of removal percent that is used in depreciation studies overstates the level of historical entries that occurred when cost of removal was not as great. The adjustment in this case is the deduction of identifiable cost of removal charges to the accumulated depreciation account.

We believe that the result of the calculation described above including the adjustment for actual cost of removal entries provides a reasonable estimate of the portion of Account 108, Accumulated Provision for Depreciation, that relates to cost of removal.

Very truly yours,

GANNETT FLEMING, INC.

John J. Spanos

JOHN J. SPANOS
Vice President
Valuation and Rate Division

JJS:krm

Attachments

PSI ENERGY, INC.
PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

ACCOUNT (1)		SURVIVOR CURVE (2)		ORIGINAL COST (3)	BOOK RESERVE (4)	COST OF REMOVAL PERCENT (5)	COST OF REMOVAL (6)	GROSS SALVAGE PERCENT (7)	GROSS SALVAGE (8)
	STEAM PRODUCTION PLANT								
3101	RIGHTS OF WAY	NONDEPRECIABLE		9,191,766.04					
3110	STRUCTURES AND IMPROVEMENTS								
	GIBSON UNIT 5	100-R2.5	*	114,413,940.35	49,443,097	(35)	8,359,809	0	0
	ALL OTHER UNITS	100-R2.5	*	289,164,926.01	199,321,466	(35)	34,333,863	0	0
	TOTAL ACCOUNT 311			403,578,866.36	248,764,563		42,693,772		0
3120	BOILER PLANT								
	GIBSON UNIT 5	50-S0.5	*	187,648,736.49	109,104,708	(32)	9,079,654	2	(854,263)
	ALL OTHER UNITS	50-S0.5	*	1,276,961,034.51	572,046,034	(32)	69,408,152	2	(4,220,793)
	TOTAL ACCOUNT 312			1,464,609,771.00	681,150,742		78,487,808		(5,075,056)
3121	BOILER PLANT - COAL CARS	30-R3		9,295,282	3,739,454	(30)	508,496	5	(104,705)
3140	TURBOGENERATOR UNITS								
	GIBSON UNIT 5	65-S1	*	29,704,639.85	15,645,221	(34)	2,258,169	4	(227,647)
	ALL OTHER UNITS	65-S1	*	289,495,801.63	193,483,503	(34)	31,313,223	4	(3,832,429)
	TOTAL ACCOUNT 314			319,200,441.48	209,128,724		33,571,392		(4,060,076)
3150	ACCESSORY ELECTRIC EQUIPMENT								
	GIBSON UNIT 5	55-R2	*	21,367,167.41	16,690,822	(12)	1,171,579	2	(212,426)
	ALL OTHER UNITS	55-R2	*	95,373,942.85	61,915,350	(12)	3,824,533	2	(587,517)
	TOTAL ACCOUNT 315			116,741,110.26	78,605,972		4,996,112		(799,943)
3160	ACCESSORY ELECTRIC EQUIPMENT								
	GIBSON UNIT 5	40-S0	*	20,371,407.38	8,514,424	(8)	405,334	3	(170,288)
	ALL OTHER UNITS	40-S0	*	77,504,068.47	26,441,177	(8)	761,666	3	(369,605)
	TOTAL ACCOUNT 316			97,875,475.85	34,955,601		1,167,000		(539,893)
	TOTAL STEAM PRODUCTION PLANT			2,420,492,712.98	1,258,345,056		161,424,578		(10,579,073)
	HYDRO PLANT								
3310	STRUCTURES AND IMPROVEMENTS	SQUARE	*	3,638,309.65	1,815,279	(20)	289,304	0	0
3320	RESERVOIRS, DAMS AND WATERWAYS	SQUARE	*	12,230,828.27	6,508,049	(20)	1,351,976	0	0
3330	WATER WHEELS, TURBINES AND GENERATORS	70-R2.5	*	7,626,475.77	4,324,402	(10)	357,376	0	0
3340	ACCESSORY ELECTRIC EQUIPMENT	55-R3	*	665,259.45	482,287	0	0	0	0
3350	MISCELLANEOUS POWER PLANT EQUIPMENT	50-R2.5	*	961,293.21	175,314	0	0	0	0
	TOTAL HYDRO PLANT			25,122,166.35	15,305,331		1,998,658		0

PSI ENERGY, INC.
PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	ACCOUNT (1)	SURVIVOR CURVE (2)	ORIGINAL COST (3)	BOOK RESERVE (4)	COST OF REMOVAL PERCENT (5)	COST OF REMOVAL (6)	GROSS SALVAGE PERCENT (7)	GROSS SALVAGE (8)
	OTHER PRODUCTION PLANT							
3404	LAND AND LAND RIGHTS	NONDEPRECIABLE	382,541.34					
3410	STRUCTURES AND IMPROVEMENTS	SQUARE *	11,606,881.92	2,967,933	(5)	139,729	0	0
3420	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	SQUARE *	3,115,615.13	759,777	(5)	33,119	0	0
3430	PRIME MOVERS	52-R2.5 *	130,007,082.25	43,320,470	(15)	5,879,484	5	(1,886,179)
3431	PRIME MOVERS - DYNERGY	52-R2.5 *	13,134,350.34	685,016	(15)	62,411	5	(31,137)
3440	GENERATORS	44-R4 *	47,442,410.77	17,739,239	0	0	0	0
3442	GENERATORS - DYNERGY	44-R4 *	13,134,351.98	685,017	0	0	0	0
3450	ACCESSORY ELECTRIC EQUIPMENT	45-S1.5 *	18,566,037.60	4,671,778	0	0	0	0
3460	MISCELLANEOUS POWER PLANT EQUIPMENT	40-R1.5 *	1,918,628.72	291,031	0	0	0	0
	TOTAL OTHER PRODUCTION PLANT		239,308,060.05	71,320,261		5,914,723		(1,917,316)
	TRANSMISSION PLANT							
3500	LAND AND LAND RIGHTS	NONDEPRECIABLE	2,852,361.98					
3501	RIGHTS OF WAY	75-R4	30,215,370.24	13,414,886	0	0	0	0
3520	STRUCTURES AND IMPROVEMENTS	75-R3	14,519,885.72	5,065,006	0	0	0	0
3530	STATION EQUIPMENT	60-R2	324,103,455.54	111,401,508	(17)	15,440,488	7	(6,398,289)
3540	TOWERS AND FIXTURES	70-R2.5	70,088,209.24	45,841,778	(14)	5,514,237	4	(1,600,504)
3550	POLES AND FIXTURES	56-S0	118,027,581.49	53,742,086	(71)	19,849,052	11	(3,010,300)
3560	OVERHEAD CONDUCTORS AND DEVICES	65-R2	148,649,187.79	63,448,988	(58)	22,995,698	16	(6,614,656)
3570	UNDERGROUND CONDUIT	65-R3	1,314,297.03	16,381	(35)	2,129	10	(1,010)
3580	UNDERGROUND CONDUCTORS AND DEVICES	30-SQ	53,110.46	26,832	0	0	0	0
	TOTAL TRANSMISSION PLANT		709,823,459.49	292,957,263		63,801,604		(17,624,759)
	DISTRIBUTION PLANT							
3600	LAND AND LAND RIGHTS	NONDEPRECIABLE	6,853,655.88					
3601	RIGHTS OF WAY	70-R3	1,060,237.34	742,289	0	0	0	0
3610	STRUCTURES AND IMPROVEMENTS	60-R1.5	10,433,554.25	3,852,529	0	0	0	0
3620	STATION EQUIPMENT	50-R0.5	276,955,911.23	83,824,597	(23)	13,349,087	8	(4,796,209)
3640	POLES, TOWERS AND FIXTURES	43-R0.5	280,268,784.37	118,241,993	(57)	29,748,670	7	(3,675,134)
3650	OVERHEAD CONDUCTORS AND DEVICES	50-R0.5	160,483,697.16	51,351,269	(64)	12,093,097	9	(1,637,114)
3660	UNDERGROUND CONDUIT	65-R3	7,269,083.15	1,922,306	(27)	389,761	2	(29,713)
3670	UNDERGROUND CONDUCTORS AND DEVICES	55-R2	255,547,029.47	51,850,905	(26)	8,105,821	1	(385,373)
3680	LINE TRANSFORMERS	35-R1	319,683,392.52	142,376,849	(16)	14,151,287	6	(6,023,717)
3691	SERVICES - UNDERGROUND	40-R1.5	139,908,937.46	57,834,851	(31)	9,077,185	1	(118,645)
3692	SERVICES - OVERHEAD	35-R1	36,138,475.69	27,399,570	(67)	8,552,815	7	(798,614)
3700	METERS	32-R2	124,447,115.34	52,961,493	(10)	3,673,280	10	(3,771,157)
3710	INSTALLATIONS ON CUSTOMER PREMISES	14-L0	22,472,390.69	9,233,405	(13)	96,479	8	(121,614)
3730	STREET LIGHTING & SIGNAL SYSTEM	24-R1	27,291,361.39	13,196,764	(23)	1,086,742	3	(253,513)
	TOTAL DISTRIBUTION PLANT		1,666,611,605.94	614,788,820		100,324,204		(21,810,803)

PSI ENERGY, INC.
PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	ACCOUNT	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	COST OF REMOVAL PERCENT	COST OF REMOVAL	GROSS SALVAGE PERCENT	GROSS SALVAGE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	GENERAL PLANT							
3890	LAND AND LAND RIGHTS	NONDEPRECIABLE	2,500,385.91					
3900	STRUCTURES AND IMPROVEMENTS - MAJOR	60-R1	75,586,119.59	27,770,895	(5)	387,274	5	(599,284)
3900	STRUCTURES AND IMPROVEMENTS - MINOR	40-R3	14,544,330.87	4,649,551	(10)	202,534	5	(92,173)
	TOTAL ACCOUNT 3900		90,130,450.46	32,420,446		589,808		(691,457)
3901	STRUCTURES AND IMPROVEMENTS - AMORTIZED	SQUARE	964,374.35	873,787	0	0	0	0
3910	OFFICE FURNITURE AND EQUIPMENT	20-SQ	12,208,307.08	7,195,951	0	0	0	0
3911	OFFICE FURNITURE AND EQUIPMENT - INFO. SYSTEM	5-SQ	3,045,995.72	254,690	0	0	0	0
3920	TRAILERS	26-L1.5	3,459,092.95	814,024	0	0	10	(51,182)
3930	STORES EQUIPMENT	20-SQ	830,081.87	435,976	0	0	0	0
3940	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	6,070,969.42	1,665,444	0	0	0	0
3950	LABORATORY EQUIPMENT	20-SQ	6,858,732.38	1,229,370	0	0	0	0
3960	POWER OPERATED EQUIPMENT	20-S0.5	1,035,166.24	252,356	0	0	0	0
3970	COMMUNICATION EQUIPMENT	19-L2	44,695,441.14	20,425,319	0	0	0	0
3980	MISCELLANEOUS EQUIPMENT	15-SQ	4,154,166.40	2,016,860	0	0	0	0
	TOTAL GENERAL PLANT		175,953,143.90	67,584,223		589,808		(742,639)
	TOTAL ELECTRIC PLANT		5,239,111,148.71	2,318,300,954		334,053,575		(52,675,190)

Σ(1) 74,581,310
+ 275,288 step transformers
79,862,658 cost of removal at 12/31/2002 for CG&E generation

CINCINNATI GAS & ELECTRIC COMPANY - COMMON AND ELECTRIC
PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	ACCOUNT (1)	SURVIVOR CURVE (2)		ORIGINAL COST (3)	BOOK RESERVE (4)	COST OF REMOVAL PERCENT (5)	COST OF REMOVAL (6)	GROSS SALVAGE PERCENT (7)	GROSS SALVAGE (8)
	COMMON PLANT								
1710	STRUCTURES AND IMPROVEMENTS - MAJOR	100-R1	*	87,291,464.09	19,273,638	0	0	0	0
1710	STRUCTURES AND IMPROVEMENTS - MINOR	40-R3		3,916,435.25	3,703,724	(5)	176,368	0	0
	TOTAL ACCOUNT 1710			91,207,899.34	22,977,362		176,368		0
1720	OFFICE FURNITURE AND EQUIPMENT	20-SQ		17,292,098.65	7,401,983	0	0	0	0
1721	OFFICE FURNITURE AND EQUIPMENT - EDP EQUIP.	5-SQ		242,220.24	232,943	0	0	0	0
1733	TRAILERS	21-L2		270,860.29	77,257	0	0	20	(19,314)
1740	STORES EQUIPMENT	20-SQ		1,082,063.29	585,863	0	0	0	0
1760	LABORATORY AND TEST EQUIPMENT	15-SQ		15,551.34	10,561	0	0	0	0
1770	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ		1,018,185.85	487,338	0	0	0	0
1780	COMMUNICATION EQUIPMENT	23-S1.5		7,739,237.78	2,897,822	0	0	0	0
1790	MISCELLANEOUS EQUIPMENT	15-SQ		66,260.29	56,360	0	0	0	0
	TOTAL COMMON PLANT			118,934,397.07	34,727,469		176,368		(19,314)
	STEAM PRODUCTION PLANT								
3010	STRUCTURES AND IMPROVEMENTS - ZIMMER	100-R2.5	*	304,085,582.69	97,295,616	(3)	2,889,969	2	(1,926,646)
3020	BOILER PLANT - ZIMMER	55-S0.5	*	563,555,459.17	182,723,232	(1)	1,809,141	0	0
3040	TURBOGENERATOR UNITS - ZIMMER	55-R2.5	*	175,131,660.28	59,847,586	(4)	2,370,201	3	(1,777,651)
3050	ACCESSORY ELECTRIC EQUIPMENT - ZIMMER	55-R2.5	*	159,488,550.19	55,090,915	(1)	545,455	0	0
3060	MISCELLANEOUS POWER PLANT - ZIMMER	75-R1	*	28,425,201.48	7,378,267	(2)	146,104	1	(73,052)
3110	STRUCTURES AND IMPROVEMENTS	100-R2.5	*	185,672,009.10	136,944,376	(5)	6,583,864	1	(1,316,773)
3120	BOILER PLANT	55-S0.5	*	916,083,375.78	556,567,396	(8)	41,227,215	0	0
3122	BOILER PLANT - SCRUBBER	35-S2	*	78,045,086.59	927,692	(5)	44,176	0	0
3129	BOILER PLANT - RETROFIT PRECIPITATORS	55-S0.5	*	43,384,973.50	44,719,098	(10)	4,085,373	0	0
3130	BOILER PLANT - KENTUCKY	55-S0.5	*	1,883,974.54	969,703	(8)	71,830	0	0
3140	TURBOGENERATOR UNITS	55-R1.5	*	313,841,146.24	187,314,122	(7)	12,487,608	2	(3,567,888)
3150	ACCESSORY ELECTRIC EQUIPMENT	55-R2.5	*	97,725,739.29	66,670,589	(5)	3,174,790	0	0
3160	MISCELLANEOUS POWER PLANT	75-R1	*	40,552,630.44	13,865,892	(5)	666,620	1	(133,324)
	TOTAL STEAM PRODUCTION PLANT			2,905,875,389.29	1,410,314,284		(1) 76,082,346		(8,795,334)
	OTHER PRODUCTION PLANT								
3310	STRUCTURES AND IMPROVEMENTS	SQUARE	*	2,042,798.44	1,753,976	(5)	83,523	0	0
3310	STRUCTURES AND IMPROVEMENTS - WOODSDALE	SQUARE	*	33,725,782.31	16,225,771	(15)	2,116,405	0	0
	TOTAL ACCOUNT 3310			35,768,578.75	17,979,747		2,199,928		0
3320	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	SQUARE	*	2,757,220.53	2,890,225	(5)	137,630	0	0
3320	FUEL HOLDERS, PRODUCERS AND ACCESSORIES - WOODSDAI	SQUARE	*	15,484,613.29	8,950,576	(15)	1,167,466	0	0
	TOTAL ACCOUNT 3320			18,241,833.82	11,840,801		1,305,096		0
3330	PRIME MOVERS	SQUARE	*	28,799,889.51	3,790,683	0	0	0	0
3340	GENERATORS	70-R2.5	*	46,065,171.31	39,973,806	0	0	0	0
3340	GENERATORS - WOODSDALE	70-R2.5	*	165,773,624.81	73,740,551	0	0	0	0
	TOTAL ACCOUNT 3340			210,838,796.12	113,714,357		0		0

CINCINNATI GAS & ELECTRIC COMPANY - COMMON AND ELECTRIC
PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	ACCOUNT	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	COST OF REMOVAL PERCENT	COST OF REMOVAL	GROSS SALVAGE PERCENT	GROSS SALVAGE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3390	ACCESSORY ELECTRIC EQUIPMENT	55-S0.5 *	2,519,834.36	2,220,402	0	0	0	0
3390	ACCESSORY ELECTRIC EQUIPMENT - WOODSDALE	55-S0.5 *	16,911,503.05	8,463,281	0	0	0	0
	TOTAL ACCOUNT 3350		19,431,337.41	10,683,683		0		0
3390	MISCELLANEOUS POWER PLANT EQUIPMENT	30-S3 *	6,869,329.75	1,429,746	0	0	0	0
3390	MISCELLANEOUS POWER PLANT EQUIPMENT - WOODSDALE	30-S3 *	3,712,919.59	1,747,373	0	0	0	0
	TOTAL ACCOUNT 3360		10,582,249.34	3,177,119		0		0
	TOTAL OTHER PRODUCTION PLANT		323,662,684.95	161,186,390		(1) 3,505,024		0
	TRANSMISSION PLANT							
3400	RIGHTS OF WAY	75-R4	23,619,368.85	3,306,183	0	0	0	0
3420	STRUCTURES AND IMPROVEMENTS	75-R3	9,283,138.39	3,376,452	(12)	368,340	2	(61,390)
3430	STATION EQUIPMENT	55-R1	250,860,619.76	69,423,980	(3)	2,082,719	3	(2,082,719)
3440	TOWERS AND FIXTURES	70-R3	37,416,268.50	26,894,723	(25)	5,603,067	5	(1,120,613)
3450	POLES AND FIXTURES	45-R1.5	50,711,038.56	20,219,089	(30)	6,739,696	40	(8,986,262)
3460	OVERHEAD CONDUCTORS AND DEVICES	55-R2	77,693,265.35	41,586,586	(15)	7,338,806	30	(14,677,612)
3470	UNDERGROUND CONDUIT	70-R3	4,739,396.00	2,527,944	0	0	0	0
3480	UNDERGROUND CONDUCTORS AND DEVICES	45-R3	4,389,012.54	1,611,111	(1)	17,901	11	(196,914)
3490	OTHER EQUIPMENT - GSU EQUIPMENT	40-R3	0.00	0	0	0	0	0
	TOTAL TRANSMISSION PLANT		458,692,107.95	168,946,048		22,150,529		(27,125,510)
	DISTRIBUTION PLANT							
3500	RIGHTS OF WAY	75-R4	24,898,442.69	(19,401)	0	0	0	0
3610	STRUCTURES AND IMPROVEMENTS	55-R1.5	4,933,613.00	3,278,529	(10)	298,048	0	0
3620	STATION EQUIPMENT	55-S0.5	185,109,183.83	69,988,517	(8)	5,330,935	3	(1,999,100)
3640	POLES, TOWERS AND FIXTURES	48-R0.5	192,558,703.82	79,515,741	(31)	22,408,982	21	(15,180,278)
3650	OVERHEAD CONDUCTORS AND DEVICES	50-R0.5	240,368,760.62	71,925,482	(13)	8,905,060	8	(5,480,037)
3660	UNDERGROUND CONDUIT	65-R3	81,524,049.00	20,441,553	(40)	5,840,444	0	0
3670	UNDERGROUND CONDUCTORS AND DEVICES	55-R1	174,987,821.50	41,613,551	(10)	3,963,195	5	(1,981,598)
3680	LINE TRANSFORMERS	35-R1	268,179,746.04	95,182,689	(12)	(8,460,683)	2	(23,266,880)
3690	LINE TRANSFORMERS - CUSTOMER	40-O1	4,722,718.81	1,603,717	(2)	35,638	12	(213,829)
3690	SERVICES - UNDERGROUND	60-R1.5	2,194,510.82	1,302,253	(30)	339,718	15	(169,859)
3700	SERVICES - OVERHEAD	45-S0	45,040,555.99	27,746,139	(65)	11,271,869	5	(867,067)
3710	METERS	28-R1.5	71,110,722.08	18,887,685	(0)	0	20	(4,721,916)
3720	LEASED PROPERTY ON CUSTOMER PREMISES	22-L2	102,502.52	(108,537)	(0)	0	0	0
3730	STREET LIGHT - OVERHEAD	27-L0.5	8,983,986.62	8,578,869	(14)	1,143,849	9	(735,332)
3730	STREET LIGHT - BOULEVARD	37-R0.5	12,000,112.10	3,049,625	(5)	152,481	5	(152,481)
3730	STREET LIGHT - CUSTOMER POLES	26-O1	7,667,279.05	3,370,073	(16)	490,192	6	(183,822)
	TOTAL DISTRIBUTION PLANT		1,324,382,510.49	446,336,465		51,719,728		(54,952,199)
	GENERAL PLANT							
3760	STRUCTURES AND IMPROVEMENTS	100-R1 *	14,485,375.20	7,905,009	(1)	78,267	0	0
3780	OFFICE FURNITURE AND EQUIPMENT	20-SQ	722,365.74	371,116	0	0	0	0
3781	OFFICE FURNITURE AND EQUIPMENT - EDP EQUIP.	5-SQ	518,735.39	53,925	0	0	0	0
3790	TRAILERS	21-L2	2,352,318.27	556,786	0	0	25	(185,595)

CINCINNATI GAS & ELECTRIC COMPANY - COMMON AND ELECTRIC
PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	ACCOUNT	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	COST OF REMOVAL PERCENT	COST OF REMOVAL	GROSS SALVAGE PERCENT	GROSS SALVAGE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3740	STORES EQUIPMENT	20-SQ	42,830.06	34,600	0	0	0	0
3760	LABORATORY AND TEST EQUIPMENT	15-SQ	3,702,849.75	1,069,355	0	0	0	0
3770	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	7,750,255.85	2,215,895	0	0	0	0
3780	COMMUNICATION EQUIPMENT	23-S1.5	1,573,026.72	549,781	0	0	0	0
3790	MISCELLANEOUS EQUIPMENT	15-SQ	48,711.57	22,884	0	0	0	0
	TOTAL GENERAL PLANT		31,176,288.55	12,779,351		76,267		(185,595)
	TOTAL ELECTRIC PLANT		5,162,723,358.30	2,234,290,007		153,712,262		(91,077,952)

* Curve shown is interim survivor curve. Each facility in the account is assigned an individual probable retirement year.

LAWRENCEBURG GAS COMPANY

PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	Account	Survivor Curve	Original Cost	Book Reserve	Cost of Removal Percent	Cost of Removal	Gross Salvage Percent	Gross Salvage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	DISTRIBUTION PLANT							
2741	Rights of Way - General		117,365.60	17,325	0	0	0	0
2750	Structures and Improvements - General		107,376.20	27,490	(10)	2,499	0	0
	MAINS							
2761	Cast Iron, Copper and All Valves		36,371.76	18,906	(30)	4,537	5	(756)
2762	Steel		8,748,244.39	2,999,909	(30)	503,985	5	(89,998)
2763	Plastic		3,701,843.76	455,503	(30)	76,525	5	(15,058)
	Total Mains		12,486,459.91	3,474,318		585,047		(105,812)
2780	M & R - Gen-System - Excl. Elect. Equip.		680,369.30	281,387	(10)	25,581	0	0
2781	M & R - Gen-System - Elect. Equip.		168,531.54	99,902	(10)	9,082	0	0
2782	Measuring and Regulating - Gen-Dist		54,236.03	29,028	(79)	13,104	4	(663)
2790	Measuring and Regulating - City Gate		54,680.47	13,508	(10)	1,228	0	0
	SERVICES							
2801	Cast Iron, Copper and All Valves		8,522.97	6,788	(31)	1,619	1	(52)
2802	Steel		947,358.78	472,771	(31)	78,917	1	(2,506)
2803	Plastic		3,105,198.49	988,083	(31)	169,643	1	(5,132)
	Total Services		4,059,080.24	1,467,622		250,179		(7,690)
2810	Meters		798,199.01	174,578	0	0	10	(19,398)
2820	Meter Installations		313,918.33	181,775	(20)	30,296	0	0
2830	House Regulators		394,194.73	78,265	0	0	25	(26,088)
2840	House Regulator Installations		254,923.51	34,949	0	0	10	(3,883)
2850	Industrial Meas & Reg - Sta. Equip.		93,756.71	63,931	(12)	6,974	2	(1,162)
2851	Industrial Meas & Reg - Sta. Eq. - Comm.		13,732.05	7,214	(10)	656	0	0
	Total Distribution Plant		19,594,823.63	5,951,292		924,646		(164,696)
	GENERAL PLANT							
2910	Office Furniture and Equipment		7,996.19	2,256	0	0	0	0
2921	Trailers		3,165.75	2,398	0	0	0	0
2940	Tools, Shop and Garage Equipment		129,046.67	72,415	0	0	0	0
2960	Power Operated Equipment		24,202.90	18,320	0	0	0	0
2970	Communication Equipment		45,173.89	25,590	0	0	0	0
	Total General Plant		209,585.40	120,979		0		0
	TOTAL GAS PLANT		19,804,409.03	6,072,272		924,646		(164,696)

CINCINNATI GAS & ELECTRIC COMPANY - GAS

PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	Account	Survivor Curve	Original Cost	Book Reserve	Cost of Removal Percent	Cost of Removal	Gross Salvage Percent	Gross Salvage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PRODUCTION PLANT							
2041	Rights of Way	50-SQ	4,147.12	3,349	0	0	0	0
2050	Structures and Improvements	50-R2.5	3,799,863.03	3,287,952	(10)	293,259	0	0
2110	Liquid Petroleum Gas Equipment	45-R1	4,514,562.32	4,273,118	(7)	245,985	2	(69,960)
2200	Other Equipment	14-L0.5	30,094.62	30,095	0	0	0	0
	Total Production Plant		8,348,767.09	7,594,514		539,244		(69,960)
	DISTRIBUTION PLANT							
2741	Rights of Way - General	75-R3	2,178,941.08	213,325	0	0	0	0
2750	Structures and Improvements - General	47-S0.5	813,742.92	422,192	(2)	5,595	2	(5,588)
	MAINS							
2761	Cast Iron, Copper and All Valves	45-R2.5	20,559,551.10	19,704,936	(56)	6,175,119	6	(525,656)
2762	Steel	60-R3	220,897,507.50	77,669,144	(56)	25,452,309	6	(2,319,144)
2763	Plastic	50-R3	142,379,020.33	17,598,173	(56)	5,388,595	6	(441,386)
2765	Steel - Feeder Lines	60-R3	55,030,300.86	22,578,287	(56)	7,247,837	6	(640,590)
	Total Mains		438,866,379.79	137,550,540		44,263,860		(3,926,776)
2780	M & R - Gen-System - Excl. Elect. Equip.	33-R0.5	10,605,386.30	1,208,853	(8)	92,103	3	(34,539)
2781	M & R - Gen-System - Elect. Equip.	12-S2	2,080,735.66	1,375,103	(5)	65,481	0	0
2782	Measuring and Regulating - Gen-Dist	48-S0.5	3,158,844.66	1,442,896	(87)	422,978	2	(15,599)
2790	Measuring and Regulating - City Gate	10-L0.5	263,231.94	137,255	0	0	0	0
	SERVICES							
2801	Cast Iron, Copper and All Valves	35-R2	13,069,273.88	13,791,182	(27)	2,575,673	2	(116,157)
2802	Steel	40-R1	17,963,694.20	8,211,317	(27)	1,538,980	2	(40,106)
2803	Plastic	42-R2	167,327,910.92	46,244,590	(27)	4,659,919	2	(300,716)
	Total Services		198,360,879.00	68,247,089		8,774,572		(456,979)
2810	Meters	43-R2	31,815,066.89	7,467,008	(3)	36,884	8	(173,180)
2820	Meter Installations	43-R3	19,763,909.28	6,599,369	(2)	105,630	2	(50,479)
2830	House Regulators	48-R2	11,095,869.77	1,978,839	(4)	54,385	14	(198,644)
2840	House Regulator Installations	48-R2	8,552,830.62	1,984,520	0	0	0	0
2850	Industrial Meas & Reg - Sta. Equip.	30-R1	2,582,682.56	645,032	(12)	52,570	2	(4,914)
2851	Industrial Meas & Reg - Sta. Eq. - Comm.	30-R1	419,375.31	214,363	(10)	19,488	0	0

CINCINNATI GAS & ELECTRIC COMPANY - GAS

PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	Account	Survivor Curve	Original Cost	Book Reserve	Cost of Removal Percent	Cost of Removal	Gross Salvage Percent	Gross Salvage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2870	Other Equipment	25-R3	156,572.68	42,287	0	0	0	0
2871	Other Equipment - Street Lighting	38-R1	765,822.29	339,473	(23)	65,066	3	(8,487)
	Total Distribution Plant		731,480,270.70	229,668,144		53,958,612		(4,875,185)
	GENERAL PLANT							
2900	Structures and Improvements	25-S1	274,744.76	179,634	0	0	0	0
2910	Office Furniture and Equipment	20-SQ	1,234,192.44	315,119	0	0	0	0
2911	Office Furniture and Equipment - Edp Eq.	5-SQ	141,147.15	52,772	0	0	0	0
2920	Transportation Equipment - Autos	10-R3	1,482,725.56	1,481,978	0	0	10	(164,664)
2921	Trailers	12-R2.5	517,955.04	178,498	0	0	25	(45,800)
2940	Tools, Shop and Garage Equipment	25-SQ	5,864,912.19	2,141,481	0	0	0	0
2950	Laboratory and Test Equipment	15-SQ	332,763.49	106,177	0	0	0	0
2960	Power Operated Equipment	11-R2.5	564,061.07	382,206	0	0	35	(142,723)
2970	Communication Equipment	13-S2.5	118,431.31	17,981	0	0	0	0
	Total General Plant		10,530,933.01	4,855,844		0		(353,187)
	TOTAL GAS PLANT		750,359,970.80	242,318,502		54,497,856		(5,298,332)

UNION LIGHT, HEAT AND POWER COMPANY - GAS

PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	Account	Survivor Curve	Original Cost	Book Reserve	Cost of Removal Percent	Cost of Removal	Gross Salvage Percent	Gross Salvage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PRODUCTION PLANT							
2[illegible]	Rights of Way	50-SQ	24,438.55	24,439	0	0	0	0
2[illegible]	Structures and Improvements	45-R3	1,413,005.63	1,368,602	(10)	124,418	0	0
2[illegible]	Liquid Petroleum Gas Equipment	35-S1.5	2,821,288.88	1,796,327	(6)	96,822	1	(17,108)
	Total Production Plant		**4,258,733.06**	**3,189,368**		**221,240**		**(17,108)**
	DISTRIBUTION PLANT							
2[illegible]	Rights of Way - General	65-R4	1,020,156.20	418,183	0	0	0	0
2[illegible]	Rights of Way - Feeder Lines	65-R4	8,228.92	0	0	0	0	0
2[illegible]	Structures and Improvements - General	45-R3	126,984.32	117,419	(10)	10,674	0	0
2[illegible]	M & R - Gen-System - Elect. Equip.	15-S2.5	371,004.91	321,924	(6)	18,396	1	(3,066)
2[illegible]	M & R - Gen-System - Excl. Elect. Equip.	35-R1	2,589,856.88	1,427,292	(7)	29,881	2	(7,193)
2[illegible]	Measuring and Regulating - Gen-Dist	50-S0.5	590,592.75	465,730	(78)	156,340	3	(3,880)
2[illegible]	Industrial Meas & Reg - Sta. Equip.	25-R2	413,128.38	181,705	(13)	9,961	3	(2,609)
2[illegible]	Industrial Meas & Reg - Sta. Eq. - Comm.	25-R2	41,727.01	22,001	(12)	2,400	2	(400)
	MAINS							
2[illegible]	Cast Iron, Copper and All Valves	41-R2.5	2,810,050.71	2,454,656	(27)	488,308	7	(124,191)
2[illegible]	Steel	50-R2	63,888,978.82	21,994,316	(27)	3,233,758	7	(627,185)
2[illegible]	Plastic	50-R2.5	47,448,543.04	4,948,413	(27)	984,186	7	(196,596)
2[illegible]	Steel - Feeder Lines	50-R2	17,684,480.55	9,225,067	(27)	1,818,178	7	(378,879)
	Total Mains		131,832,053.12	38,622,452		6,524,430		(1,326,851)
	SERVICES							
2[illegible]	Cast Iron, Copper and Valves	33-R0.5	2,854,189.83	3,427,482	(36)	821,380	6	(134,079)
2[illegible]	Steel	36-R1	3,257,332.38	2,334,299	(36)	532,881	6	(88,686)
2[illegible]	Plastic	45-R1	46,136,701.15	17,171,280	(36)	3,206,681	6	(756,443)
	Total Services		52,248,223.36	22,933,061		4,560,942		(979,208)

UNION LIGHT, HEAT AND POWER COMPANY - GAS

PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	Account	Survivor Curve	Original Cost	Book Reserve	Cost of Removal Percent	Cost of Removal	Gross Salvage Percent	Gross Salvage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2301	Meters	34-R3	9,217,400.73	2,005,031	(2)	29,085	17	(183,387)
2302	Meter Installations	34-R3	5,926,170.34	1,126,407	0	0	0	0
2303	House Regulators	39-R1.5	2,490,931.88	412,238	(3)	10,320	33	(132,237)
2305	House Regulator Installations	39-R1.5	1,752,691.24	364,355	(1)	2,943	1	(1,718)
2330	Other Equipment - Street Lighting	30-S2.5	30,411.24	5,756	0	0	0	0
2340	Other Equipment	20-R2	86,636.93	22,975	0	0	0	0
	Total Distribution Plant		**208,746,198.21**	68,446,529		**11,355,372**		**(2,640,549)**
	GENERAL PLANT							
2720	Office Furniture and Equipment	20-SQ	21,861.24	11,069	0	0	0	0
2731	Autos and Trucks	10-R2.5	111,957.85	112,173	0	0	0	0
2732	Power Operated Equipment	12-R3	74,870.59	74,871	0	0	0	0
2733	Trailers	15-SQ	96,157.81	49,414	0	0	0	0
2770	Tools, Shop and Garage Equipment	25-SQ	1,801,315.97	739,307	0	0	0	0
2790	Miscellaneous Equipment	20-SQ	18,430.11	18,430	0	0	0	0
	Total General Plant		**2,124,593.57**	1,005,264		**0**		**0**
	Total Gas Plant		**215,129,524.84**	72,641,161		**11,576,612**		**(2,657,657)**

UNION LIGHT, HEAT AND POWER COMPANY - COMMON AND ELECTRIC

PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	ACCOUNT	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	COST OF REMOVAL PERCENT	COST OF REMOVAL	GROSS SALVAGE PERCENT	GROSS SALVAGE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	COMMON PLANT							
1710	STRUCTURES AND IMPROVEMENTS - MAJOR	100-R1	8,399,783.58	3,170,955	(2)	62,176	0	0
1720	OFFICE FURNITURE AND EQUIPMENT	20-SQ	678,814.57	387,780	0	0	0	0
1721	OFFICE FURNITURE AND EQUIPMENT - EDP EQUIP.	5-SQ	12,981.20	12,850	0	0	0	0
1740	STORES EQUIPMENT	20-SQ	5,562.77	(24,080)	0	0	0	0
1770	TOOL, SHOP AND GARAGE EQUIPMENT	25-SQ	160,057.28	77,396	0	0	0	0
1790	MISCELLANEOUS EQUIPMENT	15-SQ	19,735.23	14,904	0	0	0	0
	TOTAL COMMON PLANT		9,276,934.63	3,639,805		62,176		0
	TRANSMISSION PLANT							
3401	LAND	NONDEPRECIABLE	519,072.60					
3403	RIGHTS OF WAY	75-R4	905,970.01	418,453	0	0	0	0
3420	STRUCTURES AND IMPROVEMENTS	75-R3	483,876.51	397,274	(10)	36,116	0	0
3430	STATION EQUIPMENT	55-R1	7,827,122.49	3,116,090	(3)	93,483	3	(93,483)
3450	POLES AND FIXTURES	45-R1.5	4,352,217.28	2,598,535	(30)	606,325	40	(192,942)
3460	OVERHEAD CONDUCTORS AND DEVICES	55-R2	3,604,019.39	1,992,891	(15)	281,350	30	(407,192)
	TOTAL TRANSMISSION PLANT		17,892,278.28	8,523,243		1,017,274		(693,617)
	DISTRIBUTION PLANT							
3501	LAND	NONDEPRECIABLE	656,392.97					
3503	RIGHTS OF WAY	75-R4	4,459,567.36	1,957,677	0	0	0	0
3510	STRUCTURES AND IMPROVEMENTS	55-R1.5	202,429.84	194,920	(10)	17,720	0	0
3520	STATION EQUIPMENT	55-S0.5	26,180,770.85	6,813,261	(5)	340,663	5	(340,663)
3540	POLES, TOWERS AND FIXTURES	46-R0.5	38,838,263.51	14,498,400	(30)	2,571,536	15	(1,607,210)
3550	OVERHEAD CONDUCTORS AND DEVICES	50-R0.5	51,016,242.82	25,935,832	(44)	4,740,236	14	(2,262,385)
3560	UNDERGROUND CONDUIT	55-R3	12,435,062.37	2,025,985	(45)	455,846	5	(72,357)
3570	UNDERGROUND CONDUCTORS AND DEVICES	55-R1	29,617,190.34	5,628,480	(33)	1,091,439	18	(696,726)
3581	LINE TRANSFORMERS	35-R1	43,671,438.21	18,620,805	(13)	2,571,989	33	(5,299,947)
3583	LINE TRANSFORMERS - CUSTOMER	40-O1	273,660.52	273,661	(2)	5,761	7	(20,164)
3591	SERVICES - UNDERGROUND	60-R1.5	178,766.29	131,334	(35)	36,774	10	(10,507)
3592	SERVICES - OVERHEAD	45-S0	9,191,391.55	7,119,632	(68)	1,416,095	8	(323,944)
3600	METERS	28-R1.5	13,643,327.66	2,784,449	(1)	32,876	16	(436,592)
3620	LEASED PROPERTY ON CUSTOMER PREMISES	22-L2	9,647.36	9,648	0	0	0	0
3631	STREET LIGHT - OVERHEAD	27-L0.5	2,407,929.93	2,342,397	(15)	279,723	12	(242,882)
3633	STREET LIGHT - BOULEVARD	37-R0.5	2,352,113.06	945,478	(4)	42,021	14	(132,073)
3637	STREET LIGHT - CUSTOMER POLES	26-O1	1,484,648.78	1,374,029	(30)	239,830	20	(187,367)
	TOTAL DISTRIBUTION PLANT		236,598,733.20	90,661,786		13,842,519		(11,631,817)

UNION LIGHT, HEAT AND POWER COMPANY - COMMON AND ELECTRIC

PERCENTAGE OF BOOK RESERVE ASSOCIATED WITH COST OF REMOVAL AND GROSS SALVAGE
AS OF DECEMBER 31, 2002

	ACCOUNT	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	COST OF REMOVAL PERCENT	COST OF REMOVAL	GROSS SALVAGE PERCENT	GROSS SALVAGE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	GENERAL PLANT							
3710	STRUCTURES AND IMPROVEMENTS - MINOR	40-R3	39,189.75	16,408	(5)	781	0	0
3720	OFFICE FURNITURE AND EQUIPMENT	20-SQ	46,575.69	23,638	0	0	0	0
3733	TRAILERS	21-L2	103,992.68	33,252	0	0	20	(6,682)
3770	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	478,643.19	176,837	0	0	0	0
3780	COMMUNICATION EQUIPMENT	23-S1.5	84,482.76	52,932	0	0	0	0
	TOTAL GENERAL PLANT		752,884.27	303,165		781		(6,682)
	TOTAL ELECTRIC AND COMMON PLANT		264,520,810.38	103,127,999		14,922,750		(12,332,110)

* Curve shown is interim survivor curve. Each facility in the account is assigned an individual probable retirement year.

R:\Plant\Asset Retirement Obligation\[Regulated Property - COR.xls]2002

Cost of Removal in Regulated Assets
December 31,2002

	CGE (1)	Law Gas	ULHP	CGE Consolidated	PSI
COR - 12/31/2002	128,347,460	924,646	26,499,362	155,771,468	334,053,575
RWIP 12/31/2002	-8,632,794	107,397	-1,288,995	-9,814,392	-18,093,730
COR in Reserve	119,714,666	1,032,043	25,210,367	145,957,076	315,959,845

Cost of Removal in Regulated Assets
December 31,2003

	CGE (1)	Law Gas	ULHP	CGE Consolidated	PSI
COR - 12/31/2003	138,157,494	1,045,448	28,943,569	168,146,511	360,838,738
RWIP 12/31/2003	-11,264,103	-83,703	-1,500,880	-12,848,686	-23,508,127
COR in Reserve	126,893,391	961,745	27,442,689	155,297,825	337,330,611

Net Change in Cost of Removal in Regulated Assets
December 31,2003

	CGE (1)	Law Gas	ULHP	CGE Consolidated	PSI
COR - 12/31/2003	-9,810,034	-120,802	-2,444,207	-12,375,043	-26,785,163
RWIP 12/31/2003	2,631,309	191,100	211,885	3,034,294	5,414,397
COR in Reserve	-7,178,725	70,298	-2,232,322	-9,340,749	-21,370,766

(1) Excludes production and step-up transformers which are non-regulated property

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-033 (c)

Duke Energy-Kentucky
Analysis of Regulatory Liability for Cost of Removal
For Rate Case No. 2006-00172

	Regulatory Liabilities - COR	
Dec-02	**Retirement work in progress (RWIP) beginning balance**	**1,288,995.25**
	(Accum Depreciation COR not separted in GL until 4/03)	
Jan-03	RWIP activity	70,298.50
	Balance	**1,359,293.75**
Feb-03	RWIP activity	79,181.86
	Balance	**1,438,475.61**
Mar-03	RWIP activity	66,759.72
	Balance	**1,505,235.33**
Apr-03	Transfer 12/03 Accumulated depreciation COR balance	(26,499,362.00)
	Accumulated depreciation COR - January - April	(1,182,537.24)
	RWIP activity	(29,205.42)
	Balance	**(26,205,869.33)**
May-03	Accumulated depreciation COR	(263,193.57)
	RWIP activity	(39,146.63)
	Balance	**(26,508,209.53)**
Jun-03	Accumulated depreciation COR	(287,895.31)
	RWIP activity	100,633.19
	Balance	**(26,695,471.65)**
Jul-03	Accumulated depreciation COR	(289,137.04)
	RWIP activity	(163,379.70)
	Balance	**(27,147,988.39)**
Aug-03	Accumulated depreciation COR	(291,589.33)
	RWIP activity	95,138.15
	Balance	**(27,344,439.57)**
Sep-03	Accumulated depreciation COR	(292,732.48)
	RWIP activity	168,795.33
	Balance	**(27,468,376.72)**
Oct-03	Accumulated depreciation COR	(295,921.27)
	Correction to allign GL between COR and life	744,933.87
	RWIP activity	110,443.35
	Balance	**(26,908,920.77)**
Nov-03	Accumulated depreciation COR	(297,338.08)
	RWIP activity	80,307.60
	Balance	**(27,125,951.25)**
Dec-03	Accumulated depreciation COR	(295,747.60)
	RWIP activity	(20,990.43)
	Balance	**(27,442,689.28)**
Jan-04	Accumulated depreciation COR	(304,263.33)
	RWIP activity	92,349.89
	Balance	**(27,654,602.72)**
Feb-04	Accumulated depreciation COR	(305,150.49)
	RWIP activity	138,960.04
	Balance	**(27,820,793.17)**
Mar-04	Accumulated depreciation COR	(306,212.52)
	RWIP activity	158,859.11
	Balance	**(27,968,146.58)**

Apr-04	Accumulated depreciation COR	(307,433.76)
	RWIP activity	141,474.68
	Balance	**(28,134,105.66)**
May-04	Accumulated depreciation COR	(308,696.30)
	RWIP activity	218,874.97
	Balance	**(28,223,926.99)**
Jun-04	Accumulated depreciation COR	(310,284.49)
	Correction to allign GL between COR and life	(480.00)
	RWIP activity	34,562.01
	Balance	**(28,500,129.47)**
Jul-04	Accumulated depreciation COR	(311,386.41)
	RWIP activity	166,299.76
	Balance	**(28,645,216.12)**
Aug-04	Accumulated depreciation COR	(312,560.96)
	RWIP activity	150,899.00
	Balance	**(28,806,878.08)**
Sep-04	Accumulated depreciation COR	(314,644.36)
	RWIP activity	92,976.87
	Balance	**(29,028,545.57)**
Oct-04	Accumulated depreciation COR	(315,961.77)
	RWIP activity	(747,950.46)
	Balance	**(30,092,457.80)**
Nov-04	Accumulated depreciation COR	(318,502.53)
	RWIP activity	1,010,972.04
	Balance	**(29,399,988.29)**
Dec-04	Accumulated depreciation COR	(310,286.92)
	RWIP activity	177,229.44
	Balance	**(29,533,045.77)**
Jan-05	Accumulated depreciation COR	(316,244.89)
	RWIP activity	93,005.52
	Balance	**(29,756,285.14)**
Feb-05	Accumulated depreciation COR	(317,612.22)
	RWIP activity	40,281.74
	Balance	**(30,033,615.62)**
Mar-05	Accumulated depreciation COR	(318,318.86)
	RWIP activity	65,532.92
	Balance	**(30,286,401.56)**
Apr-05	Accumulated depreciation COR	(322,310.15)
	RWIP activity	87,476.16
	Balance	**(30,521,235.55)**
May-05	Accumulated depreciation COR	(319,997.84)
	RWIP activity	94,890.74
	Balance	**(30,746,342.65)**
Jun-05	Accumulated depreciation COR	(323,995.41)
	RWIP activity	107,912.68
	Balance	**(30,962,425.38)**
Jul-05	Accumulated depreciation COR	(325,688.69)
	RWIP activity	105,717.58
	Balance	**(31,182,396.49)**
Aug-05	Accumulated depreciation COR	(327,092.57)
	RWIP activity	98,324.78
	Balance	**(31,411,164.28)**
Sep-05	Accumulated depreciation COR	(332,502.51)

	RWIP activity	116,175.70
	Balance	**(31,627,491.09)**
Oct-05	Intercompany sale	10,509.76
	Accumulated depreciation COR	(334,365.81)
	RWIP activity	69,833.69
	Balance	**(31,881,513.45)**
Nov-05	Intercompany sale	(11,876.50)
	Accumulated depreciation COR	(335,394.17)
	RWIP activity	106,654.33
	Balance	**(32,122,129.79)**
Dec-05	Intercompany sale	14,633.13
	Accumulated depreciation COR	(30,106.93)
	Correct to GL for sale/retirement of vehicle	17,765.00
	RWIP activity	97,182.17
	Balance	**(32,022,656.42)**
Jan-06	Accumulated depreciation COR	(202,841.29)
	Transfer of Caleb assets	(102,239.13)
	RWIP activity	91,712.49
	Balance	**(32,236,024.35)**
Feb-06	Accumulated depreciation COR	(203,122.45)
	RWIP activity	236,895.78
	Balance	**(32,202,251.02)**
Mar-06	Accumulated depreciation COR	(194,630.95)
	RWIP activity	202,588.71
	Balance	**(32,194,293.26)**
Apr-06	Accumulated depreciation COR	(192,558.30)
	RWIP activity	112,884.00
	Balance	**(32,273,967.56)**
May-06	Accumulated depreciation COR	(192,998.26)
	RWIP activity	272,925.01
	Balance	**(32,194,040.81)**
Jun-06	Accumulated depreciation COR	(196,634.75)
	RWIP activity	170,430.54
	Balance	**(32,220,245.02)**
Jul-06	Transfer of assets	(25,536.06)
	Accumulated depreciation COR	(197,580.22)
	RWIP activity	64,265.26
	Balance	**(32,379,096.04)**
	Financial Statement July 31, 2006	
	Accumulated Depreciation COR	(35,588,629.50)
	Retirement work in progress	3,209,533.46
		(32,379,096.04)

Regulatory Liabilities - Regulatory Asset - Legal ARO

Dec-05	Implimentation of FIN 47 - Gas ARO	**5,196,675.00**
Jan-06	Deferred depreciation/accretion	45,643.69
	Balance	**5,242,318.69**
Feb-06	Deferred depreciation/accretion	42,715.08
	Balance	**5,285,033.77**
Mar-06	Deferred depreciation/accretion	46,027.09
	Balance	**5,331,060.86**
Apr-06	Deferred depreciation/accretion	45,175.28
	Balance	**5,376,236.14**

May-06	Deferred depreciation/accretion	46,425.03
	Balance	**5,422,661.17**
Jun-06	Deferred depreciation/accretion	45,564.64
	Balance	**5,468,225.81**
Jul-06	Deferred depreciation/accretion	46,826.99
	Balance	**5,515,052.80**
	Financial Statement July 31, 2006	
	Regulatory Asset - legal ARO	5,515,052.80

Other Noncurrent Liabilities - Legal ARO

Dec-05	Implimentation of FIN 47 - Gas ARO	**(6,305,777.00)**
Jan-06	Transfer of Caleb assets	(1,736,392.95)
	Deferred accretion	(39,756.31)
	Miscellanous correction	146.49
	Balance	**(8,081,779.77)**
Feb-06	Deferred accretion	(39,384.21)
	Balance	**(8,121,163.98)**
Mar-06	Deferred accretion	(39,993.22)
	Miscellanous correction	2,703.00
	Balance	**(8,158,454.20)**
Apr-06	Deferred accretion	(39,141.41)
	Balance	**(8,197,595.61)**
May-06	Deferred accretion	(40,391.16)
	Balance	**(8,237,986.77)**
Jun-06	Deferred accretion	(39,530.77)
	Balance	**(8,277,517.54)**
Jul-06	Deferred accretion	(40,793.12)
	Balance	**(8,318,310.66)**
	Financial Statement July 31, 2006	
	Other Noncurrent Liability - Legal ARO	**(8,318,310.66)**

Summary

Financial Statement at December 31, 2003		
	Regulatory Liabilities - COR	(27,442,689.28)
	Regulatory Liabilities - Reg Asset - Legal ARO	-
	Subtotal Regulatory Liabilities	(27,442,689.28)
	Other Noncurrent Liabilities - Legal ARO	-
	Total	(27,442,689.28)
Financial Statement at December 31, 2004		
	Regulatory Liabilities - COR	(29,533,045.77)
	Regulatory Liabilities - Reg Asset - Legal ARO	-
	Subtotal Regulatory Liabilities	(29,533,045.77)
	Other Noncurrent Liabilities - Legal ARO	-
	Total	(29,533,045.77)
Financial Statement at December 31, 2005		
	Regulatory Liabilities - COR	(32,022,656.42)
	Regulatory Liabilities - Reg Asset - Legal ARO	5,196,675.00
	Subtotal Regulatory Liabilities	(26,825,981.42)
	Other Noncurrent Liabilities - Legal ARO	(6,305,777.00)
	Total	(33,131,758.42)
Financial Statement at July 31, 2006		
	Regulatory Liabilities - COR	(32,379,096.04)

Regulatory Liabilities - Reg Asset - Legal ARO	5,515,052.80
Subtotal Regulatory Liabilities	(26,864,043.24)
Other Noncurrent Liabilities - Legal ARO	(8,318,310.66)
Total	(35,182,353.90)

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-034

REQUEST:

34. Please provide a complete explanation for why the regulatory liability for cost of removal decreased from $30 million in 2004 to $29 million in 2005. Provide all accounting entries related to this decrease. Also, please provide the workpapers and calculations supporting those entries in electronic format (Excel) with all formulae intact.

RESPONSE:

See response to AG-DR-02-033.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-035

REQUEST:

35. Provide an analysis of the regulatory liability for cost of removal since inception identifying and explaining each debit and credit entry and amount.

RESPONSE:

See response to AG-DR-02-033 for available analysis.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-036

REQUEST:

36. What impact did the application of FIN 47 have upon the proposed depreciation rates and expense in this rate case? Provide all workpapers supporting the answer. If the answer is "none", provide workpapers supporting that statement.

RESPONSE:

FIN 47 did not have any impact on the proposed depreciation rates and expense in this case. As such, there are not any associated workpapers.

WITNESS RESPONSIBLE: John J. Spanos

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-037

REQUEST:

37. Provide ULH&P's projection of the annual year-end balance in the regulatory liability for non-legal AROs shown in its Form 10K, for the next 20 years. If not available for the next twenty years provide for as many years into the future that the projection is available. If this projection has not been made, please explain why not.

    a. For this projection assume that all of ULH&P's proposed depreciation rates are approved as requested. Provide in hard copy and in electronic format with all formulae intact.

    b. Explain all assumptions used to make this projection.

RESPONSE:

Duke Energy Kentucky has not performed this calculation.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-038

REQUEST:

38. With respect to the Regulatory Liability relating to asset cost of removal which you reclassified out of accumulated depreciation:

a. Do you agree that this constitutes a regulatory liability for regulatory purposes in Kentucky and for FERC purposes? If not, please explain why not.

b. Do you agree that this amount is a refundable obligation to ratepayers until it is spent on its intended purpose (cost of removal)? If not, why not?

c. Please explain the repayment provisions associated with this regulatory liability.

d. Explain when you expect to spend this money for cost of removal.

e. Explain what you have done with this money as you have collected it. If you say that you have spent it on plant additions, please prove it.

f. Identify and explain all other similar examples of ULH&P's advance collections of estimated future costs for which it does not have a legal obligation.

g. Does ULH&P agree that the Kentucky Public Service Commission will never know whether or not ULH&P will actually spend all of this money for cost of removal until and if ULH&P goes out of business? If not, why not?

h. Does ULH&P believe that amounts recoded in accumulated depreciation represent capital recovery? If not, why not?

i. Whose capital is reflected in accumulated depreciation – shareholders' or ratepayers'?

RESPONSE:

a. – i. Duke Energy Kentucky records the regulatory liability relating to asset cost of removal in accordance with SFAS 143, SFAS 71, and U.S. Securities and Exchange Commission requirements.

WITNESS RESPONSIBLE: Dwight L. Jacobs
Carl L. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-039

REQUEST:

39. For all accounts for which ULH&P has collected non-legal AROs, but instead recorded a regulatory liability, please provide the fair value of the related asset retirement cost as of December 31, 2002; December 31, 2003, December 31, 2004 and December 31, 2005. For the purposes of this question, assume that ULH&P has legal AROs for these accounts, and use the life and dispersion assumptions reflected in Mr. Spanos's depreciation study.

RESPONSE:

The fair value of non-legal AROs is not readily available. See response to AG-DR-02-038.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-040

REQUEST:

40. Provide the calculation of the annual amount of future net salvage incorporated into ULH&P's existing depreciation rates and in its proposed depreciation rates by account. If the amount is reduced by the total amount of non-legal AROs included in year-end accumulated depreciation, show that calculation.

RESPONSE:

The breakdown of the future net salvage incorporated in Duke Energy Kentucky's existing depreciation rates is not able to be calculated. See Attachment AG-DR-02-040 for the amount of future net salvage in the proposed depreciation rates by account.

WITNESS RESPONSIBLE: John J. Spanos

DUKE ENERGY KENTUCKY

COMPARISON OF ANNUAL ACCRUALS BY COMPONENT
AS OF DECEMBER 31, 2005

	ACCOUNT	TOTAL ANNUAL ACCRUALS	CAPITAL RECOVERY ACCRUALS	NET SALVAGE ACCRUALS
	(1)	(2)	(3)	(4)=(2)-(3)
	COMMON PLANT			
1900	STRUCTURES & IMPROVEMENTS			
	ERLANGER OPERATIONS CENTER	142,413	142,413	0
	FLORENCE SERVICE BUILDING	112,773	98,477	14,296
	KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE	105,459	77,749	27,710
	MINOR STRUCTURES	172	172	0
	TOTAL STRUCTURES & IMPROVEMENTS	360,817	318,811	42,006
1910	OFFICE FURNITURE AND EQUIPMENT	49,176	49,176	0
1930	STORES AND EQUIPMENT	2,696	2,696	0
1940	TOOLS, SHOP AND GARAGE EQUIPMENT	11,654	11,654	0
1970	COMMUNICATION EQUIPMENT	5,346	5,346	0
1980	MISCELLANEOUS EQUIPMENT	756	756	0
	TOTAL COMMON PLANT	**430,445**	**388,439**	**42,006**
	STEAM PRODUCTION PLANT			
	MIAMI FORT UNIT 6			
3110	STRUCTURES AND IMPROVEMENTS	10,793	0	10,793
3120	BOILER PLANT	2,179,502	1,723,699	455,803
3122	BOILER PLANT - RETROFIT PRECIPITATORS	171,143	42,718	128,425
3140	TURBOGENERATOR UNITS	144,615	60,832	83,783
3150	ACCESSORY ELECTRIC EQUIPMENT	49,280	34,443	14,837
3160	MISCELLANEOUS POWER PLANT - EXCLUDING SHOP	40,027	40,027	0
	TOTAL MIAMI FORT UNIT 6	2,595,360	1,901,719	693,641
	EAST BEND			
3110	STRUCTURES AND IMPROVEMENTS	500,678	416,438	84,240
3120	BOILER PLANT	9,329,691	6,029,437	3,300,254
3123	BOILER PLANT - CATALYST	340,771	340,771	0
3140	TURBOGENERATOR UNITS	1,891,524	1,413,497	478,027
3150	ACCESSORY ELECTRIC EQUIPMENT	510,292	423,090	87,202
3160	MISCELLANEOUS POWER PLANT - EXCLUDING SHOP	182,751	182,751	0
	TOTAL EAST BEND	12,755,707	8,805,984	3,949,723
	TOTAL STEAM PRODUCTION PLANT	**15,351,067**	**10,707,703**	**4,643,364**
	OTHER PRODUCTION PLANT			
3401	RIGHTS OF WAY	23,633	23,633	0
3410	STRUCTURES AND IMPROVEMENTS	701,426	650,519	50,907
3420	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	276,826	253,418	23,408
3430	PRIME MOVERS	7,146	6,556	590
3440	GENERATORS	4,673,413	4,216,143	457,270
3450	ACCESSORY ELECTRIC EQUIPMENT	302,976	302,976	0
3460	MISCELLANEOUS POWER PLANT EQUIPMENT	78,229	78,229	0
	TOTAL OTHER PRODUCTION PLANT	**6,063,649**	**5,531,474**	**532,175**

DUKE ENERGY KENTUCKY

COMPARISON OF ANNUAL ACCRUALS BY COMPONENT
AS OF DECEMBER 31, 2005

	ACCOUNT	TOTAL ANNUAL ACCRUALS	CAPITAL RECOVERY ACCRUALS	NET SALVAGE ACCRUALS
	(1)	(2)	(3)	(4)=(2)-(3)
	TRANSMISSION PLANT			
3501	RIGHTS OF WAY	13,409	13,409	0
3520	STRUCTURES AND IMPROVEMENTS	1,569	825	744
3530	STATION EQUIPMENT	156,736	145,097	11,639
3532	STATION EQUIPMENT - MAJOR	93,449	77,372	16,077
3535	STATION EQUIPMENT - ELECTRONIC	1,320	1,320	0
3550	POLES AND FIXTURES	116,514	71,597	44,917
3560	OVERHEAD CONDUCTORS AND DEVICES	100,929	81,808	19,121
	TOTAL TRANSMISSION PLANT	**483,926**	**391,428**	**92,498**
	DISTRIBUTION PLANT			
3601	RIGHTS OF WAY	47,526	47,526	0
3610	STRUCTURES AND IMPROVEMENTS	2,895	2,309	586
3620	STATION EQUIPMENT	625,622	542,338	83,284
3622	STATION EQUIPMENT - MAJOR	496,342	436,303	60,039
3635	STATION EQUIPMENT - ELECTRONIC	10,226	10,226	0
3640	POLES, TOWERS AND FIXTURES	1,413,852	1,133,207	280,645
3650	OVERHEAD CONDUCTORS AND DEVICES	1,908,852	1,170,914	737,938
3660	UNDERGROUND CONDUIT	302,258	238,917	63,341
3670	UNDERGROUND CONDUCTORS AND DEVICES	1,034,795	681,983	352,812
3680	LINE TRANSFORMERS	1,472,550	1,336,582	135,968
3682	LINE TRANSFORMERS - CUSTOMER	472	0	472
3691	SERVICES - UNDERGROUND	14,891	9,978	4,913
3692	SERVICES - OVERHEAD	308,945	80,750	228,195
3700	METERS	589,342	589,342	0
3701	LEASED METERS	199,506	199,506	0
3720	LEASED PROPERTY ON CUSTOMER PREMISES	0	0	0
3731	STREET LIGHTING - OVERHEAD	25,245	17,821	7,424
3732	STREET LIGHTING - BOULEVARD	102,793	93,885	8,908
3733	STREET LIGHTING - CUSTOMER POLES	27,858	14,383	13,475
	TOTAL DISTRIBUTION PLANT	**8,583,970**	**6,605,970**	**1,978,000**
	GENERAL PLANT			
3900	STRUCTURES AND IMPROVEMENTS	568	506	62
3910	OFFICE FURNITURE AND EQUIPMENT	6,684	6,684	0
3921	TRAILERS	6,499	6,499	0
3940	TOOLS, SHOP AND GARAGE EQUIPMENT	19,330	19,330	0
3960	POWER OPERATED EQUIPMENT	0	0	0
3970	COMMUNICATION EQUIPMENT	5,852	5,852	0
	TOTAL GENERAL PLANT	**38,933**	**38,871**	**62**
	TOTAL DEPRECIABLE PLANT	**30,951,990**	**23,663,885**	**7,288,105**
	TOTAL COMMON AND ELECTRIC PLANT	**30,951,990**	**23,663,885**	**7,288,105**

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-041

REQUEST:

41. Is ULH&P fearful that if the non-legal regulatory liability is highlighted, as SFAS No. 143 and FERC Order No. 631 have done; someone will attempt to make companies such as ULH&P refund the prior collections? If not please explain the industry's primary concern, if ULH&P is aware of that concern. Provide all documents upon which ULH&P relies to respond to this question.

RESPONSE:

The Company records regulatory assets and liabilities in accordance with generally accepted accounting principles and as authorized by the Commission's orders.

WITNESS RESPONSIBLE: Carl J. Council, Jr.
Dwight L. Jacobs

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-042

REQUEST:

42. Refer to page 40 of 95 of Attachment AG-DR-01-139.

a. Explain why Wheatland is not being brought onto the books at Allegheny's NBV? Also, explain why Wheatland is being brought onto the books at FMV?

b. Provide the calculation of the Wheatland FMV.

RESPONSE:

Duke Energy Kentucky objects to this data request on the grounds that the information it seeks is relevant and is not reasonably calculated to lead to the discovery of admissible evidence. Subject to this objection, Wheatland is a Duke Energy Indiana generating asset and is not applicable to the Duke Energy Kentucky case.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-043

REQUEST:

43. Refer to page 95 of 95 of Attachment AG-DR-01-139. Provide an unredacted copy.

RESPONSE:

See response to KyPSC-DR-03-049.

WITNESS RESPONSIBLE: Not applicable

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-044

REQUEST:

44. Refer to page 8 of 15 of Attachment AG-DR-01-142 (b).

a. Explain Bullet[s] 1, 2 and 3 in detail, and provide all documents resulting therefrom.

b. Provide all current depreciation rates for non-regulated capital asset accounts.

c. Provide all GAAP depreciation rates, by account.

RESPONSE:

a. Bullet 1 – See Attachment AG-DR-02-144(a) for guidelines on establishing depreciation rates.

Bullet 2 – A standard depreciation rate calculation form has not yet been developed. The depreciation rates for the Company's Steam Production and Other Production assets are the same as those used by Duke Energy Ohio prior to their transfer to Duke Energy Kentucky. New depreciation rates for these assets have been proposed for Commission approval in the Depreciation Study included in this case.

Bullet 3 – The Company follows the Procedure for Establishing Depreciation Rates provided at Attachment AG-DR-02-044(a).

b. Duke Energy Kentucky's non-regulated capital asset depreciation rates not approved by the Commission include Steam Production and Other Production. The current depreciation rates and the rates proposed to be approved in this case for these asset accounts are provided on Attachment KyPSC-DR-02-006(c). In addition, the Company has Land and Structures (Florence Service Building) in Non-Utility Property (FERC Account 121). The depreciation rate on the Structure is 7.31%.

c. Duke Energy Kentucky uses the same rates for regulatory and GAAP reporting. See Attachment KyPSC-DR-02-006(c) for the electric and common rates.

WITNESS RESPONSIBLE: Carl L. Council, Jr.

Procedure for Establishing Depreciation Rates

There will be two methods used to establish depreciation rates.

1) The first method to establish depreciation rates will be to contract with an external vendor to establish the depreciation rates. This method will be used for both regulated and non-regulated business activities. This method will be used for assets that are similar to traditional utility assets. Examples of these types of assets will be those that generate electric or gas commodities and support the transmission / distribution of the electric or gas commodity.

2) The second method to establish depreciation rates will be to develop rates internally. This method will be used for non-regulated business activities only. This method will be used for assets that are unique, with a limited external basis for comparison and minimal operating history. The following is a list of data elements to be collected and analyzed when developing depreciation rates internally. This list may not itemize all possible data elements and not all data elements will apply in all cases.

- Engineering life expectancy
- Leasing information
- Salvage value expectations
- Manufacturer warranties / expectations for product
- Company expectations for holding asset
- Tax depreciation classification

Once the maximum amount of data is collected about these assets, FA will analyze all information and establish a rate that will effectively match the 'using up of the asset' with the revenue produced from these assets.

AG-DR-02-045

REQUEST:

45. Refer to page 10 of 15 of Attachment AG-DR-01-142(b).

a. Explain what a "fluctuation analysis" is.

b. Provide all fluctuation analyses conducted in 2004, 2005, and 2006 to date relating to "additions, impairments, retirements and depreciation."

c. Provide all "Thresholds for account variances requiring written explanations."

RESPONSE:

a. Fluctuation analysis is examining a change in balance or activity between different periods or budget.

b. See Attachment AG-DR-02-045(b).

c. See Attachment AG-DR-02-045(c).

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045

Attachment AG-DR-02-045(b)

Property Rollforward
Second Quarter

	ULH&P
Plant Balances	
Beginning Balance 03-31-06	1,357,416,106
Additions- Account 101	16,173,113
ARO	
Retirements	(1,138,044)
Transfers/Adjustments	
Purchase Accounting Adjustments	
CCNC Activity	(3,215,370)
Ending Balance 06-30-06	**1,369,235,805**
Gas Stored Underground - acct 117	
Acquisition Adjustment-acct 114	
Non-Utility	8,743,106
Total Per FS	1,377,978,913
Difference	-2

	ULH&P
Reserve Balances	
Beginning Balance 03-31-06	602,747,679
Provision	8,996,597
ARO	18,102
Retirements	(1,138,044)
Cost of Removal	(189,383)
Salvage and Other Credits	
Transfers and adjustments	
Loss / Gain	
Purchase Accounting Adjustments	
RWIP	(366,856)
Ending Balance 06-30-06	**610,068,095**
Account 115 Acquisition Adjustment	
Non-Utility	285,210
Cost of Removal	(35,398,996)
RWIP	3,178,751
Total Per FS	578,133,058
	2

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045

Explanation of Activity *(in millions)*

	Regulated
Additions	
16 **ULHP**	
12	Gas distribution (Services)
4	Elec distribution
Retirements	
(1) **ULHP**	
(0.5)	Elec distribution
(0.5)	Gas distribution (Mains and services)
CCNC	
(3) **ULHP**	
(8)	Gas distribution (Services)
2	Elec distribution (Poles, towers, and fixtures)
1	Elec transmission
1	Elec steam production

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045 Attachment AG-DR-02-045(b)

Property Rollforward
First Quarter

	ULH&P
Plant Balances	
Beginning Balance 12-31-05	602,623,796
Additions- Account 101	64,084,528
ARO	710,224
Retirements	(1,919,733)
Transfers/Adjustments	708,046,278
BDMS adjustment	
CCNC Activity	(16,128,986)
Ending Balance 03-31-06	**1,357,416,107**
Gas Stored Underground - acct 117	
Acquisition Adjustment-acct 114	
Non-Utility	18,614,669
Total Per FS	1,376,030,777
Difference	-1

	ULH&P
Reserve Balances	
Beginning Balance 12-31-05	214,273,343
Provision	8,955,849
ARO	368,138
Retirements	(1,919,733)
Cost of Removal	(727,476)
Salvage and Other Credits	
Transfers and adjustments	381,499,039
Loss / Gain	
Reserve adjustment	
RWIP	298,519
Ending Balance 03-31-06	**602,747,679**
Account 115 Acquisition Adjustment	
Non-Utility	6,703,741
Cost of Removal	(35,006,187)
RWIP	2,811,894
Total Per FS	577,257,128
	-1

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02 Attachment AG-DR-02-045(b)

Explanation of Activity

Regulated

101 Activity
Additions

ULHP	37	Gas mains
	25	Gas services

Transfers & Adjustments

ULHP	708	Caleb Assets - Miami Fort 6, East Bend, Woodsdale

Retirements

106 Activity

ULHP	(58)	Gas mains and services
	26	Steam production
	14	Other production

Reserve Activity

ULHP	381	Caleb Assets - Miami Fort 6, East Bend, Woodsdale

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045

Attachment AG-DR-02-045(b)

Property Rollforward
Fourth Quarter Balances

	ULH&P
Plant Balances	
Beginning Balance 09-31-05	587,697,833
Additions- Account 101	10,844,945
ARO	
Retirements	(3,402,719)
Transfers/Adjustments	1,785,901
BDMS adjustment	
CCNC Activity	3,951,838
Ending Balance 12-31-05	**600,877,798**
Gas Stored Underground - acct 117	
Acquisition Adjustment-acct 114	
Non-Utility	18,614,669
Total Per FS	619,492,467
Difference	0

	ULH&P
Reserve Balances	
Beginning Balance 09-31-05	212,075,473
Provision	4,643,046
ARO	
Retirements	(3,402,719)
Cost of Removal	(324,580)
Salvage and Other Credits	
Transfers and adjustments	552,001
Loss / Gain	42,316
Reserve adjustment	
RWIP	50,910
Ending Balance 12-31-05	**213,636,447**
Account 115 Acquisition Adjustment	
Non-Utility	6,363,599
Cost of Removal	(35,133,069)
RWIP	3,110,413
Total Per FS	187,977,390
	0

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02 Attachment AG-DR-02-045(b)

Property Rollforward Variances
Fourth Quarter 2005

Regulated			
ULHP	Additions	6.2m	Electric distribution - land, OH conductors, transformers
		2.3m	Gas distribution - mains, meters, regulators
	Retirements	2m	Gas distribution - services, mains
		1m	Electric distribution - meters, transformers

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045 Attachment AG-DR-02-045(b)

Updated 2/1/06 for Gas Main ARO

Property Rollforward
August - December Balances

	ULH&P
Plant Balances	
Beginning Balance 08-31-05	584,788,103
Additions- Account 101	14,371,393
ARO	1,745,998
Retirements	(3,689,766)
Transfers/Adjustments	1,785,901
BDMS adjustment	
CCNC Activity	3,622,168
Ending Balance 12-31-05	**602,623,797**
Gas Stored Underground - acct 117	
Acquisition Adjustment-acct 114	
Non-Utility	18,614,669
Total Per FS	621,238,465
Difference	1

	ULH&P
Reserve Balances	
Beginning Balance 08-31-05	210,823,821
Provision	6,293,920
ARO	636,896
Retirements	(3,689,766)
Cost of Removal	(301,145)
Salvage and Other Credits	4,000
Transfers and adjustments	552,001
Loss / Gain	42,316
Reserve adjustment	
RWIP	(88,701)
Ending Balance 12-31-05	**214,273,342**
Account 115 Acquisition Adjustment	
Non-Utility	6,363,599
Cost of Removal	(35,133,069)
RWIP	3,110,413
Total Per FS	188,614,286
	(1)

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045

Attachment AG-DR-02-045(b)

Property Rollforward Variances
Aug31 - Dec31 2005

ULHP

101 Additions	1.2M Common software 8.8M Elec distribution, land, conductors, transformers 3M Gas distribution mains, meters, regulators
101 Retirements	1.3M Elec distribution, transformers, conductors, meters 2M Gas distribution, mains, services, meters, regulators
CCNC	2M Common structures (3.6M) Elec distribution and transmission unitized 5.1 Gas distribution, mains, services, meters, regulators

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045

Attachment AG-DR-02-045(b)

Cinergy Quarter Review
Property Rollforward
Third Quarter 2005

	ULH&P
Plant Balances	
Beginning Balance 06/30/05	578,135,697
Additions- Account 101	18,764,766
ARO	
Retirements	(949,196)
Transfers/Adjustments	
BDMS adjustment	
CCNC Activity	(8,253,434)
Ending Balance 06/30/05	**587,697,833**
Gas Stored Underground - acct 117	
Acquisition Adjustment-acct 114	
Non-Utility	18,614,669
Total Per FS	606,312,502
Difference	-

	ULH&P
Reserve Balances	
Beginning Balance 06/30/05	208,418,166
Provision	4,922,721
ARO	
Retirements	(949,196)
Cost of Removal	(571,112)
Salvage and Other Credits	4,000
Transfers and adjustments	
Loss / Gain	
Adj to Prov for BDMS	
Reserve adjustment	
RWIP	250,894
Ending Balance 06/30/05	**212,075,473**
Account 115 Acquisition Adjustment	
Non-Utility	6,023,456
Cost of Removal	(34,788,814)
RWIP	3,161,323
Total Per FS	186,471,438
	-

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045

Attachment AG-DR-02-045(b)

Cinergy Quarter Review
Property Rollforward
Second Quarter 2005

	ULH&P
Plant Balances	
Beginning Balance 03/31/05	570,246,012
Additions- Account 101	2,612,445
ARO	
Retirements	(1,171,286)
Transfers/Adjustments	
BDMS adjustment	
CCNC Activity	6,448,526
Ending Balance 06/30/05	**578,135,697**
Gas Stored Underground - acct 117	
Acquisition Adjustment-acct 114	
Non-Utility	18,614,669
Total Per FS	596,750,366
Difference	-

	ULH&P
Reserve Balances	
Beginning Balance 03/31/05	205,038,973
Provision	4,839,105
ARO	
Retirements	(1,171,286)
Cost of Removal	(279,984)
Salvage and Other Credits	335
Transfers and adjustments	1,319
Loss / Gain	
Adj to Prov for BDMS	
Reserve adjustment	
RWIP	(10,296)
Ending Balance 06/30/05	**208,418,166**
Account 115 Acquisition Adjustment	
Non-Utility	5,683,313
Cost of Removal	(34,374,642)
RWIP	3,412,217
Total Per FS	183,139,054
	-

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045

Attachment AG-DR-02-045(b)

Cinergy Quarter Review
Property Rollforward
First Quarter

	ULH&P
Plant Balances	
Beginning Balance12/31/04	566,078,912
Additions- Account 101	4,466,677
ARO	
Retirements	(797,389)
Transfers/Adjustments	
BDMS adjustment	
CCNC Activity	497,812
Ending Balance 03/31/05	**570,246,012**
Gas Stored Underground - acct 117	
Acquisition Adjustment-acct 114	
Non-Utility	18,591,765
Total Per FS	588,837,776
Difference	1

	ULH&P
Reserve Balances	
Beginning Balance12/31/04	201,255,638
Provision	4,770,840
ARO	
Retirements	(797,389)
Cost of Removal	220,810
Salvage and Other Credits	16,232
Transfers and adjustments	2,458
Loss / Gain	(9,986)
Adj to Prov for BDMS	
Reserve adjustment	
RWIP	(419,630)
Ending Balance 03/31/05	**205,038,973**
Account 115 Acquisition Adjustment	
Non-Utility	5,343,449
Cost of Removal	(33,688,323)
RWIP	3,401,921
Total Per FS	180,096,021
	(1)

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045 Attachment AG-DR-02-045(b)

Cinergy Quarter Review
Property Rollforward
Fourth Quarter

(Excluding Non-Utility)

	ULH&P
Plant Balances	
Beginning Balance 09/30/04	569,838,442
Additions- Account 101	13,953,362
ARO	
Retirements	(14,654,166)
Transfers/Adjustments	1,811,708
BDMS adjustment	
CCNC Activity	(4,870,436)
Ending Balance 12/31/04	**566,078,910**
Gas Stored Underground - Account 117	
Account 114 Acquisition Adjustment	
Non-Utility	18,591,766
Total Per FS	584,670,676
Difference	-

	ULH&P
Reserve Balances	
Beginning Balance 09/30/04	210,507,196
Provision	4,752,933
ARO	
Adj to Prov for BDMS	
Retirements	(14,654,166)
Cost of Removal	(47,162)
Loss / Gain	51,679
Reserve adjustment	
Salvage	909,805
Transfers and adjustments	72,358
RWIP	(337,004)
Ending Balance 12/31/04	**201,255,639**
Account 115 Acquisition Adjustment	
Non-Utility	5,003,725
Cost of Removal	(32,515,337)
RWIP	2,982,291
Total Per FS	176,726,318
	-

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045 Attachment AG-DR-02-045(b)

Cinergy Quarter Review
Property Rollforward
Third Quarter

(Excluding Non-Utility)

	ULH&P
Plant Balances	
Beginning Balance 06/30/04	561,858,063
Additions- Account 101	4,694,526
ARO	
Retirements	(1,189,706)
Transfers/Adjustments	582
BDMS adjustment	-
CCNC Activity	4,474,977
Ending Balance 09/30/04	569,838,442
Gas Stored Underground - Account 117	
Account 114 Acquisition Adjustment	
Non-Utility	18,591,765
Total Per FS	588,430,207
Difference	-

	ULH&P
Reserve Balances	
Beginning Balance 06/30/04	207,380,218
Provision	4,726,580
ARO	
Adj to Prov for BDMS	
Retirements	(1,189,707)
Cost of Removal	(30,049)
Loss / Gain	162
Reserve adjustment	
Salvage	20
Transfers and adjustments	99
RWIP	(380,127)
Ending Balance 09/30/04	210,607,196
Account 115 Acquisition Adjustment	
Non-Utility	4,664,001
Cost of Removal	(31,673,833)
RWIP	2,645,287
Total Per FS	186,142,651
	-

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045 Attachment AG-DR-02-045(b)

Cinergy Quarter Review
Property Rollforward
Second Quarter

(Excluding Non-Utility)

	ULH&P
Plant Balances	
Beginning Balance 03/31/04	553,381,097
Additions- Account 101	7,888,957
ARO	
Retirements	-1,057,888
Other	
BDMS adjustment	0
CCNC Activity	1,645,897
Ending Balance 06/30/04	**561,858,063**
Account 101, 105 & 106	561,858,063
Gas Stored Underground - Account 117	
Account 114 Acquisition Adjustment	
Non-Utility	18,591,765
Total Per FS	580,449,828
Difference	0

	ULH&P
Reserve Balances	
Beginning Balance 03/31/04	205,339,289
Provision	4,619,331
ARO	
Adj to Prov for Power Plant	
Retirements	-1,057,888
Cost of Removal	-19,961
Other	
Reserve adjustment	-1,153,664
Salvage	13,096
Transfers and adjustments	14,966
RWIP	-374,951
Ending Balance 06/30/04	**207,380,218**
Non-Utility	4,394,196
Cost of Removal	(30,765,290)
RWIP	2,265,161
Total Per FS	183,274,284
	0

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045 Attachment AG-DR-02-045(b)

Cinergy Quarter Review
Property Rollforward
First Quarter 2004

(Excluding Non-Utility)

	ULH&P
Plant Balances	
Beginning Balance 12/31/03	548,270,124
Additions- Account 101	569,894
ARO	
Retirements	(154,382)
Other	
BDMS adjustment	
CCNC Activity	4,695,461
Ending Balance 3/31/04	**553,381,097**
Account 101, 105 & 106	553,381,097
Gas Stored Underground - Account 117	
Total Per FS	
Difference	0

	ULH&P
Reserve Balances	
Beginning Balance 12/31/03	200,165,383
Provision	4,563,714
ARO	
Adj to Prov for Power Plant	
Retirements	(154,382)
Cost of Removal	(838)
Other	
Salvage	
Transfers and adjustments	1,154,742
RWIP	(389,330)
Ending Balance 3/31/04	**205,339,289**
Account 108 & 111 & 254	205,339,289
	0

Source :
Plant Activity- PP -1042 Reports
Reserve Activity - 1033 Reports

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	July 2006	July 2005	Variance		Explanation
ULHP	3,167	1,739	**1,428**	1,477	Caleb transfer
				(133)	Gas rate case
				52	Net change in plant base - Elec dist & trans
				(3)	Net change in plant base - Common structures
				(3)	Net change in plant base - Gas
				38	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Actual
(In Thousands)

	July 2006	July 2005	Variance		Explanation
ULHP	21,804	12,026	**9,778**	10,218	Caleb transfer
				(932)	Gas rate case
				421	Net change in plant base - Elec dist & trans
				77	Net change in plant base - Common structures
				(23)	Net change in plant base - Gas
				17	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison (Duke YTD)
Actual to Actual
(In Thousands)

	July 2006	July 2005	Variance		Explanation
ULHP	12,501	-	**12,501**	12,501	Duke acquistion of Cinergy 4/06

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
July 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised E&G				
ULHP	3,167	3,483	(316)	Primary driver is Gas T&D

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
July 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised E&G				
ULHP	12,501	13,777	(1,276)	Primary driver is Gas T&D

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	June 2006	June 2005	Variance		Explanation
ULHP	2,614	1,722	**892**	1,457	Caleb transfer
				(133)	ULHP Gas Rate case
				60	Net change in plant base - Elec Dist & Trans
				11	Net change in plant base - Common structures
				(513)	Net change in plant base - Gas
				10	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
QTD Comparison
Actual to Actual
(In Thousands)

	June 2006	June 2005	Variance		Explanation
ULHP	9,334	5,177	**4,157**	4,377	Caleb transfer
				(399)	ULHP Gas Rate case
				161	Net change in plant base - Elec Dist & Trans
				39	Net change in plant base - Common structures
				(21)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Actual
(In Thousands)

	June 2006	June 2005	Variance		Explanation
ULHP	18,637	10,287	**8,350**	8,741	Caleb transfer
				(799)	ULHP Gas Rate case
				369	Net change in plant base - Elec Dist & Trans
				80	Net change in plant base - Common structures
				(20)	Net change in plant base - Gas
				(21)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison (Duke YTD)
Actual to Actual
(In Thousands)

	June 2006	June 2005	Variance		Explanation
ULHP	9,334	-	**9,334**	9,334	Duke acquistion of Cinergy 4/06

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
June 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised E&G				
ULHP	2,614	3,439	(825)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
June 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised E&G				
ULHP	9,334	10,294	(960)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	May 2006	May 2005	Variance		Explanation
ULHP	3,615	1,720	**1,895**	1,459	Caleb transfer
				(133)	ULHP Gas Rate case
				58	Net change in plant base - Elec Dist & Trans
				17	Net change in plant base - Common structures
				493	Net change in plant base - Gas Dist
				1	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Actual
(In Thousands)

	May 2006	May 2005	Variance		Explanation
ULHP	16,023	8,565	**7,458**	7,284	Caleb transfer
				(666)	ULHP Gas Rate case
				309	Net change in plant base - Elec Dist & Trans
				69	Net change in plant base - Common structures
				493	Net change in plant base - Gas Dist
				(31)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison (Duke YTD)
Actual to Actual
(In Thousands)

	May 2006	May 2005	Variance		Explanation
ULHP	6,720	-	**6,720**	6,720	Duke acquistion of Cinergy 4/06

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
May 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised E&G				
ULHP	3,615	3,429	186	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
May 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised E&G				
ULHP	6,720	6,856	(136)	

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	April 2006	April 2005	Variance		Explanation
ULHP	3,105	1,736	**1,369**	1,461	Caleb transfer
				(133)	ULHP Gas Rate case
				43	Net change in plant base - Elec Dist & Trans
				11	Net change in plant base - Common structures
				(13)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Actual
(In Thousands)

	April 2006	April 2005	Variance		Explanation
ULHP	12,408	6,845	**5,563**	5,825	Caleb transfer
				(533)	ULHP Gas Rate case
				251	Net change in plant base - Elec Dist & Trans
				52	Net change in plant base - Common structures
				(32)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
April 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised G&E				
ULHP	3,105	3,427	(322)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
April 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
US Franchised G&E				
ULHP	12,408	13,679	(1,271)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	March 2006	March 2005	Variance		Explanation
ULHP	3,087	1,706	**1,381**	1,456	Caleb transfer
				(133)	ULHP Gas Rate case
				71	Net change in plant base - Elec Dist & Trans
				12	Net change in plant base - Common structures
				(25)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Actual
(In Thousands)

	March 2006	March 2005	Variance		Explanation
ULHP	9,303	5,109	**4,194**	4,364	Caleb transfer
				(400)	ULHP Gas Rate case
				208	Net change in plant base - Elec Dist & Trans
				41	Net change in plant base - Common structures
				(19)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
Mar-06
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	3,105	2,427	678	(116) Production (203) Gas T&D

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
Mar-06
(In Thousands)

RBU	Actual	Budget	Variance		Explanation
ULHP	9,303	10,252	(949)	(359)	Production
				(544)	Gas distribution

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	February 2006	February 2005	Variance		Explanation
ULHP	3,115	1,703	**1,412**	1,456	Caleb transfer
				(133)	ULHP Gas Rate case
				69	Net change in plant base - Elec-Dist & Trans
				12	Net change in plant base - Common structures
				8	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Actual
(In Thousands)

	February 2006	February 2005	Variance		Explanation
ULHP	6,217	3,404	**2,813**	2,908	Caleb transfer
				(267)	ULHP Gas Rate case
				137	Net change in plant base - Elec Dist & Trans
				29	Net change in plant base - Common structures
				6	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
February 2006
(In Thousands)

RBU	Actual	Budget	Variance		Explanation
ULHP	3,115	3,417	(302)	(120) Production (168) Gas T&D	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
February 2006
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	6,217	6,828	(611)	(243) Production (341) Gas distribution

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	January 2006	January 2005	Variance		Explanation
ULHP	3,102	1,701	**1,401**	1,452	Caleb transfer
				(134)	Net change in plant base - Gas
				68	Net change in plant base - Elec Dist & Trans
				17	Net change in plant base - Common structures
				(2)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
January 2006
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	3,102	3,410	(308)	(173) Gas dist (123) Production

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	December 2005	December 2004	Variance		Explanation
ULHP	1,424	1,702	**(278)**	59	Net Change in Plant Base - Elec Dist & Trans
				(399)	Gas rate case approved - lower rates retroactive to October - adjustment recorded
				35	Depreciation catch up for Erlanger operations center
				22	Adj for late in service date - 2005
				5	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarter to Date Comparison
Actual to Actual
(In Thousands)

	December 2005	December 2004	Variance		Explanation
ULHP	5,078	5,090	**(12)**	165	Net Change in Plant Base - Elec Dist & Trans
				95	Net Change in Plant Base - Gas
				(399)	Gas rate case approved - lower rates retroactive to October - adjustment recorded
				99	Adj for late in service date - 2005
				35	Depreciation catch up for Erlanger operations center
				(7)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	December 2005	December 2004	Variance		Explanation
ULHP	20,625	20,034	**591**	510	Increase for Gas plant base
				468	Net Change in Plant Base - Elec Dist & Trans
				(399)	Gas rate case approved - lower rates retroactive to October - adjustment recorded
				99	Adjustment for late in-service entry 2005 - Software
				(30)	Adjustment for late in-service entry 2004 - Software
				(57)	Other

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
December 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
December 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	November 2005	November 2004	Variance		Explanation
ULHP	1,792	1,697	**95**	47	Net Change in Plant Base - Gas
				53	Net Change in Plant Base - Elec Dist & Trans
				(5)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	November 2005	November 2004	Variance		Explanation
ULHP	19,201	18,332	**869**	510	Increase for Gas plant base
				409	Net Change in Plant Base - Elec Dist & Trans
				77	Adjustment for late in-service entry 2005 - Software
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(63)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
November 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
November 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	October 2005	October 2004	Variance		Explanation
ULHP	1,862	1,692	**170**	48	Net Change in Plant Base - Gas
				53	Net Change in Plant Base - Elec Dist & Trans
				77	Adjustment for late in-service entry 2005 - Software
				(8)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	October 2005	October 2004	Variance		Explanation
ULHP	17,408	16,635	**773**	463	Increase for Gas plant base
				356	Net Change in Plant Base - Elec Dist & Trans
				77	Adjustment for late in-service entry 2005 - Software
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(59)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
October 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
October 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	September 2005	September 2004	Variance		Explanation
ULHP	1,763	1,732	**31**	20	Increase for Gas plant base
				31	Net Change in Plant Base - Elec Dist & Trans
				(20)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarter to Date Comparison
Actual to Actual
(In Thousands)

	September 2005	September 2004	Variance		Explanation
ULHP	5,260	4,992	**268**	132	Increase for Gas plant base
				123	Net Change in Plant Base - Elec Dist & Trans
				13	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	September 2005	September 2004	Variance		Explanation
ULHP	15,547	14,944	**603**	415	Increase for Gas plant base
				303	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(51)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
September 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarter to Date Comparison
Actual to Budget
September 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
September 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	August 2005	August 2004	Variance		Explanation
ULHP	1,758	1,667	**91**	60	Increase for Gas plant base
				48	Net Change in Plant Base - Elec Dist & Trans
				(17)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	August 2005	August 2004	Variance		Explanation
ULHP	13,783	13,212	**571**	395	Increase for Gas plant base
				272	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(32)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
August 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
August 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	July 2005	July 2004	Variance		Explanation
ULHP	1,739	1,593	**146**	52	Increase for Gas plant base
				44	Net Change in Plant Base - Elec Dist & Trans
				50	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	July 2005	July 2004	Variance		Explanation
ULHP	12,026	11,545	**481**	335	Increase for Gas plant base
				224	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(14)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
July 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
July 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	June 2005	June 2004	Variance		Explanation
ULHP	1,722	1,656	**66**	50	Increase for Gas plant base
				35	Net Change in Plant Base - Elec Dist & Trans
				(19)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarter To Date Comparison
Actual to Actual
(In Thousands)

	June 2005	June 2004	Variance		Explanation
ULHP	5,177	5,026	**151**	155	Increase for Gas plant base
				111	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(51)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	June 2005	June 2004	Variance		Explanation
ULHP	10,287	9,951	**336**	283	Increase for Gas plant base
				180	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(63)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
June 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarter To Date Comparison
Actual to Budget
June 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
June 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	May 2005	May 2004	Variance		Explanation
ULHP	1,720	1,688	**32**	55	Increase for Gas plant base
				30	Net Change in Plant Base - Elec Dist & Trans
				(34)	2004 adjustment to Florence property
				(19)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	May 2005	May 2004	Variance		Explanation
ULHP	8,565	8,295	**270**	233	Increase for Gas plant base
				145	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(34)	2004 adjustment to Florence property
				(44)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
May 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
May 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	April 2005	April 2004	Variance		Explanation
ULHP	1,736	1,683	**53**	50	Increase for Gas plant base
				46	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(13)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Actual
(In Thousands)

	April 2005	April 2004	Variance		Explanation
ULHP	6,845	6,608	**237**	178	Increase for Gas plant base
				115	Net Change in Plant Base - Elec Dist & Trans
				(30)	Adjustment for late in-service entry 2004 - Software
				(26)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
April 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
April 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				

Analysis on ULHP not done on a stand alone basis - included with CGE Consolidated.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	March 2005	March 2004	Variance		Explanation
ULHP	1,706	1,642	**64**	50	Increase for Gas plant base
				21	Net Change in Plant Base - Elec Dist & Trans
				(7)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarter to Date Comparison
Actual to Actual
(In Thousands)

	March 2005	March 2004	Variance		Explanation
ULHP	5,109	4,925	**184**	128	Increase for Gas plant base
				69	Net Change in Plant Base - Elec Dist & Trans
				(13)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
March 2005
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,706	1,745	(39)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarter to Date Comparison
Actual to Budget
March 2005
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	5,109	5,196	(87)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	February 2005	February 2004	Variance		Explanation
ULHP	1,703	1,639	**64**	48	Increase for Gas plant base
				24	Net Change in Plant Base - Elec Dist & Trans
				(8)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Actual
(In Thousands)

	February 2005	February 2004	Variance		Explanation
ULHP	3,405	3,283	**122**	78	Increase for Gas plant base
				48	Net Change in Plant Base - Elec Dist & Trans
				(4)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
February 2005
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	1,703	1,727	(24)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year to Date Comparison
Actual to Budget
February 2005
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	3,404	3,451	(47)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	January 2005	January 2004	Variance		Explanation
ULHP	1,701	1,644	**57**	30	Increase for Gas plant base
				24	Net Change in Plant Base - Elec Dist & Trans
				3	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
January 2005
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,701	1,724	(23)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	December 2004	December 2003	Variance		Explanation
ULHP	1,702	1,669	**33**	48	Increase for AMRP
				32	Net Change in Plant Base - Elec Dist & Trans
				61	Florence Trading facility
				(117)	Adjustment for late in-service entry 2003 - CMS
				9	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarterly Comparison
Actual to Actual
(In Thousands)

	December 2004	December 2003	Variance		Explanation
ULHP	5,090	4,733	**357**	134	Increase for AMRP
				93	Net Change in Plant Base - Elec Dist & Trans
				183	Florence Trading facility
				(117)	Adjustment for late in-service entry 2003 - CMS
				(53)	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	December 2004	December 2003	Variance		Explanation
ULHP	20,034	18,315	**1,719**	479	Increase for AMRP
				733	Increase for Florence Property
				199	CMS Software
				(513)	All Other Software
				433	Net Change in Plant Base - Elec. T&D
				(117)	Adjustment for late in-service entry 2003 - CMS
				505	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
December 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,702	1,705	(3)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarterly Comparison
Actual to Budget
December 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	5,090	5,099	(9)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
December 2004
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	20,034	20,078	(44)	

derived from renewable sources. However, due to the high cost to generate power from most renewable resources, "green power" is sold at a premium price. The Commission believes that it is important to encourage utilities to expand the use of renewables and reduce the cost of "green power". Kentucky's energy policy should include incentives to use renewable energy and an effort to educate the public regarding the benefits of renewables.
* * *

As Kentucky's generating fleet ages and needs to be replaced, and as environmental requirements become more restrictive, the use of renewables and alternative generation technology becomes more important and cost-effective. Many jurisdictional and several non-jurisdictional electric utilities currently offer their customers the option of purchasing "Green Power," which is derived from renewable sources. However, due to the higher cost to generate power from most renewable resources, "Green Power" is sold at a premium price. In addition, most of the jurisdictional generating utilities indicated that they or their affiliates are investigating the use of renewables and alternative generation technology. These include biomass, hydro, solar, wind as well as IGCC and other clean coal technology. Also, all jurisdictional electric utilities have filed net-metering tariffs pursuant to KRS 278.466, which was enacted to promote the use of small scale renewables by residential and commercial customers.

Recommendation 18 of the Governor's *Comprehensive Energy Strategy* calls for the design and implementation of policies to promote, rather than mandate, the use of renewable energy resources as part of Kentucky's energy portfolio. The Commission, therefore, believes that it is important to encourage utilities and other interested parties to work to expand the use of renewables. Kentucky's energy policy should consider the value of renewables and provide appropriate financial incentives to those investing in generation using renewables so that such generation becomes economically viable for use by Kentucky's utilities. Such incentives could include grants, low interest loans, and tax credits.

(Order at 13-14 and 55-56).

WITNESS RESPONSIBLE: Jeffrey R. Bailey / Legal

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-054

REQUEST:

54. Please explain the basis on which the Green Power program, in which the risks and rewards of the offering are below the line, is a utility service for the purposes of KRS Chapter 278. Include in your response the specific statutory authority that authorizes Duke Energy Kentucky to provide a Green Power program, the risks and rewards of which are all below-the-line, to its regulated captive utility customers and that permits it to charge its regulated customers more for the utility services provided than the cost of power.

RESPONSE:

Duke Energy Kentucky objects to this data request on the grounds that it calls for a legal conclusion. Subject to this objection, Duke Energy Kentucky provides the following response. The Commission has jurisdiction to approve Green Power programs under: (1) KRS 278.040, which establishes the Commission's general jurisdiction to regulate utilities' rates and service, and to establish reasonable regulations relating to such rates and service; and (2) KRS 278.285, which grants the Commission jurisdiction to approve demand-side management programs. The Commission's authority to approve a Green Power program is demonstrated by the following orders:

- *In The Matter of the Application of The Union Light, Heat and Power Company for Approval of its Proposed Rider GP, Green Power Rider,* Case No. 2002-00267 (Order) (September 30, 2002) (approving Duke Energy Kentucky's current Rider GP, Green Power Rider); and

- *In the Matter of An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2002 to October 31, 2004,* (Order) (May 24, 2005) (approving East Kentucky Power Cooperative's Wholesale Renewable Resource Power Service, Section H of the tariff 'Rates , Rules and Regulation for Furnishing Wholesale Power Service at Various Locations to Rural Electric Cooperative Members Throughout Kentucky')

The Commission recognized the importance of expanding green power programs in its September 15, 2005 Order in *In The Matter of an Assessment of Kentucky's Electric Generation, Transmission and Distribution Needs,* Administrative Case No. 2005-00090, where the Commission stated:

> Several Kentucky electric utilities currently offer their customers the option of purchasing "green power," which is

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-053

REQUEST:

53. As a regulated state under which rates for generation, transmission and distribution are bundled, compare Kentucky customers to customers in Ohio under its rate structure with reference to transmission costs.

RESPONSE:

Based on Duke Energy Ohio's ("DEO") most recently approved Rider TCR rates in Ohio, the average transmission rates are approximately 0.72 ¢/kWh.

Taking the total transmission expense as shown in Attachment AG-DR-01-070(a) plus the congestion and losses included in Account 555 and dividing by projected kWh sales produces an average rate of approximately 0.72 ¢/kWh for Duke Energy Kentucky ("DEK").

The only significant difference in expenses included the DEO rate and the DEK rate is that the DEO rate currently includes a projection of RSG Make-Whole payments, which DEO has since proposed to include in its fuel tracker. The impact would result in a higher average transmission rate for DEO but would then be comparable to the costs included in the Rider TCRM for DEK.

WITNESS RESPONSIBLE: William Don Wathen, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-052

REQUEST:

52. In response to Kroger and St. Elizabeth Medical Center DR-01-018 and PSC DR-02-081 the Company proposes an alternative Rider DSM recovery of PowerShare CallOption expenses in the event the Commission determines those expenses are not subject to recovery via the fuel adjustment clause under 807 KAR 5:056.

a. Where in this application is the analysis required by KRS 278.285?

b. What classes are expected to benefit from the program and to what classes are the costs to be assigned?

c. Under Kentucky law, where is the resale of electric power to the utility by its customer authorized or permitted?

RESPONSE:

a. The CallOption program under PowerShare® is a long-standing program with the goal of reducing the Company's peak demand. Recent market-based pricing has led the program to be ineffective in achieving that goal. The avoided cost pricing proposed by the Company merely puts the CallOption portion of the PowerShare® program on equal footing with the Company's other demand-side management options. If the Commission approves the Company's proposal, the Company will file information relating to the PowerShare® CallOption program as part of its annual application for approval of new demand side management rates under KRS 278.285.

b. To the extent the Company's total load is reduced, we believe all customer classes benefit. The costs would be allocated to all customer classes, and the allocation of costs would be submitted to the Commission for approval as part of the Company's annual demand side management filings.

c. Duke Energy Kentucky objects to this request for information on the grounds that it calls for a legal conclusion. Subject to this objection, the Company states that the Commission is authorized to approve: (1) the types of service offered by a utility, pursuant to KRS 278.040; (2) demand side management programs, pursuant to KRS 278.285; and (3) net metering programs, pursuant to KRS 278.465 through 278.468.

WITNESS RESPONSIBLE: (a) and (b) – Jeffrey R. Bailey; (c) – Legal

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-051

REQUEST:

51. Identify all circumstances unique to Kentucky which influence or have an impact on the life span estimates.

RESPONSE:

There are no circumstances unique to Kentucky which would have an impact on the life span estimates.

WITNESS RESPONSIBLE: John J. Spanos

probable retirement dates are 2020 for Miami Fort 6 and 2041 for East Bend. The Woodsdale facility has an established retirement date of 2032, or a 40-year life span. All of these dates are beyond the immediate planning horizon for retirement. Thus, a probable retirement date is established.

The two service buildings which utilize the life span approach in Account 1900 are the Florence Service Building and the Kentucky Service Building. The probable retirement dates are 2041 for the Florence Service Building and 2012 for the Kentucky Service Building with a life span of 50 and 65 years, respectively. These are typical life spans for these type structures.

WITNESS RESPONSIBLE: John J. Spanos

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-050

REQUEST:

50. For all accounts and locations for which the life span method is proposed, provide the following information to support the final retirement dates. Please respond to each item.

a. Economic studies. (NARUC, p. 146)

b. Retirement plans. (NARUC, p. 146)

c. Forecasts. (NARUC, p. 146)

d. Studies of technological obsolescence. (NARUC, p. 146)

e. Studies of adequacy of capacity. (NARUC, p. 146).

f. Studies of competitive pressure. (NARUC, p. 146)

g. Relationship of type of construction to remaining life span.

h. Relationship of attained age to remaining life span.

i. Relationship of observed features and conditions at the time of field visits to remaining life span.

j. Relationship of specific plans of management to remaining life span.

RESPONSE:

The life span method is proposed for Production Accounts 3110 through 3460 and Account 1900, Structures and Improvements.

The production facilities are part of operational planning and budgeting. Duke Energy engineering and operating personnel familiar with Duke Energy Kentucky's generating stations continually review and assess the adequacy of major facilities and the need to make capital improvements. If expected capital improvement costs for continued reliable operation are not economic, retirement plans are determined.

No formal analyses were prepared to estimate the retirement lives for Duke Energy Kentucky's generating stations. Generating station retirements were estimated based on engineering judgment and experience with Duke Energy units, especially older units.

The Miami Fort 6 and East Bend retirement dates have been established with a 60-year life spans, which is consistent with other similar units in the Duke Energy fleet. The

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-049

REQUEST:

49. Refer to response to AG-DR-01-173. You state, "It would be premature to develop any more specific plans to retire and dismantle production plant at this time."

    a. Did you use the life span procedure for these plant accounts and locations?

RESPONSE:

The life span procedure was used for production plant accounts, which utilized the Sargent & Lundy study. The life span procedure is the most commonly used procedure for recovery of production facilities.

WITNESS RESPONSIBLE: John J. Spanos

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-048

REQUEST:

48. Refer to page 36 of 48 of Attachment AG-DR-01-144. Provide Lisa Carver's response to the 9 questions in Carl Council's May 4, 2006 email.

RESPONSE:

Lisa Carver did not provide any written response to these questions. Lisa Carver responded to this request via phone conversation and we generally discussed the results of the depreciation study.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-047

REQUEST:

47. Refer to pages 14 to 20, 30 to 33, 39 of 48 of Attachment AG-DR-01-144. Provide unredacted copies.

RESPONSE:

See response to KyPSC-DR-03-049.

WITNESS RESPONSIBLE: Not applicable

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-046

REQUEST:

46. Refer to page 12 of 48 of Attachment AG-DR-01-144.

a. Explain item number "4)" at the top of the page in the 4/17/06 email from James Dean to Carl J. Council. Identify all related impacts emanating from "the transfer from non-reg CGE to reg UHLP."

RESPONSE:

Included in this study for the regulated production assets is a cost of removal component. Also, see response to AG-DR-02-027.

WITNESS RESPONSIBLE: Carl J. Council, Jr.

Related Information

Contacts

Name	Role	Dept	Phone	E-Mail
Jaime Reynolds	Sr Analyst	FAA	287-3490	jreynolds@cinergy.com
Brenda Melendez	Manager	FAA	287-1554	bmelendez@cinergy.com

Definitions

Revisions

Frequently Asked Questions

Q.
A.

Procedure

DEPARTMENT	RESPONSIBILITY	ACTION
Fixed Asset Accounting	Jaime Reynolds	1. Run query to get M4480 data
Fixed Asset Accounting	Jaime Reynolds	2. Run powerplant reports to see actual to actual variance by utility account
Fixed Asset Accounting	Jaime Reynolds	3. Use excel schedule to show, by company, the actual to actual monthly variances and explanations
Fixed Asset Accounting	Jaime Reynolds	4. Run FS budget report to get depreciation budget by BU
Fixed Asset Accounting	Jaime Reynolds	5. Run income statements and BU CFO reports to analyze actual to budget variances
Fixed Asset Accounting	Jaime Reynolds	6. Use excel schedule to show by company the actual to budget monthly variances and explanations.
Fixed Asset Accounting	Jaime Reynolds	7. Use monthly analysis for a-a and a-b to prepare QTD and YTD analysis
Fixed Asset Accounting	Brenda Melendez	8. Review depreciation analysis
Fixed Asset Accounting	Jaime Reynolds	9. Send schedules in email to corp. accounting and BU financial areas

Training and Documents

Who Should Know

CINERGY®

Depreciation Analysis Preparation

Policy Number:X.X.X
Effective Date:11/01/05
Revised Date:

Policy Statement

On a monthly basis, Fixed Assets prepares analysis which reviews depreciation activity comparing actual to actual and actual to budget. This schedule looks at monthly and year to date activity and quarter to date activity when appropriate.

Reason for Policy

To ensure that depreciation activity is reviewed and variances are explained.

Process Flows

Process Description/Narrative

Once the general ledger is closed for the month, a financial statement query in Hyperion Intelligence is run for all companies for line M4480 (Depreciation). This report contains account number, corp code, current and previous year periods. Use this report to prepare excel schedule comparing the actual to actual data. This schedule looks at Cinergy Corp as a whole, using subsidiary companies for explanations, trying to explain at least 90% of the consolidated variance. When choosing companies to explain, always use CGE, ULHP, PSI and then use companies with large variances until the 90% has been met. To analyze the individual company monthly variances, use powerplant report Depr - 909106. For companies not in powerplant, questions may need to be asked of appropriate personnel involved with those companies. Use compiled monthly variance schedules to complete year to date schedules.
For actual to budget schedules, use the Hyperion FS budget diagnostic depreciation report to get budgeted data by company, by BU. To obtain actual data, use Hyperion income statement and CFO packet reports to drill down and find depreciation by BU and LOB to explain actual to budget variances.

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
January 2004 - January 2003
(In Thousands)

	Description	Explanation of Change Plant Base	Expense	Change in Expense per I/S
ULHP	Increase for AMRP	17,761	41	
	Increase for Florence Property	0	121	
	CMS Software	2,369	19	
	All Other Software	(3,775)	(82)	
	Net Change in Plant Base - Other	22,918	70	
			169	**170**

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
(In Thousands)

	February 2004	February 2003	Variance		Explanation	Change in Plant Base
ULHP	3,283	2,956	**327**	81	Increase for AMRP	13,308
				242	Increase for Florence Property	0
				39	CMS Software	2,369
				(171)	All Other Software	(8,514)
				136	Net Change in Plant Base - Misc.	25,372

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
(In Thousands)

	February 2004	February 2003	Variance		Explanation	Change in Plant Base
ULHP	1,639	1,483	**156**	40	Increase for AMRP	13,308
				121	Increase for Florence Property	0
				20	CMS Software	2,369
				(89)	All Other Software	(8,514)
				64	Net Change in Plant Base - Misc.	25,372

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
(In Thousands)

	March 2004	March 2003	Variance		Explanation	Change in Plant Base
ULHP	4,925	4,445	**480**	117	Increase for AMRP	13,749
				363	Increase for Florence Property	
				59	CMS Software	2,369
				(261)	All Other Software	(8,508)
				202	Net Change in Plant Base - Misc.	25,372

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
(In Thousands)

	March 2004	March 2003	Variance		Explanation	Change in Plant Base
ULHP	1,642	1,489	**153**	36	Increase for AMRP	13,749
				121	Increase for Florence Property	0
				20	CMS Software	2,369
				(90)	All Other Software	(8,508)
				47	Net Change in Plant Base - Elec Dist & Trans	16,864
				19	Net Change in Plant Base - Gas	7,462

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
April 2004
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	6,608	6,592	16	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
April 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,683	1,657	26	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	April 2004	April 2003	Variance		Explanation	Change in Plant Base
ULHP	6,608	5,996	**612**	154	Increase for AMRP	14,214
				484	Increase for Florence Property	
				79	CMS Software	2,369
				(320)	All Other Software	(8,489)
				82	Net Change in Plant Base - Gas	6,894
				134	Net Change in Plant Base - Elec. T&D	14,791

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	April 2004	April 2003	Variance		Explanation	Change in Plant Base
ULHP	1,683	1,551	**132**	37	Increase for AMRP	14,214
				121	Increase for Florence Property	0
				20	CMS Software	2,369
				(59)	All Other Software	(8,489)
				(5)	Net Change in Plant Base - Elec Dist & Trans	14,791
				18	Net Change in Plant Base - Gas	6,894

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
May 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	8,295	8,254	41	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
May 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,688	1,662	26	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	May 2004	May 2003	Variance		Explanation	Change in Plant Base
ULHP	8,295	7,483	**812**	192	Increase for AMRP	14,214
				632	Increase for Florence Property	
				99	CMS Software	2,369
				(407)	All Other Software	(5,644)
				100	Net Change in Plant Base - Gas	6,802
				198	Net Change in Plant Base - Elec. T&D	14,750

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	May 2004	May 2003	Variance		Explanation	Change in Plant Base
ULHP	1,688	1,488	**200**	38	Increase for AMRP	14,214
				148	Increase for Florence Property	0
				20	CMS Software	2,369
				(87)	All Other Software	(5,644)
				64	Net Change in Plant Base - Elec Dist & Trans	14,750
				18	Net Change in Plant Base - Gas	6,802

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Year To Date Comparison
Actual to Budget
June 2004
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	9,952	9,922	30	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarterly Comparison
Actual to Budget
June 2004
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	5,027	4,987	40	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
June 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,656	1,668	(12)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	June 2004	June 2003	Variance		Explanation	Change in Plant Base
ULHP	9,952	9,028	**924**	231	Increase for AMRP	
				693	Increase for Florence Property	
				119	CMS Software	
				(495)	All Other Software	
				122	Net Change in Plant Base - Gas	
				256	Net Change in Plant Base - Elec. T&D	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarterly Comparison
Actual to Actual
(In Thousands)

	June 2004	June 2003	Variance		Explanation	Change in Plant Base
ULHP	5,027	4,583	**444**	114	Increase for AMRP	
				330	Increase for Florence Property	
				60	CMS Software	
				(60)	All Other Software (CSS of $78)	
				117	Net Change in Plant Base - Elec Dist & Trans	
				(117)	Net Change in Plant Base - Other	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	June 2004	June 2003	Variance		Explanation	Change in Plant Base
ULHP	1,656	1,544	**112**	39	Increase for AMRP	
				61	Increase for Florence Property	
				20	CMS Software	
				(88)	All Other Software (CSS of $78)	
				58	Net Change in Plant Base - Elec Dist & Trans	
				22	Other	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
July 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	11,545	11,604	(59)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
July 2004
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	1,593	1,682	(89)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	July 2004	July 2003	Variance		Explanation
ULHP	11,545	10,501	**1,044**	269	Increase for AMRP
				736	Increase for Florence Property
				139	CMS Software
				(504)	All Other Software
				268	Net Change in Plant Base - Elec. T&D
				136	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	July 2004	July 2003	Variance		Explanation
ULHP	1,593	1,473	**120**	38	Increase for AMRP
				43	Increase for Florence Property
				20	CMS Software
				(9)	All Other Software
				12	Net Change in Plant Base - Elec Dist & Trans
				16	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
August 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	13,212	13,289	(77)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
August 2004
(In Thousands)

	Actual	*Budget*	*Variance*	*Explanation*
RBU				
ULHP	1,667	1,685	(18)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	August 2004	August 2003	Variance		Explanation
ULHP	13,212	11,965	**1,247**	307	Increase for AMRP
				849	Increase for Florence Property
				159	CMS Software
				(513)	All Other Software
				291	Net Change in Plant Base - Elec. T&D
				154	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	August 2004	August 2003	Variance		Explanation
ULHP	1,667	1,465	**202**	38	Increase for AMRP
				113	Increase for Florence Property
				20	CMS Software
				(9)	All Other Software
				23	Net Change in Plant Base - Elec Dist & Trans
				17	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
September 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	14,944	14,979	(35)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarterly Comparison
Actual to Budget
September 2004
(In Thousands)

	Actual	Budget	Variance	Explanation
RBU				
ULHP	4,992	5,057	(65)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
September 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,732	1,690	42	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	September 2004	September 2003	Variance		Explanation
ULHP	14,944	13,582	**1,362**	345	Increase for AMRP
				849	Increase for Florence Property
				179	CMS Software
				(513)	All Other Software
				340	Net Change in Plant Base - Elec. T&D
				162	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Quarterly Comparison
Actual to Actual
(In Thousands)

	September 2004	September 2003	Variance		Explanation
ULHP	4,992	4,554	**438**	114	Increase for AMRP
				156	Increase for Florence Property
				60	CMS Software
				(18)	All Other Software
				84	Net Change in Plant Base - Elec Dist & Trans
				42	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	September 2004	September 2003	Variance		Explanation
ULHP	1,732	1,616	**116**	38	Increase for AMRP
				20	CMS Software
				49	Net Change in Plant Base - Elec Dist & Trans
				9	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
October 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	16,635	16,674	(39)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
October 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,692	1,695	(3)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	October 2004	October 2003	Variance		Explanation
ULHP	16,635	15,102	**1,533**	388	Increase for AMRP
				610	Increase for Florence Property
				199	CMS Software
				(513)	All Other Software
				367	Net Change in Plant Base - Elec. T&D
				482	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	October 2004	October 2003	Variance	Explanation
ULHP	1,692	1,521	**171**	43 Increase for AMRP
				20 CMS Software
				27 Net Change in Plant Base - Elec Dist & Trans
				61 Florence Trading facility
				20 Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Actual to Budget
November 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	18,332	18,373	(41)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Budget
November 2004
(In Thousands)

RBU	Actual	Budget	Variance	Explanation
ULHP	1,697	1,699	(2)	

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
YTD Comparison
Acutal to Acutal
(In Thousands)

	November 2004	November 2003	Variance		Explanation
ULHP	18,332	16,646	**1,686**	431	Increase for AMRP
				672	Increase for Florence Property
				199	CMS Software
				(513)	All Other Software
				401	Net Change in Plant Base - Elec. T&D
				496	Other

Attorney General Second Set Data Request
Duke Energy Kentucky Case No. 2006-00172
Attachment AG-DR-02-045(b)

Analysis of Depreciation Expense
Monthly Comparison
Actual to Actual
(In Thousands)

	November 2004	November 2003	Variance		Explanation
ULHP	1,697	1,544	**153**	43	Increase for AMRP
				34	Net Change in Plant Base - Elec Dist & Trans
				61	Florence Trading facility
				15	Other

Attorney General Second Set Data Requests
Duke Energy Kentucky Case No. 2006-00172
Date Received: August 09, 2006
Response Due Date: August 23, 2006

AG-DR-02-055

REQUEST:

55. In response to PSC-02-019 the benefits of the proposed AMI program for electric customers is described, but according to the cost analysis it is to be for gas customers as well as electric or combined customers. Please explain the benefit of the program to gas customers.

RESPONSE:

Remote metering meters will benefit gas customers by: (a) minimizing the need to access to customers' premises to read inside meters; (b) reducing overall meter reading expenses; (c) providing improved customer load information; and (d) providing improved ability to detect theft and/or meter malfunctions.

WITNESS RESPONSIBLE: Jim L. Stanley