

**The Union Light, Heat and Power Company
d/b/a Duke Energy Kentucky
Case No. 2006-00172
Forecasted Test Period Filing Requirements
Table of Contents**

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PUBLIC SERVICE
COMMISSION

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	Sandra P. Meyer
1	2	807 KAR 5:001 Section 8 (1)	Full name and P.O. address of applicant and reference to the particular provision of law requiring PSC approval.	Sandra P. Meyer
1	3	807 KAR 5:001 Section 8 (2)	The original and 10 copies of application plus copy for anyone named as interested party.	Sandra P. Meyer
1	4	807 KAR 5:001 Section 10 (1)(b)(1)	Reason adjustment is required.	Paul G. Smith
1	5	807 KAR 5:001 Section 10 (1)(b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3 (1).	Dwight L. Jacobs
1	6	807 KAR 5:001 Section 10 (1)(b)(3) and (5)	If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Sandra P. Meyer
1	7	807 KAR 5:001 Section 10 (1)(b)(4)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Sandra P. Meyer
1	8	807 KAR 5:001 Section 10 (1)(b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Sandra P. Meyer
1	9	807 KAR 5:001 Section 10 (1)(b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	Jeffrey R. Bailey
1	10	807 KAR 5:001 Section 10 (1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Jeffrey R. Bailey
1	11	807 KAR 5:001 Section 10 (1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Sandra P. Meyer
1	12	807 KAR 5:001 Section 10 (2)	If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Sandra P. Meyer
1	13	807 KAR 5:001 Section 10 (4) (a)	Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.	Sandra P. Meyer
1	14	807 KAR 5:001 Section 10 (4)(b)	Applicants with twenty (20) or fewer customers affected by the proposed general rate adjustment shall mail the required typewritten notice to each customer no later than the date the application is	Sandra P. Meyer

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			filed with the commission.	
1	15	807 KAR 5:001 Section 10 (4)(c)	Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods: 1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission; 2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the commission; or 3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.	Sandra P. Meyer
1	16	807 KAR 5:001 Section 10 (4)(d)	If notice is published, an affidavit from the publisher verifying that the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the Commission no later than forty-five (45) days of the filed date of the application.	Sandra P. Meyer
1	17	807 KAR 5:001 Section 10 (4)(e)	If notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the Commission no later than thirty (30) days of the filed date of the application.	Sandra P. Meyer
1	18	807 KAR 5:001 Section 10 (4)(f)	All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.	Sandra P. Meyer
1	19	807 KAR 5:001 Section 10 (5)	Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300.	Sandra P. Meyer
1	20	807 KAR 5:001 Section 10 (8)(a)	Financial data for forecasted period presented as pro forma adjustments to base period.	William Don Wathen, Jr.
1	21	807 KAR 5:001 Section 10 (8)(b)	Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.	William Don Wathen, Jr.
1	22	807 KAR 5:001 Section 10 (8)(c)	Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.	William Don Wathen, Jr.

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1	23	807 KAR 5:001 Section 10 (8)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless such revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	William Don Wathen, Jr.
1	24	807 KAR 5:001 Section 10 (8)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	William Don Wathen, Jr.
1	25	807 KAR 5:001 Section 10 (8)(f)	Reconciliation of rate base and capital used to determine revenue requirements.	William Don Wathen, Jr.
1	26	807 KAR 5:001 Section 10 (9)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All witnesses
1	27	807 KAR 5:001 Section 10 (9)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Jim L. Stanley John J. Roebel
1	28	807 KAR 5:001 Section 10 (9)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Brian P. Davey
1	29	807 KAR 5:001 Section 10 (9)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Brian P. Davey
1	30	807 KAR 5:001 Section 10 (9)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Sandra P. Meyer
1	31	807 KAR 5:001 Section 10 (9)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date;	Jim L. Stanley John J. Roebel

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			2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	
1	32	807 KAR 5:001 Section 10 (9)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Jim L. Stanley John J. Roebel
1	33	807 KAR 5:001 Section 10 (9)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Brian P. Davey Lynn J. Good #6, #13, #16 & #17 Not applicable
1	34	807 KAR 5:001 Section 10 (9)(i)	Most recent FERC or FCC audit reports.	Dwight L. Jacobs
1	35	807 KAR 5:001 Section 10 (9)(j)	Prospectuses of most recent stock or bond offerings.	Lynn J. Good
1	36	807 KAR 5:001 Section 10 (9)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	Dwight L. Jacobs
2	37	807 KAR 5:001 Section 10 (9)(l)	Annual report to shareholders or members and statistical supplements for the most recent 5 years prior to application filing date.	Dwight L. Jacobs

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3	38	807 KAR 5:001 Section 10 (9)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Dwight L. Jacobs
3	39	807 KAR 5:001 Section 10 (9)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Brian P. Davey
3	40	807 KAR 5:001 Section 10 (9)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Brian P. Davey
4-7	41	807 KAR 5:001 Section 10 (9)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Dwight L. Jacobs
8	42	807 KAR 5:001 Section 10 (9)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Dwight L. Jacobs
8	43	807 KAR 5:001 Section 10 (9)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Dwight L. Jacobs
8	44	807 KAR 5:001 Section 10 (9)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
8	45	807 KAR 5:001 Section 10 (9)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	William Don Wathen, Jr.

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8	46	807 KAR 5:001 Section 10 (9)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Carol E. Shrum
9	47	807 KAR 5:001 Section 10 (9)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	Paul F. Ochsner
10	48	807 KAR 5:001 Section 10 (9)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	Not applicable
10	49	807 KAR 5:001 Section 10 (10)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	William Don Wathen, Jr.
10	50	807 KAR 5:001 Section 10 (10)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	William Don Wathen, Jr.
10	51	807 KAR 5:001 Section 10 (10)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	William Don Wathen, Jr.

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10	52	807 KAR 5:001 Section 10 (10)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	William Don Wathen, Jr.
10	53	807 KAR 5:001 Section 10 (10)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	Keith G. Butler
10	54	807 KAR 5:001 Section 10 (10)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	William Don Wathen, Jr.
10	55	807 KAR 5:001 Section 10 (10)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	William Don Wathen, Jr.
10	56	807 KAR 5:001 Section 10 (10)(h)	Computation of gross revenue conversion factor for forecasted period.	William Don Wathen, Jr.
10	57	807 KAR 5:001 Section 10 (10)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Brian P. Davey
10	58	807 KAR 5:001 Section 10 (10)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Lynn J. Good
10	59	807 KAR 5:001 Section 10 (10)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Brian P. Davey
10	60	807 KAR 5:001 Section 10 (10)(l)	Narrative description and explanation of all proposed tariff changes.	Jeffrey R. Bailey
10	61	807 KAR 5:001 Section 10 (10)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Jeffrey R. Bailey
10	62	807 KAR 5:001 Section 10 (10)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Jeffrey R. Bailey

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10	63	807 KAR 5:001 Section (10)(3)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply. a. Present and proposed rates for each customer class to which change would apply. b. Electric, gas, water and sewer utilities-the effect upon average bill for each customer class to which change would apply. c. Local exchange companies-include effect upon average bill for each customer class for change in basic local service.	Jeffrey R. Bailey
10	64	807 KAR 5:001 Section 10 (4)(c)(d)(e)(f)	If copy of public notice included, did it meet requirements?	Sandra P. Meyer
10	65	807 KAR 5:001 Section 6(1)	Amount and kinds of stock authorized.	Lynn J. Good
10	66	807 KAR 5:001 Section 6(2)	Amount and kinds of stock issued and outstanding.	Lynn J. Good
10	67	807 KAR 5:001 Section 6(3)	Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.	Lynn J. Good
10	68	807 KAR 5:001 Section 6(4)	Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.	Lynn J. Good
10	69	807 KAR 5:001 Section 6(5)	Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.	Lynn J. Good
10	70	807 KAR 5:001 Section 6(6)	Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.	Lynn J. Good
10	71	807 KAR 5:001 Section 6(7)	Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.	Lynn J. Good
10	72	807 KAR 5:001 Section 6(8)	Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.	Lynn J. Good
10	73	807 KAR 5:001 Section 6(9)	Detailed income statement and balance sheet.	William Don Wathen, Jr.

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11	-	807 KAR 5:001 Section 10(10) (a) through (k)	Schedule Book (Schedules A-K)	Various
12	-	807 KAR 5:001 Section 10(10) (l) through (n)	Schedule Book (Schedules L-N)	Various
13	-	-	Work papers	Various
14	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 1 of 2)	-
15	-	807 KAR 5:001 Section 10(9)(a)	Testimony (Volume 2 of 2)	-
16	-	KRS 278.2205(6)	Cost Allocation Manual	-
17	-	807 KAR 5:056 Section 1(7)	Coal Contracts	-

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE ADJUSTMENT
OF ELECTRIC RATES OF THE UNION
LIGHT, HEAT AND POWER COMPANY
D/B/A DUKE ENERGY KENTUCKY

CASE NO. 2006- 00172

FILING REQUIREMENTS

VOLUME 8

**DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(q)**

807 KAR 5:001, SECTION 10(9)(q)

Description of Filing Requirement:

The independent auditor's annual opinion report, with any written communication from the auditors to the utility which indicates the existence of a material weakness in the utility's internal controls.

Response:

See attached.

Sponsoring Witness: Dwight L. Jacobs



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INDEPENDENT AUDITORS' REPORT

The Union Light, Heat and Power Company
Covington, Kentucky

We have audited the balance sheet – regulatory basis of The Union Light, Heat and Power Company as of December 31, 2005, and the related statements of income – regulatory basis; retained earnings – regulatory basis; cash flows – regulatory basis; and accumulated other comprehensive income, comprehensive income, and hedging activities – regulatory basis for the year then ended, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 (d), these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities and proprietary capital of The Union Light, Heat and Power Company as of December 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of The Union Light, Heat and Power Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

February 17, 2006

DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(r)

807 KAR 5:001, SECTION 10(9)(r)

Description of Filing Requirement:

The quarterly reports to the stockholders for the most recent five (5) quarters.

Response:

Duke Energy Kentucky has not issued any quarterly reports to shareholders since the 2nd quarter of 2002. Duke Energy Kentucky has included the quarterly reports from the 5 most recent quarters up until the 2nd quarter of 2002.

Sponsoring Witness: Dwight L. Jacobs

**To Cinergy Corp. shareholders:**

We have recently augmented our management team with the additions of Frederick J. Newton, III, as executive vice president and chief administrative officer, Theodore R. Murphy, II, as senior vice president and chief risk officer, and Ronald Reising as vice president of finance.

These additions continue to strengthen our leadership team, bringing new analytic and management capabilities to an already strong organization. In the choppy waters of the energy marketplace, our dedicated and committed management team is focused on providing value for all stakeholders through conservative financial management and public policy leadership.

On July 24, the board of directors of Cinergy Corp. declared a quarterly dividend of 45 cents per share on outstanding shares of common stock. The dividend is payable August 15, 2002, to shareholders of record at the close of business on August 5, 2002.

James E. Rogers
Chairman, President, and
Chief Executive Officer

Financial and Operating Highlights

For the Period Ended June 30, 2002*	2002	2001	% Change
Revenues	\$ 2,480,023	\$ 3,664,338	-32.3%
Net Income Applicable to Common Stock	\$ 59,384	\$ 81,396	-27.0%
Diluted Earnings Per Share	\$ 0.26	\$ 0.51	-49.0%
Average Shares Outstanding	167,330	159,061	5.2%
Electricity Trading Volumes (Mwh)	21,449,043	33,303,862	-35.6%
Electric Retail Sales and Transportation (Mwh)	12,444,284	11,531,003	7.9%
Gas Retail Sales and Transportation (mcf)	14,242,507	14,657,169	-2.8%

Cinergy Corp.'s operating earnings for the second quarter 2002 were \$0.51 per share on a diluted basis, excluding one-time charges totaling \$0.25 per share for costs associated with a voluntary early retirement program, a separate employee severance program and charges related to certain investments. This compares with second quarter earnings of \$0.51 per share on a diluted basis in 2001. Reported earnings for the second quarter 2002 including the one-time charges were \$0.26 per share on a diluted basis.

The voluntary early retirement and severance programs and related costs resulted in a charge of \$0.18 per share with approximately 300 employees accepting the various offerings. A charge of \$0.07 per share included a write-off of certain investments in technology and equipment.

Operating earnings before one-time charges from the Regulated Business segment were \$0.30 per share, \$0.05 per share below last year. Lower gross margins and higher property taxes and depreciation accounted for the decrease.

The Energy Merchant segment's operating earnings for the quarter excluding the one-time charges were \$0.25 per share compared with \$0.18 per share for the second quarter last year. Increased gross margins from regulated retail power purchase agreements and wholesale origination, marketing and trading accounted for the majority of the increase.

Results from the Power Technology and Infrastructure Services segment prior to one-time charges were down \$0.02 per share from the prior year.

**Dollars rounded to thousands, except per share amounts*

S&P AFFIRMS CINERGY CORPORATE CREDIT RATING; ASSIGNS STABLE OUTLOOK

Standard & Poor's affirmed Cinergy Corp.'s BBB+ corporate credit rating, the A-2 rating of the company's commercial paper program, and the A- senior secured debt ratings of the subsidiary companies (The Cincinnati Gas & Electric Co. and PSI Energy, Inc.), while lowering the corporate credit ratings on the subsidiary companies and other issuances. S&P removed all of the ratings from Credit Watch negative and assigned a stable outlook.

"We are pleased that S&P maintained its ratings in these three important areas and assigned a stable outlook for the company and its subsidiaries," said R. Foster Duncan, executive vice president and chief financial officer. "The other rating changes announced by S&P are consistent with their emphasis on a consolidated credit methodology. Clearly with the assignment of a stable outlook, S&P has recognized our stated commitment to credit quality and our continued successful execution of that commitment."

STATE REGULATORS APPROVE PSI COST RECOVERY FOR ENVIRONMENTAL FINANCING CHARGES

The Indiana Utility Regulatory Commission has allowed PSI Energy, a subsidiary of Cinergy Corp., to begin recovering a portion of the costs it is incurring to comply with federal and state environmental mandates. Initially this rate adjustment will result in an approximate 1 percent increase for PSI Energy customers overall.

Between 2001-2005, PSI is investing up to \$650 million in nitrogen oxide emission reduction equipment due to more stringent federal and state environmental laws. Some of the environmental projects at PSI's power plants include selective catalytic reduction equipment and low-nitrogen oxide burners, which reduce nitrogen oxide emissions and burn coal cleaner. In the IURC order, PSI received approval to recover a portion of the costs already incurred--the financing charges--on these environmental investments made through December 31, 2001.

The increase amounts to an average impact of 81 cents per month for a residential customer using 1,000 kilowatt-hours of electricity. PSI can file with state regulators to adjust these rates for pollution control construction every six months.

CG&E RECEIVES FIRST NATURAL GAS BASE RATE INCREASE IN SIX YEARS

The Cincinnati Gas and Electric Co., an affiliate of Cinergy Corp., announced that it has received approval from the Public Utilities Commission of Ohio (PUCO) for an increase in the base rate for natural gas service.

This increase covers significant investments made to the natural gas delivery system, including higher maintenance and operation costs. The total increase is 3.7 percent and is the first such increase in six years, during which the cost of living has increased by nearly 15 percent. The new rates went into effect in June.

The commission also approved an annual cost recovery mechanism for implementing the Accelerated Main Replacement Program (AMRP), a major construction and maintenance program designed to improve the reliability and safety of the natural gas distribution system. The AMRP focuses on replacing aging cast iron and bare steel gas main throughout CG&E's Southwest Ohio service territory.

SHAREHOLDER ASSISTANCE

Cinergy Corp. is transfer agent for Cinergy common stock. Correspondence regarding accounts and records, dividend payments, stock transfers, and other inquiries should be sent to:

Cinergy Corp.
Shareholder Services
P.O. Box 900
Cincinnati, Ohio 45201-0900

Shareholders may call toll free from anywhere in the United States, Monday through Friday, from 9:00 a.m. to 4:00 p.m. Eastern Time. The toll-free number is 800-325-2945. In greater Cincinnati, call 287-1940.

**To Cinergy Corp. shareholders:**

In the first quarter, we continued efforts to strengthen its balance sheet with a common stock offering of 6.5 million shares. This offering raised over \$200 million and was used to reduce short-term debt. The increase in shares lowered first quarter earnings per share by \$0.02 compared with 2001. On April 19th, Moody's Investor Service removed the company from credit watch, assigned an outlook of stable, and reaffirmed the current credit ratings of Cinergy Corp. and its subsidiaries.

In addition, as part of our on-going cost control program, the company offered a voluntary early retirement program to approximately 280 employees. Actual results will depend on the number of employees accepting the offer and will be reflected in second quarter results.

On May 2, the board of directors of Cinergy Corp. declared a quarterly dividend of 45 cents per share on outstanding shares of common stock. The dividend is payable May 15, 2002, to shareholders of record at the close of business on May 8, 2002.

James E. Rogers
Chairman, President, and
Chief Executive Officer

Financial and Operating Highlights

For the Period Ended March 31, 2002*	2002	2001	% Change
Revenues	\$ 2,203,763	\$ 3,725,302	-40.8%
Net Income Applicable to Common Stock	\$ 95,728	\$ 120,247	-20.4%
Diluted Earnings Per Share	\$ 0.58	\$ 0.75	-22.7%
Average Shares Outstanding	164,295	158,989	3.3%
Electricity Trading Volumes (Mwh)	70,464,250	60,725,473	16.0%
Electric Retail Sales and Transportation (Mwh)	12,368,434	12,582,247	-1.7%
Gas Retail Sales and Transportation (mcf)	37,111,564	39,423,884	-5.9%

Cinergy Corp reported first quarter 2002 earnings of \$0.58 per share on a diluted basis, compared with earnings of \$0.75 per share on a diluted basis in the first quarter 2001. First quarter results include a one-time charge of \$0.02 per share for unrecoverable costs from a gas distribution rate order. The quarter ended with Cinergy's common stock price closing at \$35.75, a new 52-week high.

Results for the first quarter 2002 from the Regulated Operations segment were \$0.44 per share, compared with \$0.51 per share a year earlier. Gross margins from regulated sales were down \$0.05 per share mainly attributable to the mild winter and the economy. Regulated service territory heating degree-days were more than ten percent lower than the same period last year causing retail gas sales to decrease by almost six percent. The economy appears to be slowly improving, but industrial electric sales for the quarter were still down 1.3 percent from last year. In addition, the business segment took a one-time charge of \$0.02 per share related to unrecoverable costs related to the ULH&P gas distribution rate order.

Energy Merchant segment earnings were \$0.17 per share for the quarter compared with \$0.27 in the same period in 2001. Gross margins were down \$0.03 per share from existing contracts with retail regulated franchises due to the weather and the economy. Origination, marketing and trading gross margins were down only \$0.03 per share even though quarterly average on-peak electricity power prices at the "into Cinergy" trading hub were 45 percent lower and natural gas commodity prices were 63 percent lower than in the first quarter of 2001.

CINERGY SELECTS DELOITTE & TOUCHE AS INDEPENDENT ACCOUNTANTS

On April 30, Cinergy Corp. announced that its board of directors has selected Deloitte & Touche as its independent public accountant for the fiscal year 2002. Deloitte & Touche replaces Arthur Andersen LLP.

The board acted upon the recommendation of its audit committee which had reviewed the qualifications of other "Big Five" accounting firms as part of its on-going corporate governance process. Earlier in the year, the company said it was engaged in a review of developments concerning Andersen and was tracking closely the uncertainty surrounding the firm, as well as developments affecting all auditing firms.

"While we have received an excellent level of service from Andersen's Cincinnati office, the uncertainties facing Andersen led us to conclude that this action is in the best interest of the company at this time," said R. Foster Duncan, executive vice president and chief financial officer of Cinergy. "Deloitte & Touche has shown our board and management that it has the depth of experience and knowledge, as well as high quality people, to dedicate to our account. The transition to Deloitte & Touche will begin in May."

The change of independent public accountants is not the result of any disagreement between the company and Andersen on matters of accounting principles or practices, financial statement disclosure or auditing scope and procedure.

ULH&P GRANTED NATURAL GAS BASE RATE INCREASE

Cinergy Corp. affiliate, The Union Light, Heat and Power Co. (ULH&P), has been granted a \$2.7 million, or 2.8 percent, increase in annual base rates for natural gas distribution service by the Kentucky Public Service Commission.

ULH&P's last base rate increase for gas distribution service was in 1993.

The increase reflects the company's investment of more than \$60 million in facilities to enhance the safety and reliability of service to its Northern Kentucky gas customers, as well as higher operation and maintenance expenses in the period of nearly nine years since rates were last set.

The PSC also approved a rider that will enable the company to reflect the rate impact of the capital costs associated with the company's accelerated \$112 million gas main replacement program. The rider will be a monthly charge and will be adjusted each year for the next three years based on the costs incurred in the prior year. The replacement program will improve the reliability of the distribution system and help keep future operation and maintenance costs at the lowest reasonable level. The charge is not expected to begin before June 1, 2002.

ULH&P had filed its application with the PSC in May, 2001 seeking a \$7.3 million increase in annual revenues. The PSC held a public hearing on the case in late November, 2001. ULH&P serves approximately 86,000 gas customers in six Northern Kentucky counties.

SHAREHOLDER ASSISTANCE

Cinergy Corp. is transfer agent for Cinergy common stock. Correspondence regarding accounts and records, dividend payments, stock transfers, and other inquiries should be sent to:

Cinergy Corp.
Shareholder Services
P.O. Box 900
Cincinnati, Ohio 45201-0900

Shareholders may call toll free from anywhere in the United States, Monday through Friday, from 9:00 a.m. to 4:00 p.m. Eastern Time. The toll-free number is 800-325-2945. In greater Cincinnati, call 287-1940.

**To Cinergy Corp. shareholders:**

The growth of our core businesses in the third quarter reflected the value of our balanced, integrated corporate portfolio. We were able to increase customer origination on the wholesale side as well as meet the record demand of our retail customers. Our demand has continued to grow and by adding about 1,800 megawatts of generating assets over the past two years, we have positioned ourselves to meet growing customer needs in both the retail and wholesale markets. Our solid quarter results increase our confidence in our ability to meet our 2001 earnings goal of \$2.75 per share.

On October 12, the board of directors of Cinergy Corp. declared a quarterly dividend of 45 cents per share on outstanding shares of common stock. The dividend is payable November 15, 2001, to shareholders of record at the close of business on October 22, 2001.

James E. Rogers
Chairman, President, and
Chief Executive Officer

Financial and Operating Highlights

For the Period Ended September 30, 2001*	2001	2000	% Change
Revenues	\$ 3,323,614	\$ 2,299,785	44.5%
Net Income Applicable to Common Stock	\$ 130,855	\$ 88,192	48.4%
Diluted Earnings Per Share	\$ 0.80	\$ 0.58	37.9%
Average Shares Outstanding	159,097	158,938	0.1%
Electricity Trading Volumes (Millions of Mwths)	86,398,499	34,559,702	150.0%
Electric Retail KWH Sales and Transportation	13,898,726	13,412,182	3.6%
Gas Retail MCF Sales and Transportation	10,248	11,487	-10.8%

Earnings for the third quarter 2001 was \$0.80 per share on a diluted basis, a 38 percent increase over 2000 earnings of \$0.58 per share.

The higher third quarter results were attributed to continued growth in origination, marketing and trading gross margins within the Energy Merchant segment. In addition, Cinergy realized higher gross margins from customer growth, increased customer usage, and warmer weather in the Regulated Operations segment. Net income in the third quarter 2001 was \$128.5 million, up from \$93.8 million in the comparable period a year ago. For the nine months ended September 30, 2001, net income and diluted earnings per share were \$331.7 million and \$2.06, respectively, compared with \$307.4 million and \$1.92 in the same period a year ago.

Cinergy set a new record service area peak for electric demand of 11,094 megawatts on August 8, exceeding the previous peak of 10,873 megawatts set in July 1999. Peak loads in excess of 10,000 megawatts were reached on 20 days in the third quarter, compared with four days in the third quarter of 2000.

Energy Merchant segment earnings were \$0.37 per share for the quarter, more than doubling last year's quarterly results. Origination, marketing and trading gross margins were up \$0.07 per share over the third quarter 2000 for a total increase of \$0.27 per share year to date. Electricity trading volumes increased about 150 percent with physical and financial gas trading volumes up 160 percent over the same time period. Cinergy Solutions, the segment's cogeneration business, added \$0.03 per share in the quarter and is up \$0.06 per share year-to-date.

Results for the quarter from the Regulated Operations segment were \$0.48 per share, \$0.02 above last year. Gross margins improved due to increased customer demand from service territory growth and warmer weather. This was offset slightly by increased operations and maintenance and interest expenses. Results from the Power Technology and Infrastructure Services segment were down \$0.02 from the prior year.

*Rounded to thousands, except per share amounts

THOMAS, ESAMANN NAMED TO LEAD PSI ENERGY

Cinergy Corp. (NYSE:CIN) announced today that the appointment of Larry E. Thomas and Douglas F. Esamann as vice chairman and president, respectively, of its subsidiary, PSI Energy, Inc., effective October 1, 2001.

Thomas is currently CEO of Cinergy's Power Technology and Infrastructure Services business unit and Esamann is currently vice president and chief financial officer of the Energy Merchant business unit. Combined, they have more than 50 years of service to Cinergy and PSI.

"The appointment of Larry and Doug to these critical positions underscores our continued commitment to our customers and to the state of Indiana," said James E. Rogers, chairman, president and chief executive officer of Cinergy. "Indiana faces several major issues related to energy policy and environmental protection. Larry and Doug have extensive background and experience that will be valuable in shaping the state's response to these issues."

Esamann joined PSI Energy in 1979 and served in financial positions of increasing responsibility. With Cinergy, he has held positions in corporate development, business development and finance and assumed his current position in March 1999. He is a lifelong resident of Indiana and holds a BS degree from Indiana University. Esamann succeeds Vicky A. Bailey, who resigned to join the Bush Administration as Assistant Secretary of Energy.

Thomas joined PSI Energy in 1967 and has held management positions throughout the organization. At the time of the merger to form Cinergy, he was PSI's senior vice president and chief operations officer. At Cinergy, he served in several capacities including president of the energy delivery business unit prior to being named to his current position in February 2001. He graduated from Tri-State University with a degree in business and attended the advanced management program at Harvard Business School.

CINERGY IS ONLY UTILITY NAMED TO LIST OF 100 BEST COMPANIES FOR WORKING MOTHERS

Cinergy Corp. (NYSE:CIN) was the only company in the energy utilities sector named by Working Mother magazine to its 2001 list of America's 100 Best Companies for Working Mothers.

This is the fifth consecutive year Cinergy has appeared on the list.

Working Mother magazine, which has compiled the list for 16 years, based its 2001 selections on a number of criteria, including: leave for new parents, flexibility, child care support, work/life balance, percentage of women in the workforce, and opportunities for women to advance. Editors looked at a range of company offerings, including telecommuting, support for sick childcare, and extras such as on-site gyms and other conveniences.

"Companies such as Cinergy understand that human resources are their most valuable asset and that employees need solutions to make juggling work and home easier," said Carol Evans, chief executive officer and president for Working Mother Media.

The magazine cited Cinergy's programs supporting back-up/sick childcare and home computers for employees.

SHAREHOLDER ASSISTANCE

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Cincinnati, Ohio 45201-0900

Shareholders may call toll free from anywhere in the United States, Monday through Friday, from 9:00 a.m. to 4:00 p.m. Eastern Time. The toll-free number is 800-325-2945. In greater Cincinnati, call 287-1940.



To Cinergy Corp. shareholders:

Our emphasis on adding new customers and expanding new products and services to our existing customers continues to serve us well, evidenced by the new transactions and our strong origination, marketing and trading results. We are on track to meet our earnings target of \$2.75 per share for 2001, and we feel the strategy of maintaining a balanced portfolio while leading with customer origination will enable us to achieve longer-term sustainable earnings growth.

On July 19, the board of directors of Cinergy Corp. declared a quarterly dividend of 45 cents per share on outstanding shares of common stock. The dividend is payable August 15, 2001, to shareholders of record at the close of business on July 30, 2001.

James E. Rogers
Chairman, President, and
Chief Executive Officer

Financial and Operating Highlights

Revenues	\$ 3,642,092	\$ 1,769,514	105.8%
Net Income Applicable to Common Stock	\$ 82,967	\$ 75,115	10.5%
Diluted Earnings Per Share	\$ 0.51	\$ 0.47	8.5%
Average Shares Outstanding	159,061	158,923	0.1%
Electricity Trading Volumes (Millions of MwHs)	59,306,652	42,984,789	38.0%
Electric Retail KWH Sales and Transportation	11,531,003	11,980,012	-3.7%
Gas Retail MCF Sales and Transportation	14,657	15,253	-3.9%

Earnings for the second quarter 2001 were \$0.51 per share on a diluted basis, compared with 2000 second quarter earnings of \$0.47 per share, which included a previously reported one-time charge of \$0.04 per share.

Total revenues more than doubled, primarily the result of increased gas and electric trading volumes in the Energy Merchant segment. In addition, Energy Merchant originated and consummated 28 term energy transactions with wholesale and industrial customers during the second quarter.

While the Energy Merchant segment equaled last year's earnings of \$0.18 per share, origination, marketing and trading were up \$0.09 per share over the second quarter 2000 for a total increase of \$0.20 per share year to date. The increase for the second quarter was offset by lower market sales from generation due in part to environmental control equipment installation at the company's largest power plant and by increased coal costs due primarily to the replacement of tonnages not delivered under one of its coal supply contracts.

Increased interest, primarily associated with the company's larger portfolio of peaking generation, also affected earnings for the quarter. Utilization of these assets occurs primarily during the summer peaking season and will be reflected in third quarter results, as previously announced.

Results for the quarter from the Regulated Business segment were \$0.35 per share, \$0.04 above last year. Last year's results reflected a previously reported one-time charge relating to a limited early retirement program as mentioned above. Lower gross margins resulting from reduced industrial demand and milder weather were offset by reductions in operations and maintenance costs from continued emphasis on productivity improvements.

Results from the Power Technology and Infrastructure Services segment were unchanged from the prior year.

Net income for the second quarter 2001 was \$83.0 million, compared with \$75.1 million in the second quarter a year ago. For the six months ended June 30, 2001, net income was \$203.2 million, or \$1.26 per share, compared with \$213.6 million, or \$1.34 per share for the comparable period a year ago.

**Rounded to thousands, except per share amounts*

**CINERGY CAPITAL & TRADING, INC.
AND DUKE ENERGY NORTH
AMERICA ANNOUNCE
PARTNERSHIP CHANGE IN
OHIO/INDIANA**

Cinergy Capital and Trading, Inc. (Cinergy) and Duke Energy North America (DENA) have signed an agreement through their respective subsidiaries providing for the dissolution of VMC Generating Company (VMC). VMC is a general partnership in which affiliates of Cinergy and DENA each own a fifty percent interest. VMC was formed in September 1999 and owns 100 percent of CinCap VII, LLC (Cadiz), Duke Energy Vermillion, LLC (Vermillion), and Duke Energy Madison, LLC (Madison).

Pursuant to the agreement, VMC's 100 percent interest in Madison and Cadiz, will be transferred to Cinergy Capital and Trading, Inc. VMC's 100 percent interest in Vermillion will be transferred to an affiliate of DENA. The dissolution is subject to obtaining all necessary regulatory approvals.

Financial terms of the transaction are not being disclosed.

Michael J. Cyrus, CEO of Cinergy's Energy Merchant business unit, said, "Cinergy continues its strong relationship with Duke Energy and we're certainly pleased with the benefits the partnership has netted since its inception. This restructuring however creates greater operational and financial flexibility for both organizations."

Vermillion owns a 640-megawatt simple cycle generation facility in operation, located in Vermillion County, Indiana. Madison owns a 640-megawatt simple cycle generation facility in operation, located in Butler County, Ohio. Cadiz owns a 129-megawatt simple cycle generation facility under development in Henry County, Indiana.

**CINERGY AFFILIATES FILE TO
INCREASE NATURAL GAS BASE
RATES**

The Union Light, Heat and Power Company, an affiliate of Cinergy Corp, has filed an application with the Kentucky Public Service Commission (KPSC)

seeking to increase base rates for natural gas distribution service by \$7.3 million, or 8.4 percent, annually.

Likewise, The Cincinnati Gas & Electric Co., an affiliate of Cinergy Corp, intends to file an application with the Public Utilities Commission of Ohio to increase base rates for natural gas distribution service by approximately \$26 million, or 5.7 percent, annually.

Both affiliates have initiated a major gas main replacement project to improve the reliability of the gas distribution system over the next ten years. ULH&P will expend approximately \$112 million on this capital improvement program, which it will seek to recover in future years through a monthly charge on customers' bills. CG&E's replacement project is estimated to cost approximately \$715 million and is requesting that the costs associated with the main replacement capital improvements be recovered in rates over the next ten years through an additional monthly customer charge for residential and firm commercial customers and through an additional throughput charge for large volume interruptible users.

ULH&P, which expects the new rates to take effect in late fall, serves approximately 83,000 natural gas customers in six Northern Kentucky counties. CG&E, which expects the new rates to take effect in the spring of 2002, serves approximately 400,000 natural gas customers in southwestern Ohio.

SHAREHOLDER ASSISTANCE

Cinergy Corp. is transfer agent for Cinergy common stock. Correspondence regarding accounts and records, dividend payments, stock transfers, and other inquiries should be sent to:

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**To Cinergy Corp. shareholders:**

The balance in our energy merchant segment was highlighted in the first quarter as origination, marketing and trading continued its growth trajectory and compensated for some of the effects of the Ohio transition plan as well as reduced generation availability. Our completed acquisition of 1,000 megawatts of peaking capacity in the South is a key element of our growth by extending our regional leadership position beyond the Midwest.

On May 1, the board of directors of Cinergy Corp. declared a quarterly dividend of 45 cents per share on outstanding shares of common stock. The dividend is payable May 15, 2001, to shareholders of record at the close of business on May 8, 2001.

James E. Rogers
Chairman, President, and
Chief Executive Officer

Financial and Operating Highlights

For the Period Ended March 31, 2001*	2001	2000	% Change
Revenues	\$ 3,706,529	\$ 1,583,077	134.1%
Net Income Applicable to Common Stock	\$ 115,786	\$ 137,668	-15.9%
Diluted Earnings Per Share	\$ 0.75	\$ 0.87	-13.8%
Average Shares Outstanding	158,989	158,923	0.0%
Electricity Trading Volumes (Millions of Mwths)	60,725,473	29,492,208	105.9%
Electric Retail KWH Sales and Transportation	12,582,247	12,232,515	2.9%
Gas Retail MCF Sales and Transportation	39,424	39,841	-1.0%

Cinergy's earnings for the first quarter 2001 were \$0.75 per share on a diluted basis, compared with 2000 first quarter earnings of \$0.87 per share. Revenues for the quarter were up 134% primarily from the energy merchant segment led by a doubling of electricity trading volumes, a 24-fold increase in gas trading volumes, and origination and consummation of seven new wholesale contracts.

While the energy merchant segment equaled last year's earnings per share, the origination, marketing and trading portion added \$0.11 per share. The company also continued to expand its energy merchant base through the completion of the acquisition of two natural gas-fired peaking facilities in Tennessee and Mississippi and the agreement to build two cogeneration power projects with BP in Texas. In addition, the Indiana Utility Regulatory Commission (IURC) approved construction of a 130-megawatt gas-fired peaking facility in Henry County, Indiana. The company owns 50% of this facility.

These gains were offset by a decrease in the generation component of residential rates in Ohio and less generation available to market due to environmental control equipment installation at the company's largest power plant. In addition, the energy merchant segment's supply portfolio has changed, as a favorable mark-to-market contract length in 2000 has been replaced by owned megawatts of gas-fired asset peaking length in 2001. Utilization of these assets will occur primarily during the summer peaking season and will be reflected in third quarter results.

Results from the regulated segment were \$0.09 cents below last year due to increased regulatory asset amortization and lower gross margins as reduced industrial demand offset favorable weather. The increased amortization is the result of certain existing regulatory asset recovery periods being compressed into the ten-year recovery period approved in the Ohio transition plan.

Results for the power technology and infrastructure services segment were \$0.03 lower primarily because of higher operating costs and interest expense related to new investments. The segment continues to add new customers and transactions more than twice the level of the previous year.

*Rounded to thousands, except per share amounts

R. FOSTER DUNCAN APPOINTED EXECUTIVE VP AND CFO

On February 7, 2001, Cinergy Corp. announced the appointment of R. Foster Duncan to executive vice president and chief financial officer, effective February 12, 2001.

Duncan most recently served as executive vice president and chief financial officer of LG&E Energy Corporation in Louisville, Ky. He joined LG&E in January 1998 and was instrumental in that company's strategic growth and recent merger with the United Kingdom-based Powergen plc.

Duncan succeeds Charles J. Winger, who has been acting chief financial officer, in addition to vice president, corporate development. Winger will continue with his responsibilities in corporate development.

CINERGY SOLUTIONS AND BP FINALIZE COGENERATION AGREEMENT

Cinergy Solutions Inc., a Cinergy Corp. affiliate specializing in cogeneration and energy outsourcing for large industrial customers, has finalized an energy services agreement with BP to construct, own, and operate two state-of-the-art natural gas cogeneration projects to be located in Texas. Combined, the projects will produce more than 800 megawatts of electricity and 3.5 million pounds of steam per hour for BP's Texas City and Chocolate Bayou refining and chemicals sites.

The new cogeneration projects will be built through a joint venture between Cinergy Solutions and BP. The Chocolate Bayou project is scheduled to be commercial in 2002. The Texas City project will be operational in 2004.

Cinergy Solutions' focus is cogeneration, energy services and utility outsourcing for large industrials, municipalities and other large energy consumers. The company specializes in reducing energy costs, lowering emissions, conserving energy, and improving efficiency for its customers, some of which include Kodak, General Motors, Millennium Chemicals, the University of Maryland College Park and the city of Orlando. Cinergy Solutions currently has projects in operation or under development in 12 states.

CINERGY CAPITAL & TRADING COMPLETES ACQUISITION OF MERCHANT GENERATING PLANTS

Cinergy Capital & Trading, Inc., an energy merchant-focused affiliate of Cinergy, has completed the acquisition of two merchant generating facilities in the Southeast U.S. from Enron North America.

The two companies announced in December, 2000, that they had signed a definitive agreement subject to regulatory approvals, which have now been received. Terms of the transaction were not disclosed.

"This purchase of 1,000 megawatts of natural gas-fired capacity is another key milestone for the asset development segment of our energy merchant business. It will directly contribute to our target of growing our energy merchant earnings at a 10-12 percent average rate as part of our three-year corporate target of seven to eight percent," said Michael J. Cyrus, CEO of Cinergy's energy merchant business unit and president of Capital & Trading. "It also gives our business merchant capability in another energy trading hub that will complement our leadership status in the 'Into Cinergy' energy trading hub."

The acquisition consists of Enron's 494-megawatt Brownsville generation facility located in Haywood County, Tennessee and the 504-megawatt Caledonia generation facility located in Lowndes County, Mississippi. Brownsville has four natural gas-fired combustion turbines and Caledonia has six.

SHAREHOLDER ASSISTANCE

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**DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(s)**

807 KAR 5:001, SECTION 10(9)(s)

Description of Filing Requirement:

The summary of the latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and base period depreciation rates used by major plant accounts. If the required information has been filed in another commission case a reference to that case's number and style will be sufficient.

Response:

See attached.

Sponsoring Witness: John A. Spanos

DUKE ENERGY KENTUCKY

CINCINNATI, OHIO

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC AND COMMON PLANT
AS OF DECEMBER 31, 2005



Gannett Fleming
Valuation and Rate Division

DUKE ENERGY KENTUCKY

Cincinnati, Ohio

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS

RELATED TO ELECTRIC AND COMMON PLANT

AS OF DECEMBER 31, 2005

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania

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PART III. RESULTS OF STUDY, cont.

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GANNETT FLEMING, INC.
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May 4, 2006

Duke Energy Kentucky
139 East Fourth Street
Cincinnati, OH 45201-0960

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Attention Mr. Carl J. Council, Jr.

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric and common plant of Duke Energy Kentucky as of December 31, 2005. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual and accrued depreciation, the statistical support for the service life and net salvage estimates, and the detailed tabulations of annual and accrued depreciation.

Respectfully submitted,

GANNETT FLEMING, INC.

A handwritten signature in black ink that reads "John J. Spanos".

JOHN J. SPANOS
Vice President
Valuation and Rate Division

JJS:krm



PART I. INTRODUCTION

DUKE ENERGY KENTUCKY

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC AND COMMON PLANT AS OF DECEMBER 31, 2005

PART I. INTRODUCTION

SCOPE

This report presents the results of the depreciation study prepared for the Duke Energy Kentucky ("Company") as applied to electric and common plant in service as of December 31, 2005. It relates to the concepts, methods and basic judgments which underlie recommended annual depreciation accrual rates related to current electric and common plant in service.

The service life estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through December 2005; the net salvage analyses of historical plant retirements data recorded through December 2005; a review of Company practice and outlook as they relate to plant operation and retirement; and consideration of current practice in the electric industry, including knowledge of service life and salvage estimates used for other electric properties.

PLAN OF REPORT

Part I includes brief statements of the scope and basis of the study. Part II presents descriptions of the methods used in the service life and salvage studies and the methods and procedures used in the calculation of depreciation. Part III presents the results of the study, including summary tables, survivor curve charts and life tables resulting from the retirement rate method of analysis; tabular results of the historical net salvage analyses; and detailed tabulations of the calculated remaining lives and annual accruals.

BASIS OF STUDY

Depreciation

For most accounts, the annual depreciation was calculated by the straight line method using the equal life group procedure and the remaining life basis. For certain General Plant accounts, the annual depreciation was based on amortization accounting. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group.

Survivor Curve Estimates

The procedure for estimating survivor curves, which define service lives and remaining lives, consisted of compiling historical service life data for the plant accounts or other depreciable groups, analyzing the historical data base through the use of accepted techniques, and forecasting the survivor characteristics for each depreciable account or group. These forecasts were based on interpretations of the historical data analyses and the probable future. The combination of the historical data and the estimated future trend yields a complete pattern of life characteristics, i.e., a survivor curve, from which the average service life and remaining service life are derived.

The historical data analyzed for life estimation purposes were compiled through December 2005 from the Company's plant accounting records. Such data included plant additions, retirements, transfers and other activity recorded by the Company for each of its plant accounts and subaccounts.

The estimates of net salvage by account incorporated a review of experienced costs of removal and salvage related to plant retirements, and consideration of trends exhibited by the historical data. Each component of net salvage, i.e., cost of removal and salvage, was stated in dollars and as a percent of retirement.

An understanding of the function of the plant and information with respect to the reasons for past retirements and the expected causes of future retirements was obtained through discussions with operating and management personnel. The supplemental information obtained in this manner was considered in the interpretation and extrapolation of the statistical analyses.

Calculation of Depreciation

The depreciation accrual rates were calculated using the straight line method, the remaining life basis and the equal life group depreciation procedure. The continuation of amortization accounting for certain accounts is recommended because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. An explanation of the calculation of annual and accrued amortization is presented on page II-34 of the report.

II-1

**PART II. METHODS USED IN
THE ESTIMATION OF DEPRECIATION**

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, as defined in the Uniform System of Accounts, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual depreciation based on the straight line method requires the estimation of average life and salvage. These subjects are discussed in the sections which follow.

SERVICE LIFE AND NET SALVAGE ESTIMATION

Average Service Life

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

Survivor Curves

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

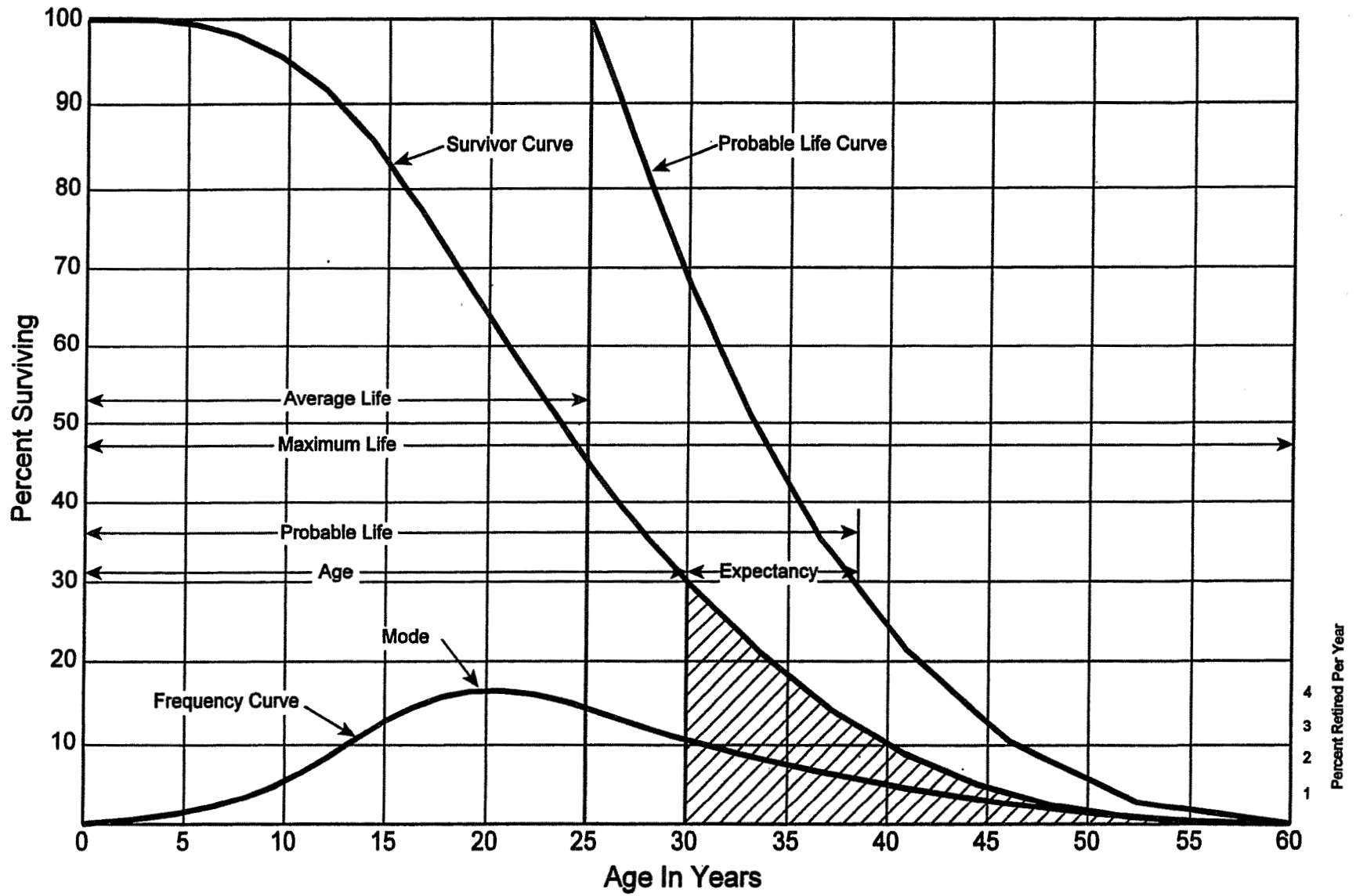


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.¹ These type curves have also been presented in subsequent Experiment Station

¹Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

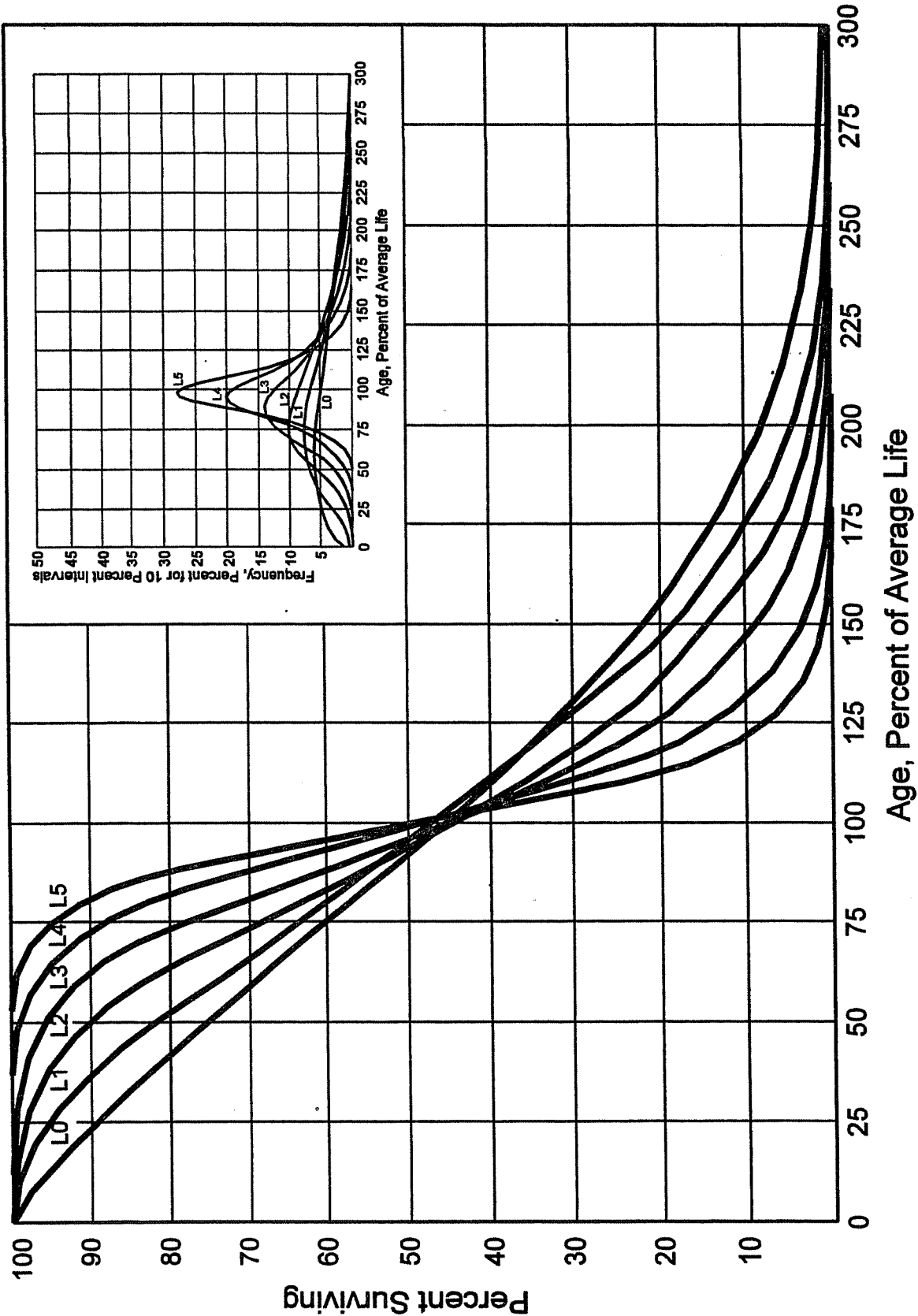


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

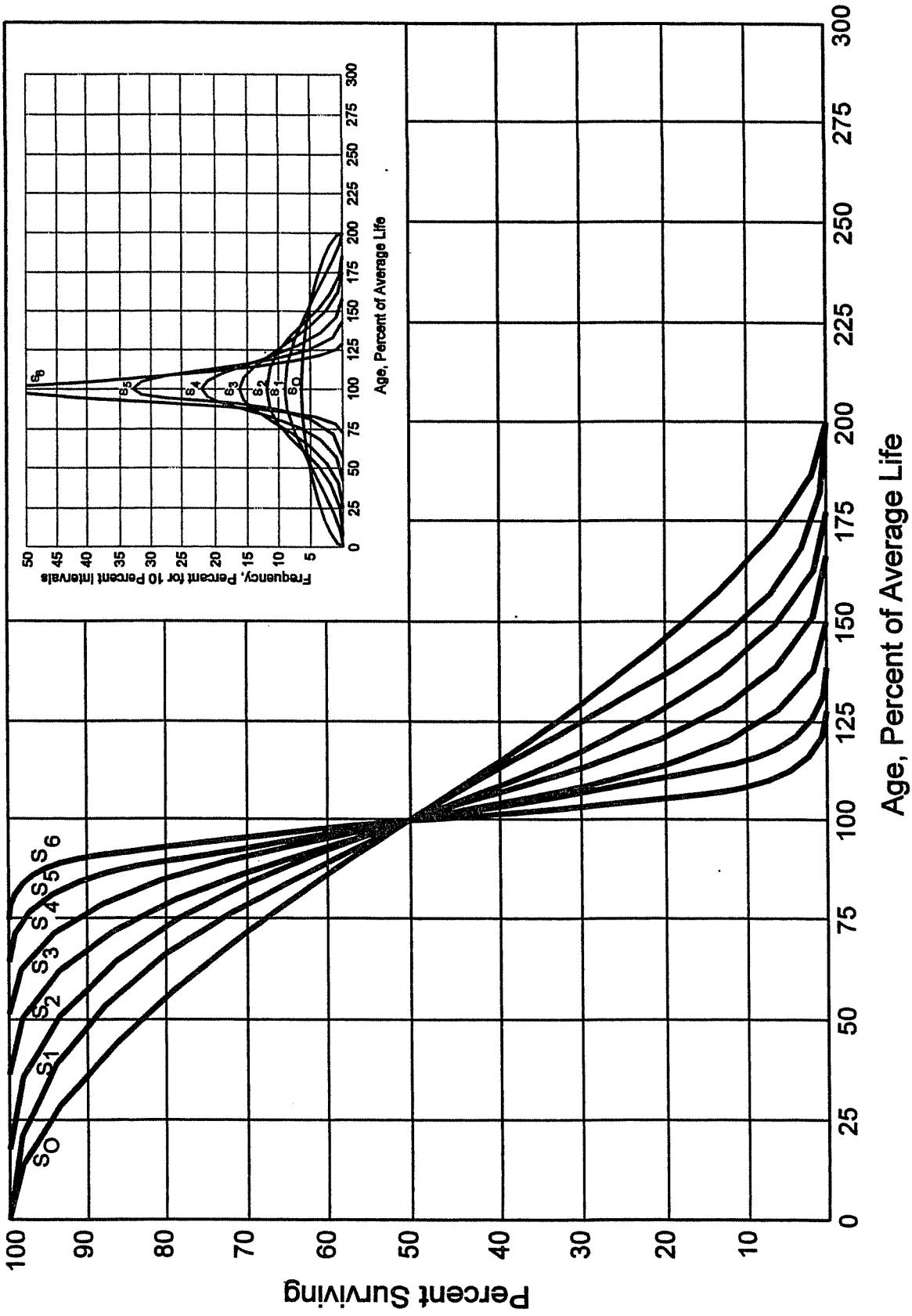


Figure 3. Symmetrical or "S" lowa Type Survivor Curves

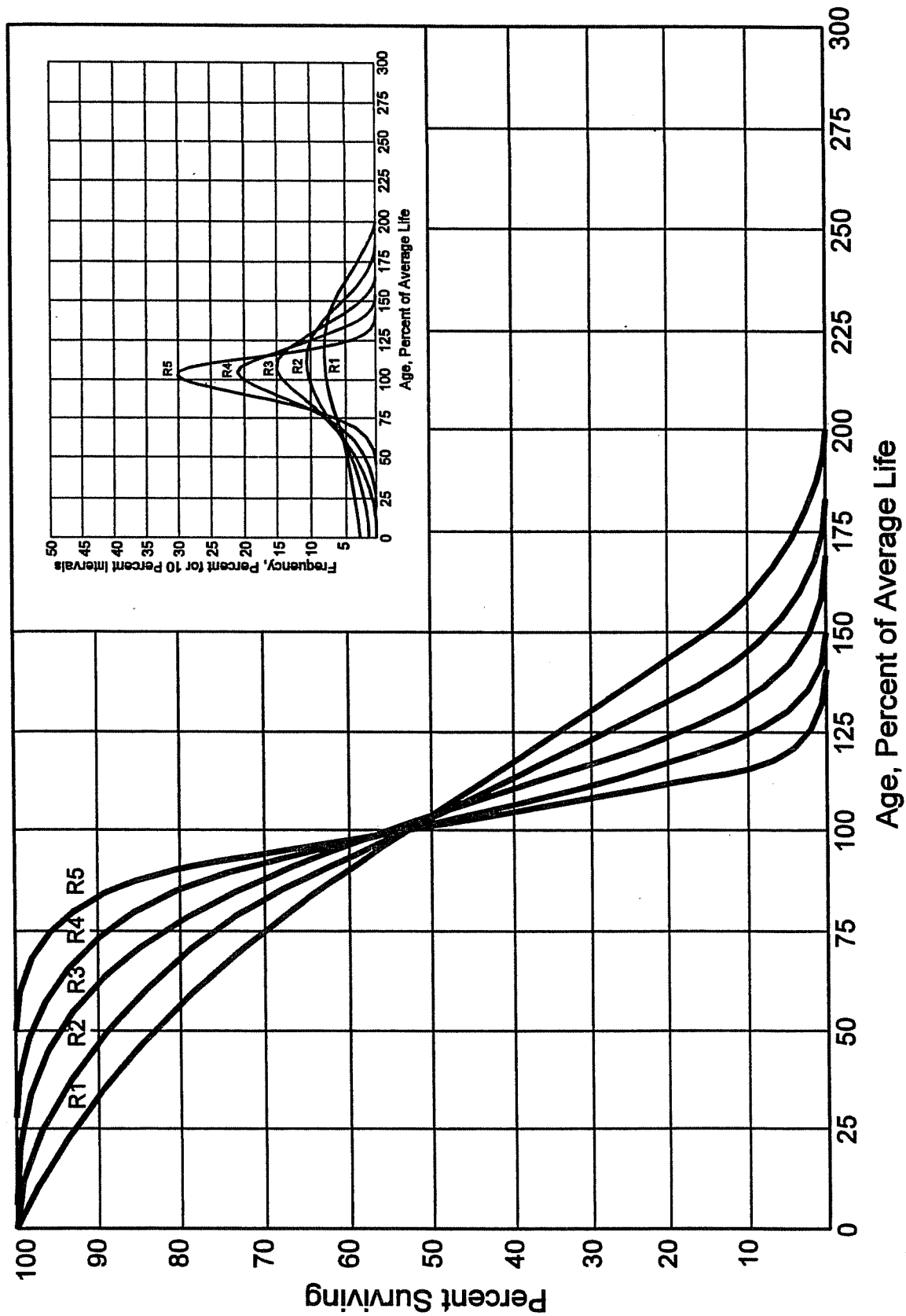


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

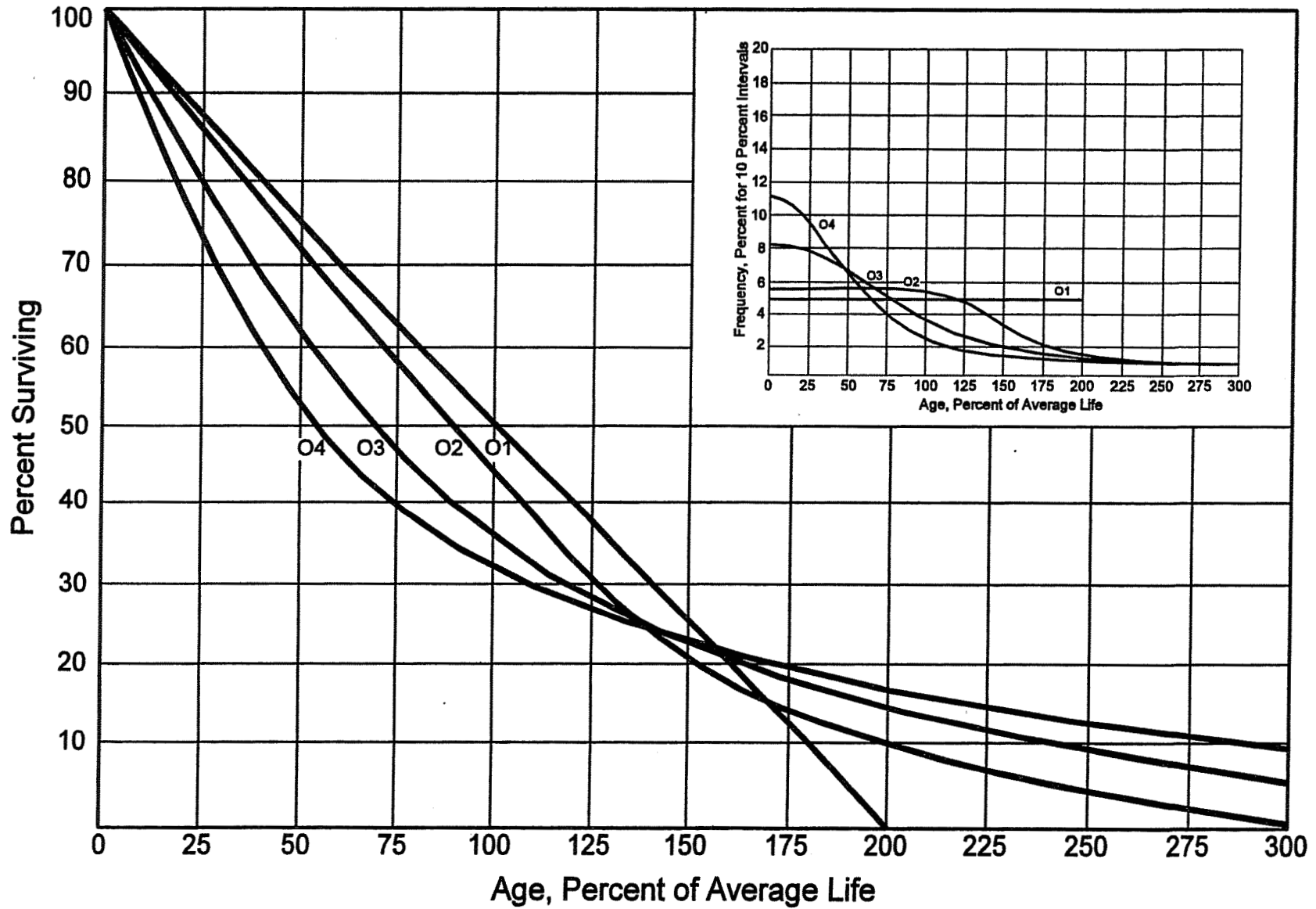


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

bulletins and in the text, "Engineering Valuation and Depreciation."² In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis³ presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"⁴ "Engineering Valuation and Depreciation,"⁵ and "Depreciation Systems."⁶

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the

²Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

³Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

⁴Winfrey, Robley, Supra Note 1.

⁵Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁶Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 1996-2005 during which there were placements during the years 1991-2005. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-13. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1991 were retired in 1996. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age

TABLE 1. RETIREMENTS FOR EACH YEAR 1996-2005
SUMMARIZED BY AGE INTERVAL

Year Placed (1)	Retirements, Thousands of Dollars										Total During Age Interval (12)	Age Interval (13)	
	Experience Band 1996-2005												Placement Band 1991-2005
	1996 (2)	1997 (3)	1998 (4)	1999 (5)	2000 (6)	2001 (7)	2002 (8)	2003 (9)	2004 (10)	2005 (11)			
1991	10	11	12	13	14	16	23	24	25	26	26	13½-14½	
1992	11	12	13	15	16	18	20	21	22	19	44	12½-13½	
1993	11	12	13	14	16	17	19	21	22	18	64	11½-12½	
1994	8	9	10	11	11	13	14	15	16	17	83	10½-11½	
1995	9	10	11	12	13	14	16	17	19	20	93	9½-10½	
1996	4	9	10	11	12	13	14	15	16	20	105	8½-9½	
1997		5	11	12	13	14	15	16	18	20	113	7½-8½	
1998			6	12	13	15	16	17	19	19	124	6½-7½	
1999				6	13	15	16	17	19	19	131	5½-6½	
2000					7	14	16	17	19	20	143	4½-5½	
2001						8	18	20	22	23	146	3½-4½	
2002							9	20	22	25	150	2½-3½	
2003								11	23	25	151	1½-2½	
2004									11	24	153	½-1½	
2005										13	80	0-½	
Total	53	68	86	106	128	157	196	231	273	308	1,606		

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 1996-2005
SUMMARIZED BY AGE INTERVAL

Experience Band 1996-2005

Placement Band 1991-2005

Year Placed	Acquisitions, Transfers, and Sales, Thousands of Dollars										Total During Age Interval	Age Interval
	During Year											
(1)	1996 (2)	1997 (3)	1998 (4)	1999 (5)	2000 (6)	2001 (7)	2002 (8)	2003 (9)	2004 (10)	2005 (11)	(12)	(13)
1991	-	-	-	-	-	-	60 ^a	-	-	-	-	13½-14½
1992	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1993	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1994	-	-	-	-	-	-	-	(5) ^b	-	-	60	10½-11½
1995	-	-	-	-	-	-	-	6 ^a	-	-	-	9½-10½
1996	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
1997	-	-	-	-	-	-	-	-	-	-	6	7½-8½
1998	-	-	-	-	-	-	-	-	-	-	-	6½-7½
1999	-	-	-	-	-	-	-	(12) ^b	-	-	-	5½-6½
2000	-	-	-	-	-	-	-	-	22 ^a	-	-	4½-5½
2001	-	-	-	-	-	-	-	(19) ^b	-	-	10	3½-4½
2002	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2003	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	1½-2½
2004	-	-	-	-	-	-	-	-	-	-	-	½-1½
2005	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

^a Transfer Affecting Exposures at Beginning of Year.

^b Transfer Affecting Exposures at End of Year.

^c Sale with Continued Use.

Parentheses denote Credit amount.

interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Table 1 immediately above the stairstep line drawn on the table beginning with the 1996 retirements of 1991 installations and ending with the 2005 retirements of the 2000 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15.

The surviving plant at the beginning of each year from 1996 through 2005 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the

TABLE 3. PLANT EXPOSED TO RETIREMENT JANUARY 1
OF EACH YEAR 1996-2005 SUMMARIZED BY AGE INTERVAL

Experience Band 1996-2005

Placement Band 1991-2005

11-15

Year Placed (1)	Exposures, Thousands of Dollars										Total at Beginning of Age Interval (12)	Age Interval (13)
	Annual Survivors at the Beginning of the Year											
	1996 (2)	1997 (3)	1998 (4)	1999 (5)	2000 (6)	2001 (7)	2002 (8)	2003 (9)	2004 (10)	2005 (11)		
1991	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1992	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1993	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1994	338	330	321	311	300	289	276	262	242	226	823	10½-11½
1995	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
1996	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½
1997		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½
1998			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½
1999				580 ^a	574	561	546	530	501	482	3,057	5½-6½
2000					660 ^a	653	639	623	628	609	3,789	4½-5½
2001						750 ^a	742	724	685	663	4,332	3½-4½
2002							850 ^a	841	821	799	4,955	2½-3½
2003								960 ^a	949	926	5,719	1½-2½
2004									1,080 ^a	1,069	6,579	½-1½
2005										1,220 ^a	7,490	0-½
Total	<u>1,975</u>	<u>2,382</u>	<u>2,824</u>	<u>3,318</u>	<u>3,872</u>	<u>4,494</u>	<u>5,247</u>	<u>6,017</u>	<u>6,852</u>	<u>7,799</u>	<u>44,780</u>	

^a Additions during the year.

following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2000 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000

For the entire experience band 1996-2005, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table. The original life table, illustrated in Table 4 on page II-17, is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the

**TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD**

Experience Band 1996-2005

Placement Band 1991-2005

(Exposure and Retirement Amounts are in Thousands of Dollars)

<u>Age at Beginning of Interval</u> (1)	<u>Exposures at Beginning of Age Interval</u> (2)	<u>Retirements During Age Interval</u> (3)	<u>Retirement Ratio</u> (4)	<u>Survivor Ratio</u> (5)	<u>Percent Surviving at Beginning of Age Interval</u> (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.

Column 3 from Table 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 divided by Column 2.

Column 5 = 1.0000 minus Column 4.

Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	143,000 ÷ 3,789,000	= 0.0377
Survivor Ratio	=	1.000 - 0.0377	= 0.9623
Percent surviving at age 5½	=	(88.15) x (0.9623)	= 84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The lowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the lowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R lowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0. In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 lowa curve would be selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant factors external to the analysis of historical data.

Service Life Considerations

The service life estimates were based on judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during conversations with management; and the survivor curve estimates from previous studies of this company and other electric utility companies.

For 18 of the 40 plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses resulted in good to excellent indications of the survivor patterns experienced. These accounts represent 65 percent of depreciable plant. Generally, the information external to the statistics led to no significant departure from the

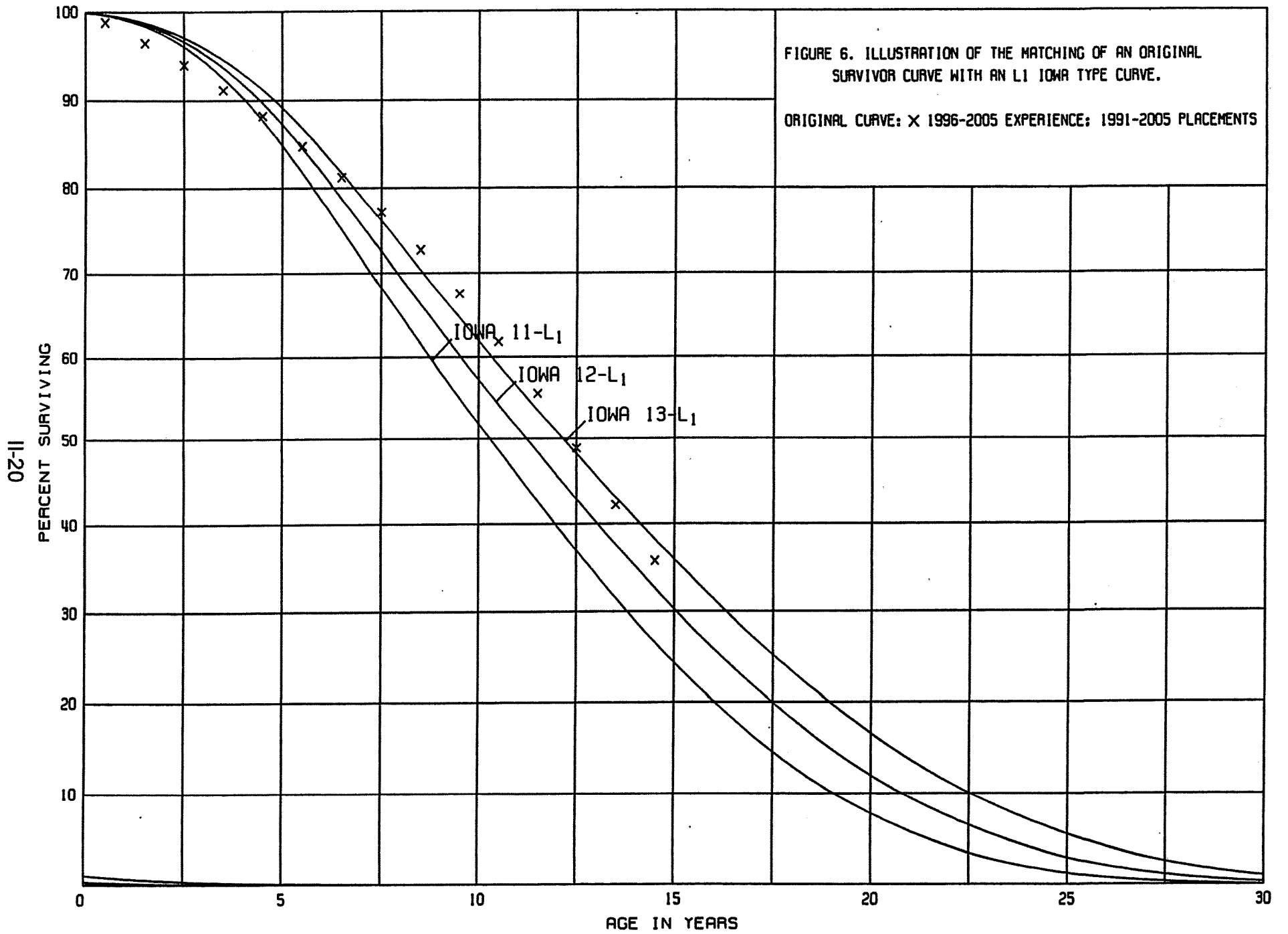
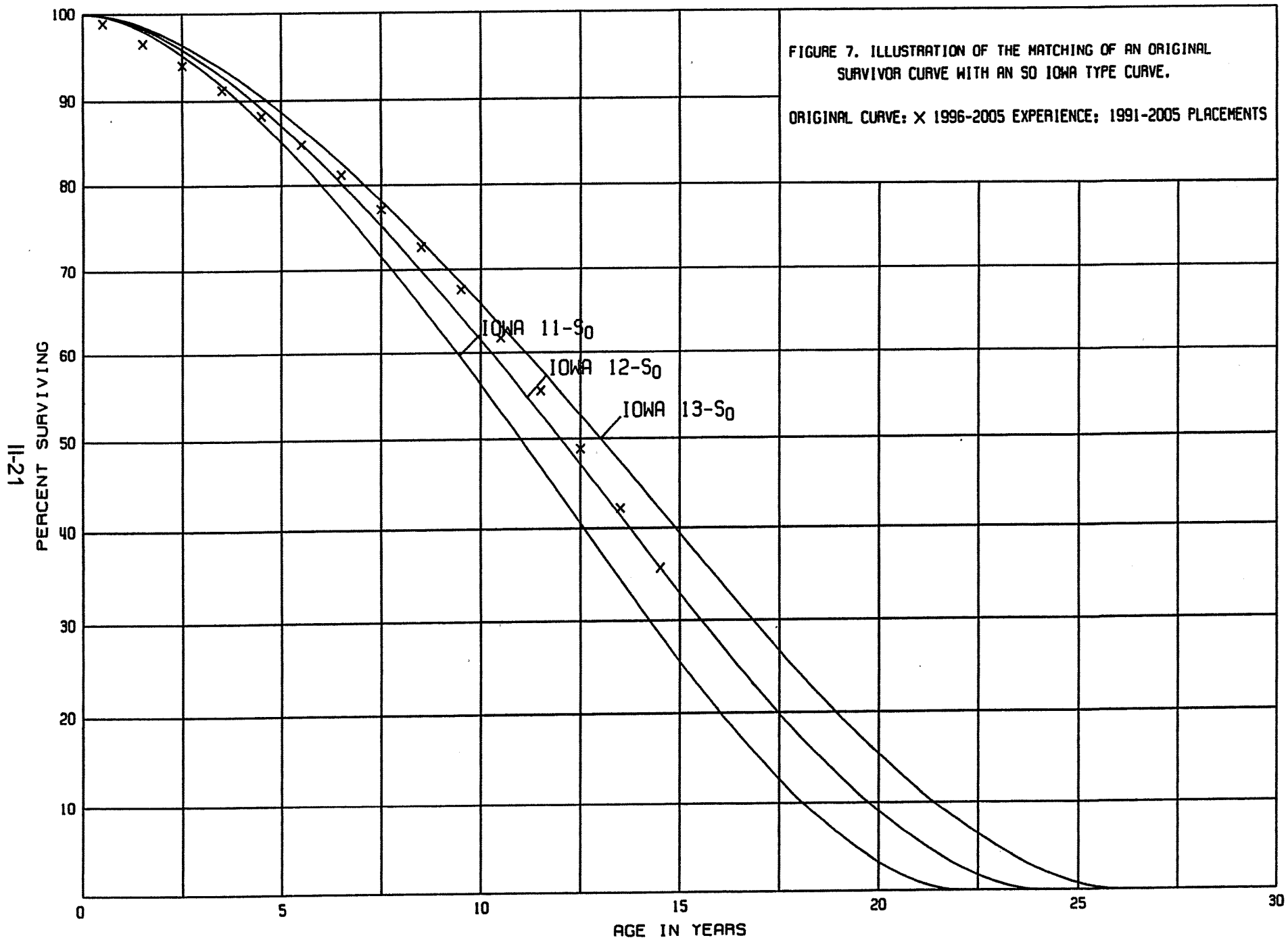
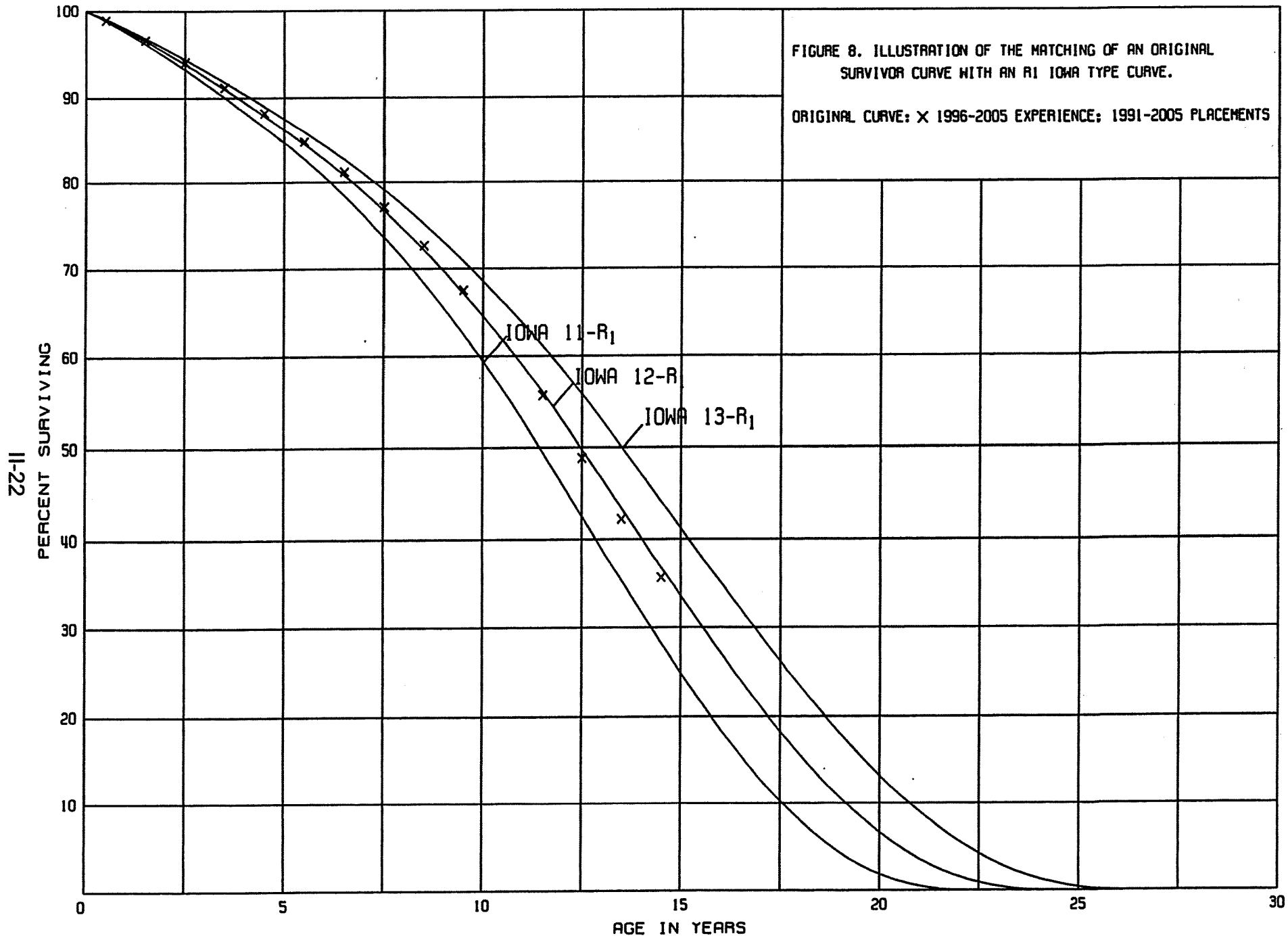
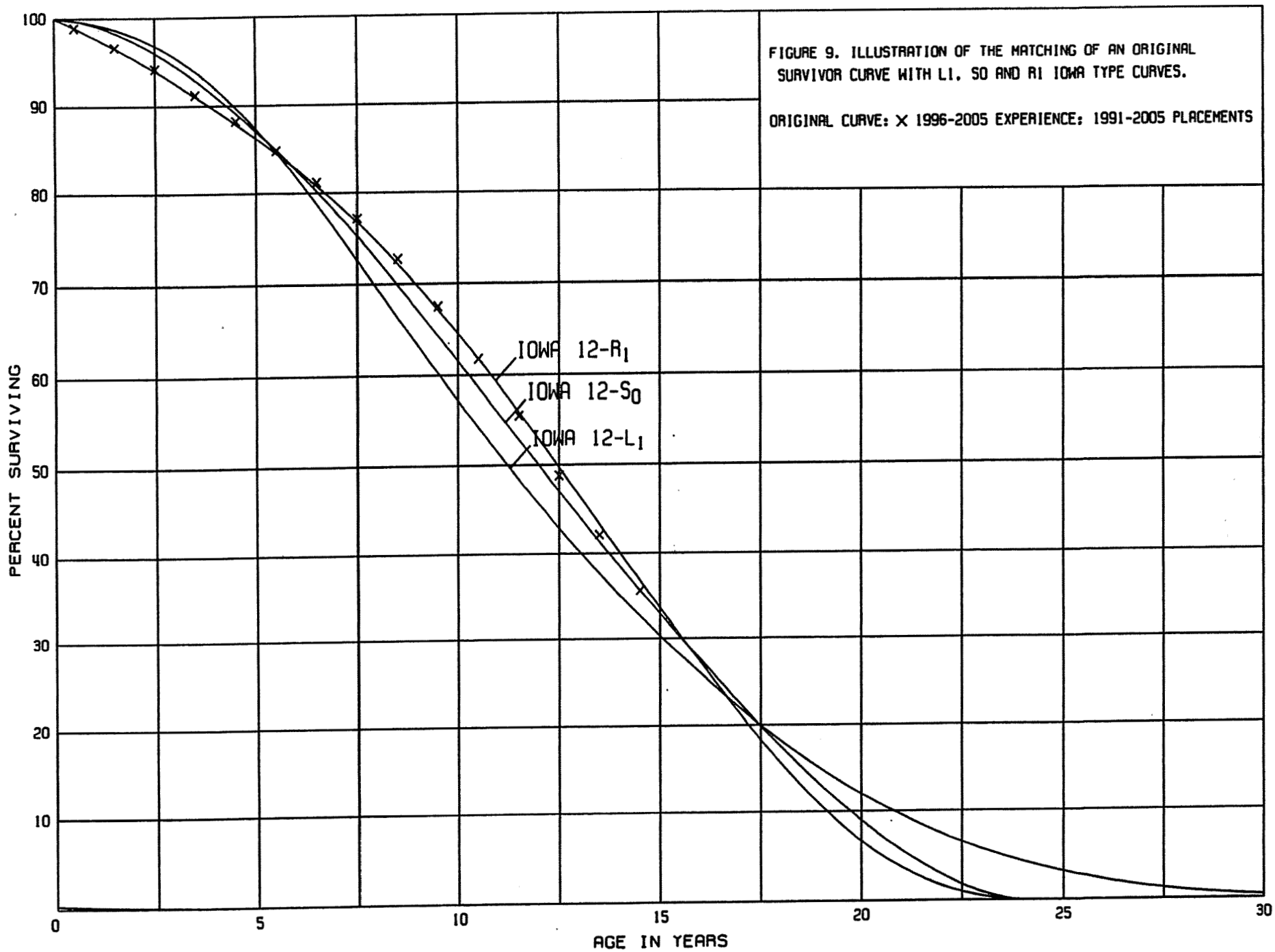


FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE.

ORIGINAL CURVE: X 1996-2005 EXPERIENCE; 1991-2005 PLACEMENTS







indicated survivor curves for the accounts listed below. The statistical support for the service life estimates is presented in the section beginning on page III-7.

COMMON PLANT

1900 Structures and Improvements

STEAM PRODUCTION PLANT

3110 Structures and Improvements

3120 Boiler Plant

3140 Turbogenerator Units

TRANSMISSION PLANT

3530 Station Equipment

3550 Poles and Fixtures

3560 Overhead Conductors and Devices

DISTRIBUTION PLANT

3620 Station Equipment

3640 Poles, Towers and Fixtures

3650 Overhead Conductors and Devices

3670 Underground Conductors and Devices

3680 Line Transformers

3682 Line Transformers - Customer

3692 Services - Overhead

3700 Meters

3731 Street Lighting - Overhead

3733 Street Lighting - Customer Poles

GENERAL PLANT

3960 Power Operated Equipment

Account 3640, Poles, Towers and Fixtures and Account 3680, Line Transformers, are used to illustrate the manner in which the study was conducted for the groups in the preceding list. Account 3640 represents 4 percent, and Account 3680 represents 5 percent, of the total depreciable plant. Aged plant accounting data have been compiled for the years 1956 through 2005. These data have been coded in the course of the Company's normal record keeping according to account or property group, type of transaction, year in which the transaction took place, and year in which the electric plant

was placed in service. The retirements, other plant transactions, and plant additions were analyzed by the retirement rate method.

The survivor curve estimate is based on the statistical indications for the periods 1956 through 2005 and 1975 through 2005. The Iowa 44-R0.5 is an excellent fit of the original survivor curve. The 44-year service life is within the typical service life range of 35 to 50 years for poles. The 44-year life reflects the Company's continued practices of steady retirements for all vintages. The previous estimate was the Iowa 35-R1.

The survivor curve estimate for Account 3680, Line Transformers, is the 35-R1 and is based on the statistical indication for the period 1956 through 2005. The 35-R1 is an excellent fit of the significant portion of the original survivor curve as set forth on page III-95 and consistent with management outlook for a continuation of historical experience, and within the typical service life range of 30 to 45 years for line transformers.

The life span estimates for major structures in Account 1900, Structures and Improvements, and most assets in Accounts 3110 through 3460, which represent 47 percent of depreciable plant, were based on the type construction, attained age, observed features and conditions at the time of the field visits, life span estimates of other electric utilities for similar units and the plans of management.

The survivor curve estimates for the remaining accounts were based on judgment incorporating the statistical analyses and previous studies for this and other electric utilities.

Salvage Analysis

The estimates of net salvage by account were based in part on historical data compiled through 2005. Cost of removal and salvage were expressed as percents of the original cost of plant retired, both on annual and three-year moving average bases. The

most recent five-year average also was calculated for consideration. The net salvage estimates by account are expressed as a percent of the original cost of plant retired.

Net Salvage Considerations

The estimates of future net salvage are expressed as percentages of surviving plant in service, i.e., all future retirements. In cases in which removal costs are expected to exceed salvage receipts, a negative net salvage percentage is estimated. The net salvage estimates were based on judgment which incorporated analyses of historical cost of removal and salvage data, expectations with respect to future removal requirements and markets for retired equipment and materials.

The analyses of historical cost of removal and salvage data are presented in the section titled "Net Salvage Statistics" for the plant accounts for which the net salvage estimate relied partially on those analyses.

Statistical analyses of historical data for the period 1990 through 2005 contributed significantly toward the net salvage estimates for 17 plant accounts, representing 27 percent of the depreciable plant, as follows:

COMMON PLANT

1900 Structures and Improvements

TRANSMISSION PLANT

3530 Station Equipment
3532 Station Equipment - Major
3550 Poles and Fixtures
3560 Overhead Conductors and Devices

DISTRIBUTION PLANT

3601 Rights of Way
3610 Structures and Improvements
3620 Station Equipment
3640 Poles, Towers and Fixtures
3650 Overhead Conductors and Devices
3660 Underground Conduit
3670 Underground Conductors and Devices
3680 Line Transformers

3700	Meters
3731	Street Lighting - Overhead
3732	Street Lighting - Boulevard
3733	Street Lighting - Customer Poles

Account 3650, Overhead Conductors and Devices, is used to illustrate the manner in which the study was conducted for the groups in the preceding list. Net salvage data for the period 1990 through 2005 were analyzed for this account. The data include cost of removal, gross salvage and net salvage amounts and each of these amounts is expressed as a percent of the original cost of regular retirements. Three-year moving averages for the 1990-1992 through 2003-2005 periods were computed to smooth the annual amounts.

Cost of removal was high during the early 1990s and in the years 1997, 2003 and 2005. The high removal cost in the early 1990s related to practices during that time. The high removal more recently related to location of the assets. Cost of removal for the most recent five years averaged 45 percent.

Gross salvage has diminished drastically since 1999. The most recent five-year average of 2 percent gross salvage reflects recent trends of minimal salvage value for conductor.

The net salvage percent based on the overall period 1990 through 2005 is 29 percent negative net salvage. The range of estimates made by other electric companies for overhead conductor is negative 20 to negative 50 percent. The net salvage estimate for overhead conductor is negative 30 percent, is within the range of estimates for other electric companies and reflects the trend toward more negative net salvage.

The net salvage estimates for steam production accounts were based on the decommissioning cost study performed by Sargent and Lundy. The net salvage percents

for the remaining accounts were based on judgment incorporating estimates of previous studies of this and other electric utilities.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

After the survivor curve and salvage are estimated, the annual depreciation accrual rate can be calculated. In the average service life procedure, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate, Percent} = \frac{(100\% \text{ Net Salvage, Percent})}{\text{Average Service Life}}$$

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which will not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as a basis for straight line depreciation accounting.

The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon the attained age and the estimated survivor curve. The accrued depreciation ratios are calculated as follows:

$$\text{Ratio} = \left(1 - \frac{\text{Average Remaining Life Expectancy}}{\text{Average Service Life}}\right) (1 - \text{Net Salvage, Percent}).$$

The application of these procedures is described for a single unit of property and a group of property units. Salvage is omitted from the description for ease of application.

Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10}\right) = \$400.$$

Group Depreciation Procedures

When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

Average Service Life Procedure. In the average service life procedure, the rate of annual depreciation is based on the average service life of the group, and this rate is applied to the surviving balances of the group's cost. The accrued depreciation is based on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the excess cost recouped subsequent to average life. The recovery of cost is complete at the end of the life cycle,

but the distribution of capital cost to annual expense does not match the consumption of service value of plant.

Equal Life Group Procedure. In the equal life group procedure, also known as the unit summation procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life unit.

This procedure eliminates the need to base annual depreciation expense on average lives, inasmuch as each group has a single life. The full cost of short-lived items is accrued during their lives, leaving no deferral of accruals required to be added to the annual cost associated with long-lived items. The depreciation expense for the property group is the summation of the depreciation expense based on the service life of each equal life group.

The table on the following page presents an illustration of calculation of equal life group depreciation using the Iowa 8-S2.5 survivor curve, net salvage of 0 percent and a December 31, 2005 calculation date.

In the table, each equal life group is defined by the age interval shown in columns 1 and 2. These are the ages at which the first and last retirement of each group occur, and the group's equal life, shown in column 3, is the midpoint of the interval. For purposes of the calculation, the computer is programmed to divide each vintage into equal life groups arranged so that the midpoint of each one-year age interval coincides with the calculation date, e.g., December 31 in this case. This enables the calculation of annual accruals for a twelve-month period centered on the date of calculation.

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
 CALCULATION DATE.. 12-31-2005
 SURVIVOR CURVE.... 8-S2.5

AGE INTERVAL		LIFE	RETIREMENTS GROUP		YEAR INST	SUMMATION OF ANNUAL ACCRUALS	AVERAGE PERCENT SURVIVING	ANNUAL FACTOR	ACCRUED FACTOR
BEG	END		DURING INTERVAL	ANNUAL ACCRUAL					
(1)	(2)	(3)	(4)	(5)=(4)/(3)	(6)	(7)	(8)	(9)	(10)
0.000	1.000	0.500	0.00787	0.00787000000	2005	13.82786081747	99.998479	0.1383	0.0692
1.000	2.000	1.500	0.16453	0.10968666667	2004	13.76514748413	99.909865	0.1378	0.2067
2.000	3.000	2.500	0.86049	0.34419600000	2003	13.53820615080	99.397353	0.1362	0.3405
3.000	4.000	3.500	2.58764	0.73932571429	2002	12.99644529365	97.673288	0.1331	0.4659
4.000	5.000	4.500	5.69677	1.26594888889	2001	11.99380799206	93.531083	0.1282	0.5769
5.000	6.000	5.500	9.88864	1.79793454545	2000	10.46186627489	85.738378	0.1220	0.6710
6.000	7.000	6.500	14.07813	2.16586615385	1999	8.47996592524	73.754993	0.1150	0.7475
7.000	8.000	7.500	16.71593	2.22879066667	1998	6.28263751498	58.357963	0.1077	0.8078
8.000	9.000	8.500	16.71591	1.96657764706	1997	4.18495335812	41.642043	0.1005	0.8543
9.000	10.000	9.500	14.07814	1.48190947368	1996	2.46070979775	26.245018	0.0938	0.8911
10.000	11.000	10.500	9.88864	0.94177523810	1995	1.24886744186	14.261630	0.0876	0.9198
11.000	12.000	11.500	5.69678	0.49537217391	1994	0.53029373585	6.468920	0.0820	0.9430
12.000	13.000	12.500	2.58762	0.20700960000	1993	0.17910284890	2.326718	0.0770	0.9625
13.000	14.000	13.500	0.86038	0.06373185185	1992	0.04373212297	0.602718	0.0726	0.9801
14.000	15.000	14.500	0.16465	0.01135517241	1991	0.00618861084	0.090203	0.0686	0.9947
15.000	15.840	15.420	0.00788	0.00051102464	1990	0.00021463035	0.003310	0.0648	1.0000
TOTAL			100.00000						

The retirement during the age interval, shown in column 4, is the size of each equal life group, and is derived from the Iowa 8-R2.5 survivor curve. It is the difference between the percents surviving at the beginning and end of the age interval.

Each equal life group's annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3) and multiplied by the quantity one minus the net salvage percent with the exception of 2005 installations. For 2005 installations, the group annual accrual is equal to the retirements during the interval multiplied by one minus the net salvage percent.

Columns 6 through 10 show the derivation of the annual factor and accrued factor for each vintage based on the information developed in the first five columns. The year installed is shown in column 6. For all vintages other than 2005, the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-

half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure 13.76514748413 for 2004 equals one-half of 0.10968666667 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval has reached the year during which it is expected to be retired.

The summation of annual accruals (column 7) for installations during 2005 are calculated on the basis of an in-service date at the midpoint of the year, i.e., June 30. Inasmuch as the overall calculation is centered on December 31, 2005, the first figure in column 7, for vintage 2005, equals all of the group annual accrual for the first equal life group plus the accruals for all of the subsequent equal life groups.

The average percent surviving, derived from the Iowa 8-R2.5 survivor curve, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8).

The accrued factor, shown in column 10, equals the annual factor multiplied by the age of the group at December 31, 2005.

REMAINING LIFE ANNUAL ACCRUAL RATES

The annual depreciation accrual rates are calculated as of December 31, 2005, and based on the straight line remaining life method using the equal life group procedure. For the purpose of calculating the composite remaining life accrual rates as of December 31, 2005, the book reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account as of December 31, 2005. The remaining life annual accrual for each vintage is determined by dividing future book

accruals (original cost less book reserve) by the composite remaining life for the surviving original cost of that vintage. The composite remaining life is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\frac{\text{Book Cost}}{\text{Life}}}$$

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\text{Whole Life Future Accruals}}{\text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\text{Book Cost} - \text{Calc. Reserve}}{\text{Whole Life Annual Accrual}}$$

The composite remaining life calculations were made using computer software that utilizes detailed ELG calculations of whole life future accruals and annual accruals in order to derive the vintage composite remaining lives. The annual accrual rate for each account is equal to the sum of the remaining life annual accruals divided by the total original cost. The composite remaining life is calculated by dividing the sum of the future book accruals by the sum of the remaining life annual accruals.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization, as defined in the Uniform System of Accounts, is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization periods and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is appropriate for certain General Plant accounts that represent numerous units of property, but a very small portion of depreciable electric plant in service. The accounts and their amortization periods are as follows:

	<u>Account</u>	<u>Amortization Period, Years</u>
1910	Office Furniture and Equipment	20
1930	Stores Equipment	20
1940	Tools, Shop and Garage Equipment	25
1970	Communication Equipment	15
1980	Miscellaneous Equipment	15
3910	Office Furniture and Equipment	20
3940	Tools, Shop, Garage Equipment	25
3970	Communication Equipment	15

For the purpose of calculating annual amortization amounts as of December 31, 2005, the book or ratemaking book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The

remaining reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortization (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

III-1

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual depreciation accrual rates are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates were calculated in accordance with the straight line remaining life method of depreciation using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

The annual depreciation accrual rates are applicable specifically to the electric and common plant in service as of December 31, 2005. For most plant accounts, the application of such rates to future balances that reflect additions subsequent to December 31, 2005, is reasonable for a period of three to five years.

DESCRIPTION OF STATISTICAL SUPPORT

The service life and salvage estimates were based on judgment which incorporated statistical analyses of retirement data, discussions with management and consideration of estimates made for other electric utility companies. The results of the statistical analyses of service life are presented in the section titled "Service Life Statistics".

The estimated survivor curves for each account are presented in graphical form. The charts depict the estimated smooth survivor curve and original survivor curve(s), when

applicable, related to each specific group. For groups where the original survivor curve was plotted, the calculation of the original life table is also presented.

The analyses of salvage data are presented in the section titled, "Net Salvage Statistics". The tabulations present annual cost of removal and salvage data, three-year moving averages and the most recent five-year average. Data are shown in dollars and as percentages of original costs retired.

DESCRIPTION OF DEPRECIATION TABULATIONS

A summary of the results of the study, as applied to the original cost of electric and common plant at December 31, 2005, is presented on pages III-4 through III-6 of this report. The schedule sets forth the original cost, the book reserve, future accruals, the calculated annual depreciation rate and amount, and the composite remaining life related to electric and common plant.

The tables of the calculated annual depreciation accruals are presented in account sequence in the section titled "Depreciation Calculations." The tables indicate the estimated survivor curve and salvage percent for the account and set forth for each installation year the original cost, the calculated accrued depreciation, the allocated book reserve, future accruals, the remaining life and the calculated annual accrual amount.

DUKE ENERGY KENTUCKY
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	RATE	COMPOSITE REMAINING LIFE		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)		
COMMON PLANT										
1900	STRUCTURES & IMPROVEMENTS									
	ERLANGER OPERATIONS CENTER	15-SQ	0	2,100,000.00	35,018	2,084,982	142,413	6.78	14.5	
	FLORENCE SERVICE BUILDING	100-R1	*	(10)	4,438,063.97	1,383,066	3,498,802	112,773	2.54	31.0
	KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE	100-R1	*	(10)	1,776,849.99	1,279,475	675,060	105,459	5.94	6.4
	MINOR STRUCTURES	40-R1		0	5,371.46	1,066	4,305	172	3.20	25.0
	TOTAL STRUCTURES & IMPROVEMENTS			8,320,285.42	2,698,625	6,243,149	360,817	4.34	17.3	
1910	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	397,767.83	153,338	244,431	49,176	12.36	5.0	
1930	STORES AND EQUIPMENT	20-SQ	0	5,562.77	(17,351)	22,914	2,696	48.47	8.5	
1940	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	185,827.80	76,299	109,528	11,654	6.27	9.4	
1970	COMMUNICATION EQUIPMENT	15-SQ	0	39,252.18	(6,193)	45,445	5,346	13.62	8.5	
1980	MISCELLANEOUS EQUIPMENT	15-SQ	0	11,371.92	405	10,967	756	6.65	14.5	
	TOTAL COMMON PLANT			8,980,067.92	2,905,123	6,676,434	430,445	4.80	15.5	
STEAM PRODUCTION PLANT										
MIAMI FORT UNIT 6										
3110	STRUCTURES AND IMPROVEMENTS	100-R2.5	*	(5)	3,056,616.76	3,056,617	152,830	10,793	0.35	14.2
3120	BOILER PLANT	45-S1	*	(15)	37,142,775.96	15,442,532	27,271,661	2,179,502	5.87	12.5
3122	BOILER PLANT - RETROFIT PRECIPITATORS	50-S1.5	*	(15)	11,772,653.72	11,185,190	2,353,362	171,143	1.45	13.8
3140	TURBOGENERATOR UNITS	52-R2	*	(10)	11,501,258.65	10,666,041	1,985,342	144,615	1.26	13.7
3150	ACCESSORY ELECTRIC EQUIPMENT	55-R2.5	*	(5)	4,075,296.48	3,594,119	684,943	49,280	1.21	13.9
3160	MISCELLANEOUS POWER PLANT - EXCLUDING SHOP	55-S0.5	*	0	724,421.07	179,022	545,399	40,027	5.53	13.6
	TOTAL MIAMI FORT UNIT 6			68,273,022.64	44,123,521	32,993,537	2,595,360	3.80	12.7	
EAST BEND										
3110	STRUCTURES AND IMPROVEMENTS	100-R2.5	*	(8)	35,078,476.47	21,201,735	16,683,020	500,678	1.43	33.3
3120	BOILER PLANT	45-S1	*	(26)	276,530,866.48	134,227,951	214,200,942	9,329,691	3.37	23.0
3123	BOILER PLANT - CATALYST	8-S2.5		0	2,230,486.31	863,994	1,366,492	340,771	15.28	4.0
3140	TURBOGENERATOR UNITS	52-R2	*	(18)	66,989,482.81	30,880,436	48,167,154	1,891,524	2.82	25.5
3150	ACCESSORY ELECTRIC EQUIPMENT	55-R2.5	*	(9)	25,101,925.75	14,093,892	13,267,206	510,292	2.03	26.0
3160	MISCELLANEOUS POWER PLANT - EXCLUDING SHOP	55-S0.5	*	0	8,496,040.20	3,688,681	4,807,360	182,751	2.15	26.3
	TOTAL EAST BEND			414,427,278.02	204,956,689	298,492,174	12,755,707	3.08	23.4	
	TOTAL STEAM PRODUCTION PLANT			482,700,300.66	249,080,210	331,485,711	15,351,067	3.18	21.6	

DUKE ENERGY KENTUCKY
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)		
OTHER PRODUCTION PLANT										
3401	RIGHTS OF WAY	40-SQ	0	651,684.00	25,416	626,268	23,633	3.63	26.5	
3410	STRUCTURES AND IMPROVEMENTS	SQUARE	*	(4)	33,725,782.31	16,487,033	18,587,781	701,426	2.08	26.5
3420	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	SQUARE	*	(4)	15,507,515.98	8,791,938	7,335,878	276,826	1.79	26.5
3430	PRIME MOVERS	SQUARE	*	(9)	173,729.17	0	189,365	7,146	4.11	26.5
3440	GENERATORS	70-R2.5	*	(6)	188,960,592.35	84,509,517	115,788,711	4,673,413	2.47	24.8
3450	ACCESSORY ELECTRIC EQUIPMENT	55-S2	*	0	16,867,009.87	9,606,254	7,260,756	302,976	1.80	24.0
3460	MISCELLANEOUS POWER PLANT EQUIPMENT	40-R2.5	*	0	3,701,280.07	2,031,473	1,669,809	78,229	2.11	21.3
TOTAL OTHER PRODUCTION PLANT				259,587,593.75	121,451,631	151,458,568	6,063,649	2.34	25.0	
TRANSMISSION PLANT										
3501	RIGHTS OF WAY	65-R4	0	905,970.01	465,555	440,416	13,409	1.48	32.8	
3520	STRUCTURES AND IMPROVEMENTS	55-R3	(5)	381,058.99	356,286	43,827	1,569	0.41	27.9	
3530	STATION EQUIPMENT	50-R1.5	(5)	6,955,554.64	2,437,097	4,866,238	156,736	2.25	31.0	
3532	STATION EQUIPMENT - MAJOR	45-R2.5	(10)	3,373,232.83	979,197	2,731,359	93,449	2.77	29.2	
3535	STATION EQUIPMENT - ELECTRONIC	15-R2	0	13,820.02	221	13,599	1,320	9.55	10.3	
3550	POLES AND FIXTURES	50-R1.5	(25)	5,114,855.84	2,926,128	3,467,442	116,514	2.28	29.8	
3560	OVERHEAD CONDUCTORS AND DEVICES	44-R0.5	(10)	4,363,508.45	2,388,861	2,411,000	100,929	2.31	23.9	
TOTAL TRANSMISSION PLANT				21,108,000.78	9,553,345	13,973,881	483,926	2.29	28.9	
DISTRIBUTION PLANT										
3601	RIGHTS OF WAY	70-R3	0	4,459,567.36	2,303,086	2,156,483	47,526	1.07	45.4	
3610	STRUCTURES AND IMPROVEMENTS	55-R3	(5)	309,258.74	222,370	102,353	2,895	0.94	35.4	
3620	STATION EQUIPMENT	46-R2	(10)	18,814,186.03	4,876,157	15,819,446	625,622	3.33	25.3	
3622	STATION EQUIPMENT - MAJOR	45-R2.5	(10)	15,065,669.50	3,243,435	13,328,801	496,342	3.29	26.9	
3635	STATION EQUIPMENT - ELECTRONIC	15-R2	0	106,006.41	380	105,626	10,226	9.65	10.3	
3640	POLES, TOWERS AND FIXTURES	44-R0.5	(15)	43,026,868.56	16,468,681	33,012,220	1,413,852	3.29	23.3	
3650	OVERHEAD CONDUCTORS AND DEVICES	44-R1	(30)	61,492,931.54	30,858,196	49,082,614	1,908,852	3.10	25.7	
3660	UNDERGROUND CONDUIT	65-R3	(20)	14,352,677.62	2,747,147	14,476,070	302,258	2.11	47.9	
3670	UNDERGROUND CONDUCTORS AND DEVICES	60-R2	(40)	33,231,540.23	6,861,708	39,662,451	1,034,795	3.11	38.3	
3680	LINE TRANSFORMERS	35-R1	(5)	49,013,366.64	22,757,847	28,708,187	1,472,550	3.00	19.5	
3682	LINE TRANSFORMERS - CUSTOMER	50-R1.5	(5)	273,660.52	273,661	13,680	472	0.17	29.0	
3691	SERVICES - UNDERGROUND	55-R2	(30)	515,125.88	140,227	529,438	14,891	2.89	35.6	
3692	SERVICES - OVERHEAD	47-R1	(60)	10,257,448.65	7,968,400	8,443,520	308,945	3.01	27.3	
3700	METERS	28-S0	0	10,121,655.21	2,501,214	7,620,439	589,342	5.82	12.9	
3701	LEASED METERS	28-S0	0	3,558,485.58	210,492	3,347,994	199,506	5.61	16.8	
3720	LEASED PROPERTY ON CUSTOMER PREMISES	25-L2	0	9,647.36	9,648	(1)	0	-	-	
3731	STREET LIGHTING - OVERHEAD	30-L1	(5)	2,754,323.09	2,424,552	467,481	25,245	0.92	18.5	
3732	STREET LIGHTING - BOULEVARD	30-L1	(5)	2,840,524.03	1,276,667	1,705,886	102,793	3.62	16.6	
3733	STREET LIGHTING - CUSTOMER POLES	30-R1	(15)	1,618,092.14	1,364,604	496,200	27,858	1.72	17.8	
TOTAL DISTRIBUTION PLANT				271,821,035.09	106,508,472	219,076,888	8,583,970	3.16	25.5	

DUKE ENERGY KENTUCKY
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND CALCULATED
ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2005

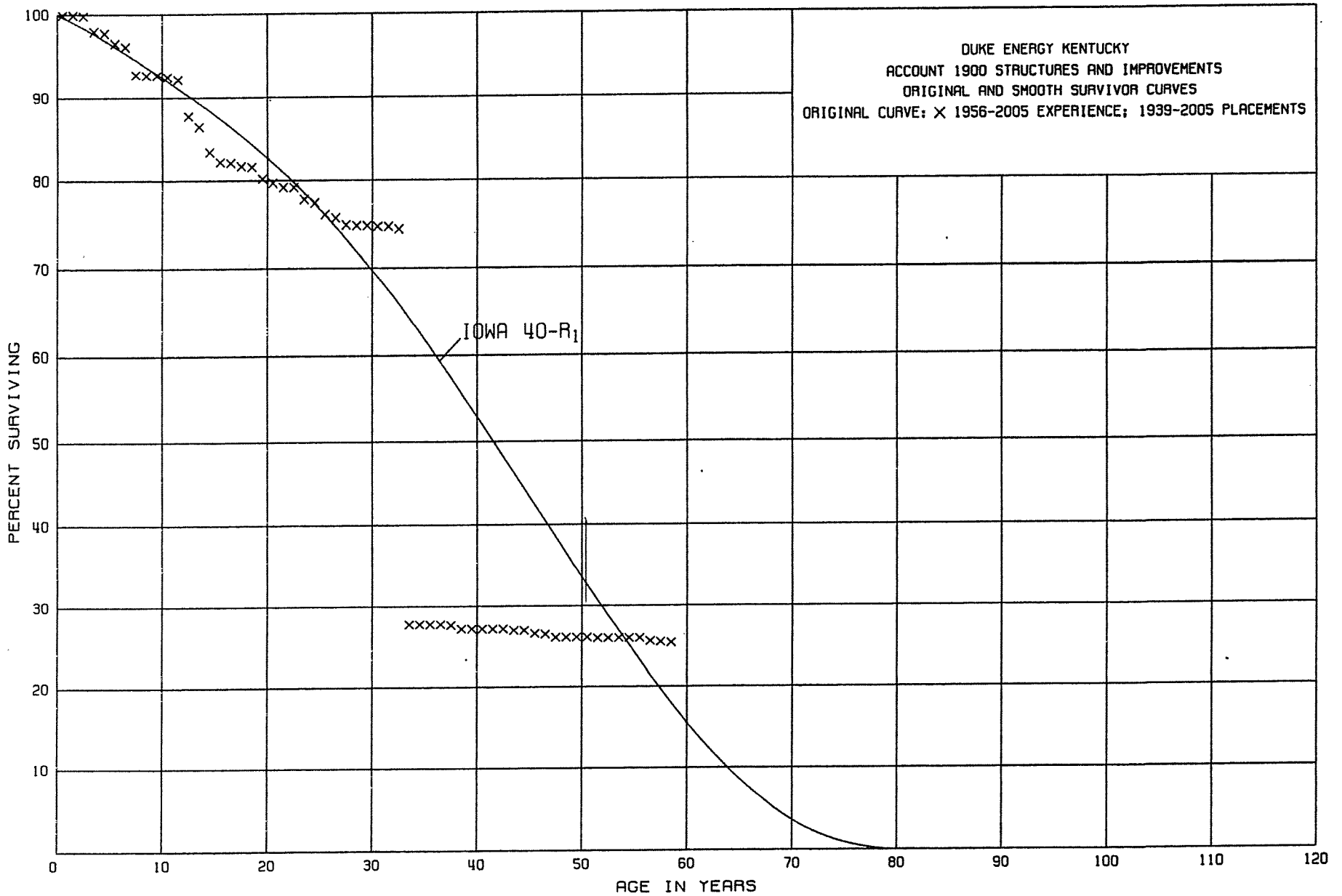
ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)	
GENERAL PLANT									
3900	STRUCTURES AND IMPROVEMENTS	35-R2.5	(5)	32,123.51	18,990	14,739	568	1.77	25.9
3910	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	36,019.42	18,683	17,337	6,684	18.56	2.6
3921	TRAILERS	15-SQ	0	99,599.04	33,373	66,226	6,499	6.53	10.2
3940	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	466,595.20	214,835	251,758	19,330	4.14	13.0
3960	POWER OPERATED EQUIPMENT	14-R3	0	12,044.52	12,045	0	0	-	-
3970	COMMUNICATION EQUIPMENT	15-SQ	0	84,462.76	69,833	14,630	5,852	6.93	2.5
TOTAL GENERAL PLANT				730,844.45	367,759	364,690	38,933	5.33	9.4
TOTAL DEPRECIABLE PLANT				1,044,907,842.65	489,866,540	723,036,172	30,951,990		
NONDEPRECIABLE PLANT									
1030	MISCELLANEOUS INTANGIBLE PLANT			16,538,388.85					
1890	LAND			1,189,863.49					
3030	MISCELLANEOUS INTANGIBLE PLANT			2,082,231.93					
3100	LAND			1,686,547.45					
3400	LAND			2,258,588.39					
3500	LAND			190,972.85					
3800	LAND			3,094,499.58					
TOTAL NONDEPRECIABLE PLANT				27,041,092.54					
TOTAL COMMON AND ELECTRIC PLANT				1,071,948,935.19	489,866,540	723,036,172	30,951,990		

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

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SERVICE LIFE STATISTICS

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DUKE ENERGY KENTUCKY

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1939-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	29,308,943		0.0000	1.0000	100.00
0.5	27,195,778	6,455	0.0002	0.9998	100.00
1.5	26,852,587	49,458	0.0018	0.9982	99.98
2.5	26,710,032	503,778	0.0189	0.9811	99.80
3.5	7,791,734	21,016	0.0027	0.9973	97.91
4.5	7,544,689	92,480	0.0123	0.9877	97.65
5.5	7,137,878	29,613	0.0041	0.9959	96.45
6.5	6,882,282	236,910	0.0344	0.9656	96.05
7.5	6,521,785	5,034	0.0008	0.9992	92.75
8.5	7,105,445	160	0.0000	1.0000	92.68
9.5	7,069,643	11,415	0.0016	0.9984	92.68
10.5	6,749,896	21,281	0.0032	0.9968	92.53
11.5	6,491,536	318,359	0.0490	0.9510	92.23
12.5	6,007,572	87,431	0.0146	0.9854	87.71
13.5	5,861,293	207,048	0.0353	0.9647	86.43
14.5	2,107,780	30,820	0.0146	0.9854	83.38
15.5	2,073,620	678	0.0003	0.9997	82.16
16.5	2,038,879	11,780	0.0058	0.9942	82.14
17.5	2,026,506	1,806	0.0009	0.9991	81.66
18.5	2,012,248	34,678	0.0172	0.9828	81.59
19.5	1,977,127	12,534	0.0063	0.9937	80.19
20.5	1,939,794	10,723	0.0055	0.9945	79.68
21.5	1,886,718	1,237	0.0007	0.9993	79.24
22.5	1,871,445	31,918	0.0171	0.9829	79.18
23.5	1,827,012	10,857	0.0059	0.9941	77.83
24.5	1,782,961	30,182	0.0169	0.9831	77.37
25.5	1,741,218	8,188	0.0047	0.9953	76.06
26.5	1,693,091	16,881	0.0100	0.9900	75.70
27.5	1,652,584	3,518	0.0021	0.9979	74.94
28.5	1,648,090		0.0000	1.0000	74.78
29.5	1,647,753	2,254	0.0014	0.9986	74.78
30.5	1,639,179	607	0.0004	0.9996	74.68
31.5	1,631,934	6,025	0.0037	0.9963	74.65
32.5	1,617,324	1,014,227	0.6271	0.3729	74.37
33.5	598,463		0.0000	1.0000	27.73
34.5	598,463	1,358	0.0023	0.9977	27.73
35.5	595,180		0.0000	1.0000	27.67
36.5	590,843	2,604	0.0044	0.9956	27.67
37.5	588,239	9,526	0.0162	0.9838	27.55
38.5	567,914		0.0000	1.0000	27.10

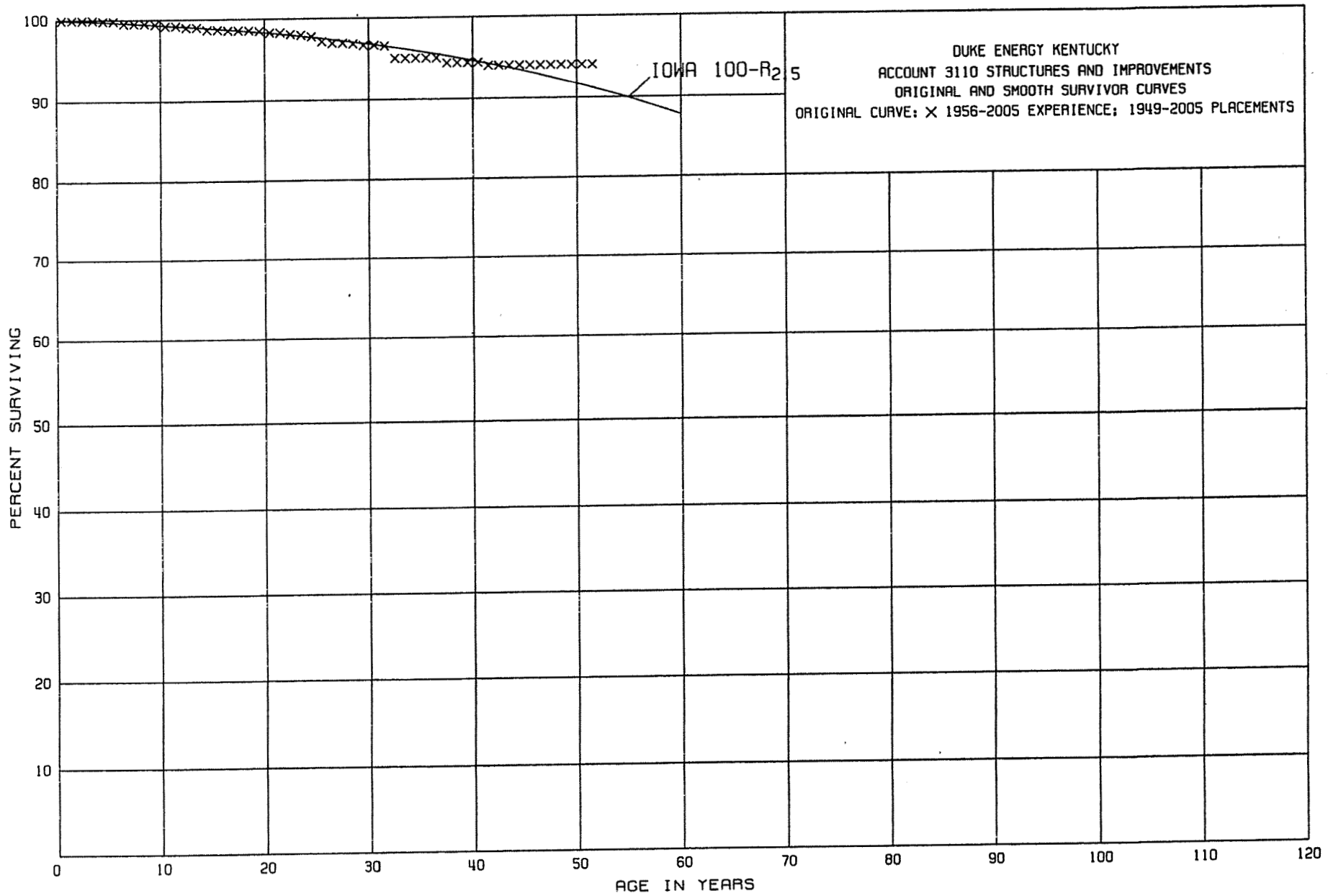
DUKE ENERGY KENTUCKY

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1939-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	567,436	154	0.0003	0.9997	27.10
40.5	564,872		0.0000	1.0000	27.09
41.5	563,212		0.0000	1.0000	27.09
42.5	563,212	3,870	0.0069	0.9931	27.09
43.5	559,342		0.0000	1.0000	26.90
44.5	555,581	7,453	0.0134	0.9866	26.90
45.5	548,129	2,847	0.0052	0.9948	26.54
46.5	543,376	8,622	0.0159	0.9841	26.40
47.5	534,663		0.0000	1.0000	25.98
48.5	533,183		0.0000	1.0000	25.98
49.5	532,870	596	0.0011	0.9989	25.98
50.5	532,152	1,586	0.0030	0.9970	25.95
51.5	530,566		0.0000	1.0000	25.87
52.5	525,576		0.0000	1.0000	25.87
53.5	525,576		0.0000	1.0000	25.87
54.5	524,966		0.0000	1.0000	25.87
55.5	522,133	6,779	0.0130	0.9870	25.87
56.5	507,480	2,420	0.0048	0.9952	25.53
57.5	505,060	2,327	0.0046	0.9954	25.41
58.5	1,239		0.0000	1.0000	25.29
59.5	1,239		0.0000	1.0000	25.29
60.5	1,239		0.0000	1.0000	25.29
61.5	1,239		0.0000	1.0000	25.29
62.5	1,239		0.0000	1.0000	25.29
63.5	1,239	1,025	0.8273	0.1727	25.29
64.5	214		0.0000	1.0000	4.37
65.5	214		0.0000	1.0000	4.37
66.5					4.37

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DUKE ENERGY KENTUCKY

ACCOUNT 3110 STRUCTURES AND IMPROVEMENTS

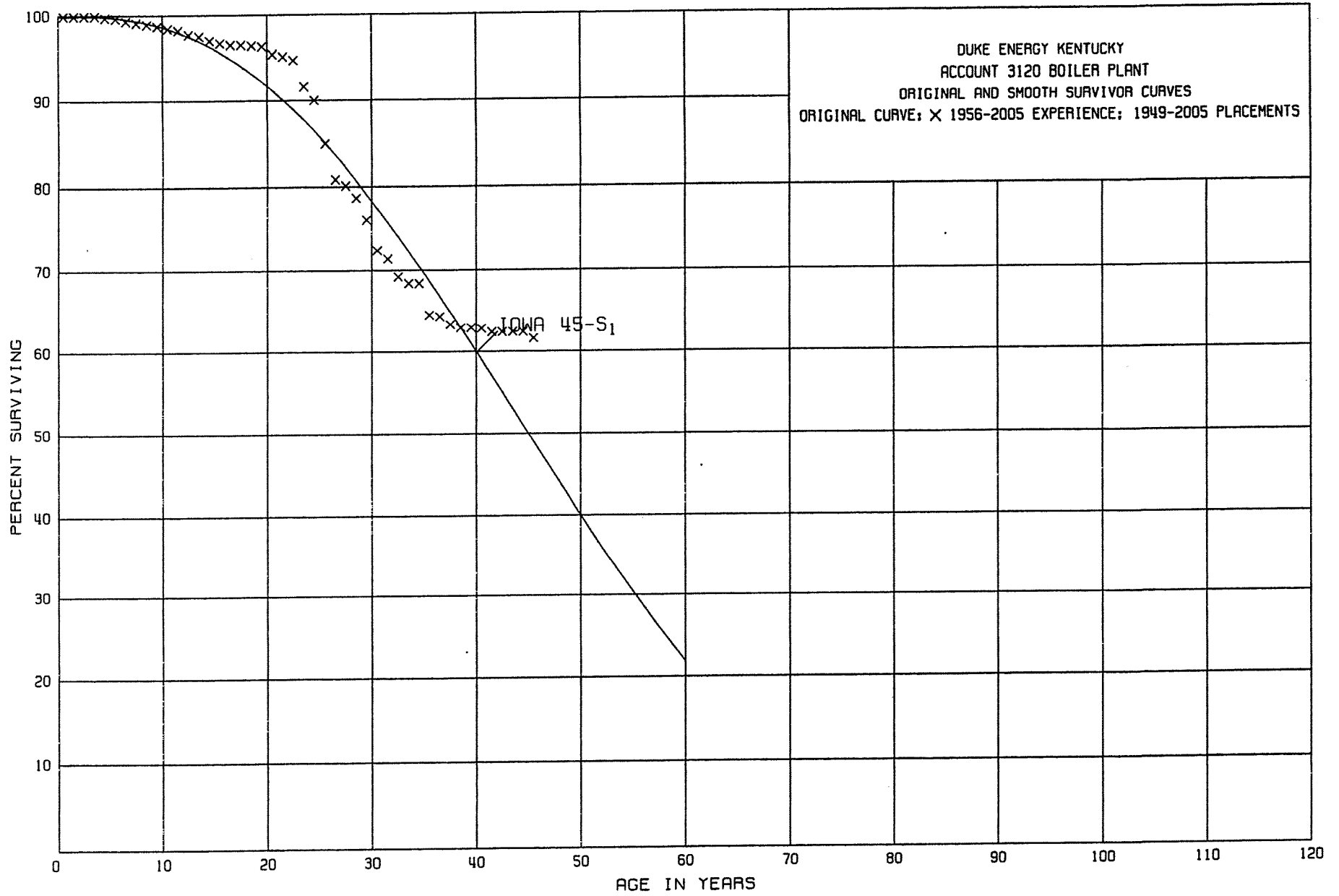
ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	44,603,712		0.0000	1.0000	100.00
0.5	44,505,662		0.0000	1.0000	100.00
1.5	44,163,130	40,813	0.0009	0.9991	100.00
2.5	44,000,234	1,953	0.0000	1.0000	99.91
3.5	43,658,851	44,255	0.0010	0.9990	99.91
4.5	43,436,060	4,948	0.0001	0.9999	99.81
5.5	43,324,400	117,932	0.0027	0.9973	99.80
6.5	42,884,661	15,572	0.0004	0.9996	99.53
7.5	42,860,144	9,553	0.0002	0.9998	99.49
8.5	42,527,550	50,979	0.0012	0.9988	99.47
9.5	42,288,301	66,788	0.0016	0.9984	99.35
10.5	41,337,581	3,914	0.0001	0.9999	99.19
11.5	41,018,470	93,472	0.0023	0.9977	99.18
12.5	40,818,038		0.0000	1.0000	98.95
13.5	40,603,518	83,648	0.0021	0.9979	98.95
14.5	40,374,008	21,075	0.0005	0.9995	98.74
15.5	39,940,520	23,550	0.0006	0.9994	98.69
16.5	39,131,372		0.0000	1.0000	98.63
17.5	39,123,692	30,871	0.0008	0.9992	98.63
18.5	39,007,730	5,711	0.0001	0.9999	98.55
19.5	38,921,734	96,561	0.0025	0.9975	98.54
20.5	38,435,509		0.0000	1.0000	98.29
21.5	38,435,509	88,923	0.0023	0.9977	98.29
22.5	38,247,250	41,973	0.0011	0.9989	98.06
23.5	37,658,210	76,245	0.0020	0.9980	97.95
24.5	5,606,567	32,589	0.0058	0.9942	97.75
25.5	5,232,030	8,075	0.0015	0.9985	97.18
26.5	5,198,839		0.0000	1.0000	97.03
27.5	4,150,818	4,800	0.0012	0.9988	97.03
28.5	4,146,018	10,641	0.0026	0.9974	96.91
29.5	4,108,656		0.0000	1.0000	96.66
30.5	4,108,656	2,324	0.0006	0.9994	96.66
31.5	4,106,332	65,052	0.0158	0.9842	96.60
32.5	4,019,889		0.0000	1.0000	95.07
33.5	4,019,889		0.0000	1.0000	95.07
34.5	4,019,889		0.0000	1.0000	95.07
35.5	4,019,651		0.0000	1.0000	95.07
36.5	4,015,462	23,706	0.0059	0.9941	95.07
37.5	3,988,862		0.0000	1.0000	94.51
38.5	3,978,955		0.0000	1.0000	94.51

DUKE ENERGY KENTUCKY
ACCOUNT 3110 STRUCTURES AND IMPROVEMENTS
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,977,996		0.0000	1.0000	94.51
40.5	3,975,604	17,308	0.0044	0.9956	94.51
41.5	3,958,297		0.0000	1.0000	94.09
42.5	3,956,371		0.0000	1.0000	94.09
43.5	3,943,498		0.0000	1.0000	94.09
44.5	3,897,249		0.0000	1.0000	94.09
45.5	1,022,493		0.0000	1.0000	94.09
46.5	1,014,064		0.0000	1.0000	94.09
47.5	1,014,064		0.0000	1.0000	94.09
48.5	1,014,064		0.0000	1.0000	94.09
49.5	873,004		0.0000	1.0000	94.09
50.5	863,615		0.0000	1.0000	94.09
51.5					94.09

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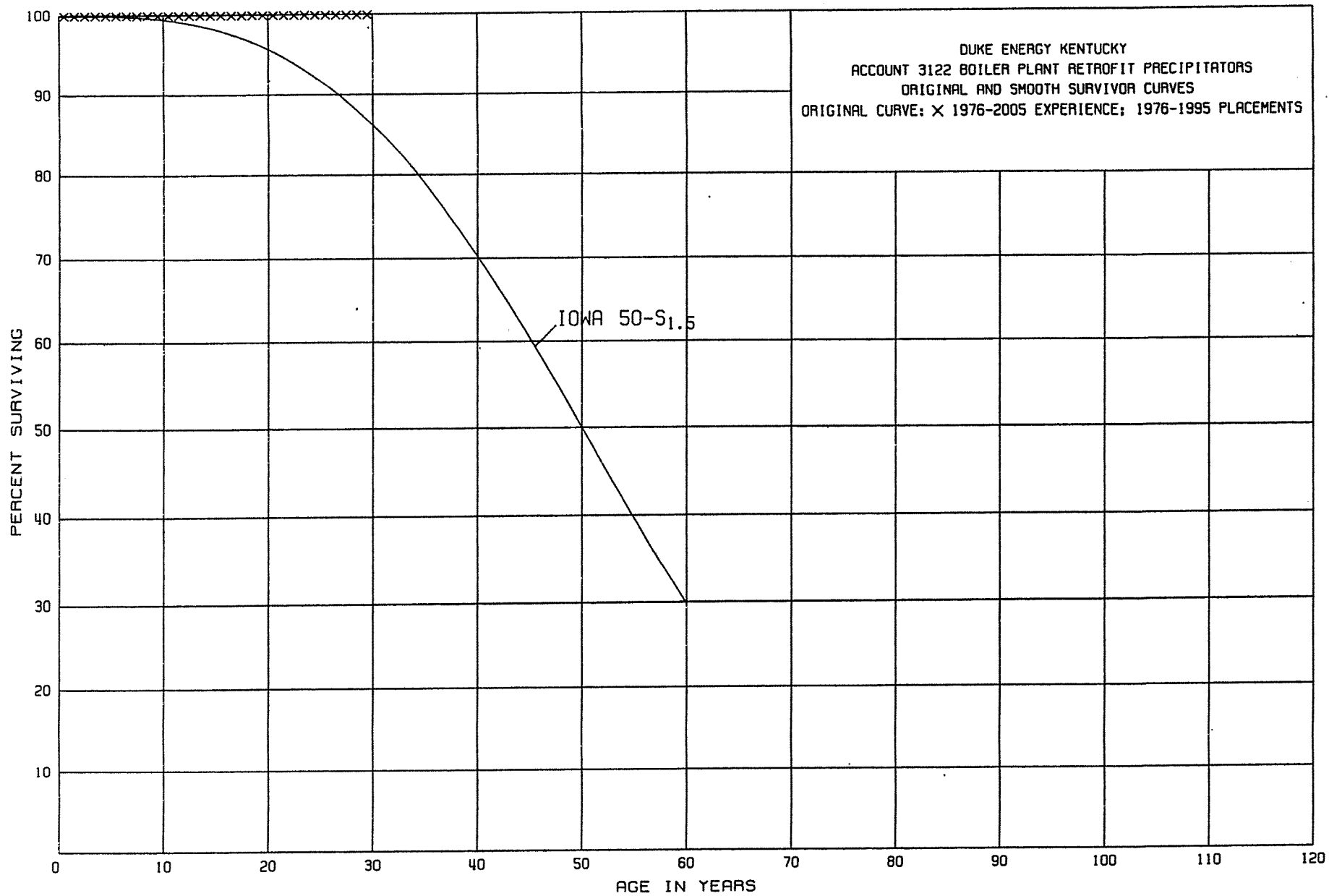
DUKE ENERGY KENTUCKY
ACCOUNT 3120 BOILER PLANT
ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	524,985,359		0.0000	1.0000	100.00
0.5	507,335,850	120,412	0.0002	0.9998	100.00
1.5	500,152,672	71,433	0.0001	0.9999	99.98
2.5	497,244,155	469,504	0.0009	0.9991	99.97
3.5	437,689,436	715,794	0.0016	0.9984	99.88
4.5	434,140,200	606,445	0.0014	0.9986	99.72
5.5	431,147,081	1,343,717	0.0031	0.9969	99.58
6.5	420,621,530	577,010	0.0014	0.9986	99.27
7.5	402,575,194	940,191	0.0023	0.9977	99.13
8.5	399,609,997	931,960	0.0023	0.9977	98.90
9.5	397,294,706	1,255,688	0.0032	0.9968	98.67
10.5	395,058,682	754,355	0.0019	0.9981	98.35
11.5	389,492,730	1,722,248	0.0044	0.9956	98.16
12.5	371,123,362	703,780	0.0019	0.9981	97.73
13.5	366,720,593	2,150,272	0.0059	0.9941	97.54
14.5	363,135,150	995,694	0.0027	0.9973	96.96
15.5	359,200,150	677,700	0.0019	0.9981	96.70
16.5	357,237,847	163,667	0.0005	0.9995	96.52
17.5	356,861,829	373,487	0.0010	0.9990	96.47
18.5	354,858,167	140,420	0.0004	0.9996	96.37
19.5	352,667,833	3,445,522	0.0098	0.9902	96.33
20.5	344,773,534	953,478	0.0028	0.9972	95.39
21.5	205,270,921	838,656	0.0041	0.9959	95.12
22.5	202,217,337	6,753,576	0.0334	0.9666	94.73
23.5	194,658,051	3,444,188	0.0177	0.9823	91.57
24.5	22,958,367	1,294,262	0.0564	0.9436	89.95
25.5	12,605,537	605,851	0.0481	0.9519	84.88
26.5	11,794,155	108,409	0.0092	0.9908	80.80
27.5	11,660,703	193,601	0.0166	0.9834	80.06
28.5	11,426,345	380,029	0.0333	0.9667	78.73
29.5	10,979,888	533,986	0.0486	0.9514	76.11
30.5	10,445,902	145,316	0.0139	0.9861	72.41
31.5	10,182,998	314,983	0.0309	0.9691	71.40
32.5	9,841,545	118,050	0.0120	0.9880	69.19
33.5	9,717,152	1,221	0.0001	0.9999	68.36
34.5	9,700,351	546,687	0.0564	0.9436	68.35
35.5	9,136,497	29,524	0.0032	0.9968	64.50
36.5	9,106,973	133,695	0.0147	0.9853	64.29
37.5	8,973,278	68,721	0.0077	0.9923	63.34
38.5	8,789,409		0.0000	1.0000	62.85

DUKE ENERGY KENTUCKY
ACCOUNT 3120 BOILER PLANT
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,718,741	14,345	0.0016	0.9984	62.85
40.5	8,020,220	50,275	0.0063	0.9937	62.75
41.5	7,915,209		0.0000	1.0000	62.35
42.5	7,890,256		0.0000	1.0000	62.35
43.5	7,862,283		0.0000	1.0000	62.35
44.5	7,853,962	101,364	0.0129	0.9871	62.35
45.5	199,575		0.0000	1.0000	61.55
46.5	199,575		0.0000	1.0000	61.55
47.5	199,575		0.0000	1.0000	61.55
48.5	199,575		0.0000	1.0000	61.55
49.5	199,575		0.0000	1.0000	61.55
50.5	199,263		0.0000	1.0000	61.55
51.5	185,606		0.0000	1.0000	61.55
52.5	185,606		0.0000	1.0000	61.55
53.5	185,606		0.0000	1.0000	61.55
54.5	185,606		0.0000	1.0000	61.55
55.5	185,606		0.0000	1.0000	61.55
56.5					61.55

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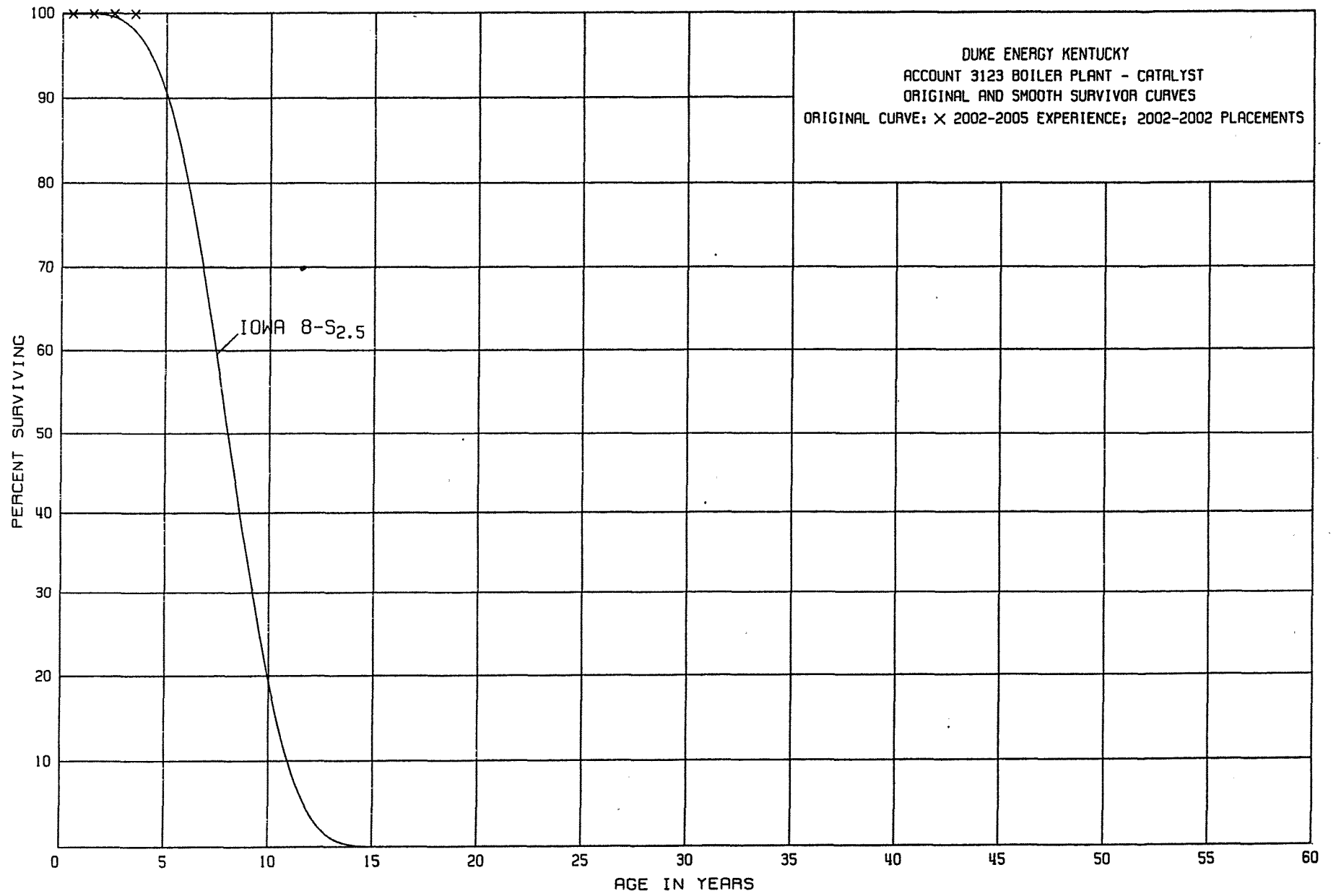
DUKE ENERGY KENTUCKY

ACCOUNT 3122 BOILER PLANT - RETROFIT PRECIPITATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1976-1995			EXPERIENCE BAND 1976-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	18,929,369		0.0000	1.0000	100.00
0.5	18,929,369		0.0000	1.0000	100.00
1.5	18,929,369		0.0000	1.0000	100.00
2.5	18,929,369		0.0000	1.0000	100.00
3.5	18,929,369		0.0000	1.0000	100.00
4.5	18,929,369		0.0000	1.0000	100.00
5.5	18,885,446		0.0000	1.0000	100.00
6.5	18,859,343		0.0000	1.0000	100.00
7.5	11,790,187		0.0000	1.0000	100.00
8.5	11,790,187		0.0000	1.0000	100.00
9.5	11,790,187		0.0000	1.0000	100.00
10.5	11,728,117		0.0000	1.0000	100.00
11.5	11,701,711		0.0000	1.0000	100.00
12.5	4,433,217		0.0000	1.0000	100.00
13.5	4,433,217		0.0000	1.0000	100.00
14.5	4,433,217		0.0000	1.0000	100.00
15.5	4,415,586		0.0000	1.0000	100.00
16.5	4,415,586		0.0000	1.0000	100.00
17.5	4,415,586		0.0000	1.0000	100.00
18.5	4,415,586		0.0000	1.0000	100.00
19.5	4,415,586		0.0000	1.0000	100.00
20.5	4,415,586		0.0000	1.0000	100.00
21.5	4,415,586		0.0000	1.0000	100.00
22.5	4,415,586		0.0000	1.0000	100.00
23.5	4,415,586		0.0000	1.0000	100.00
24.5	4,415,586		0.0000	1.0000	100.00
25.5	4,415,586		0.0000	1.0000	100.00
26.5	4,415,586		0.0000	1.0000	100.00
27.5	4,415,586		0.0000	1.0000	100.00
28.5	4,415,586		0.0000	1.0000	100.00
29.5					100.00

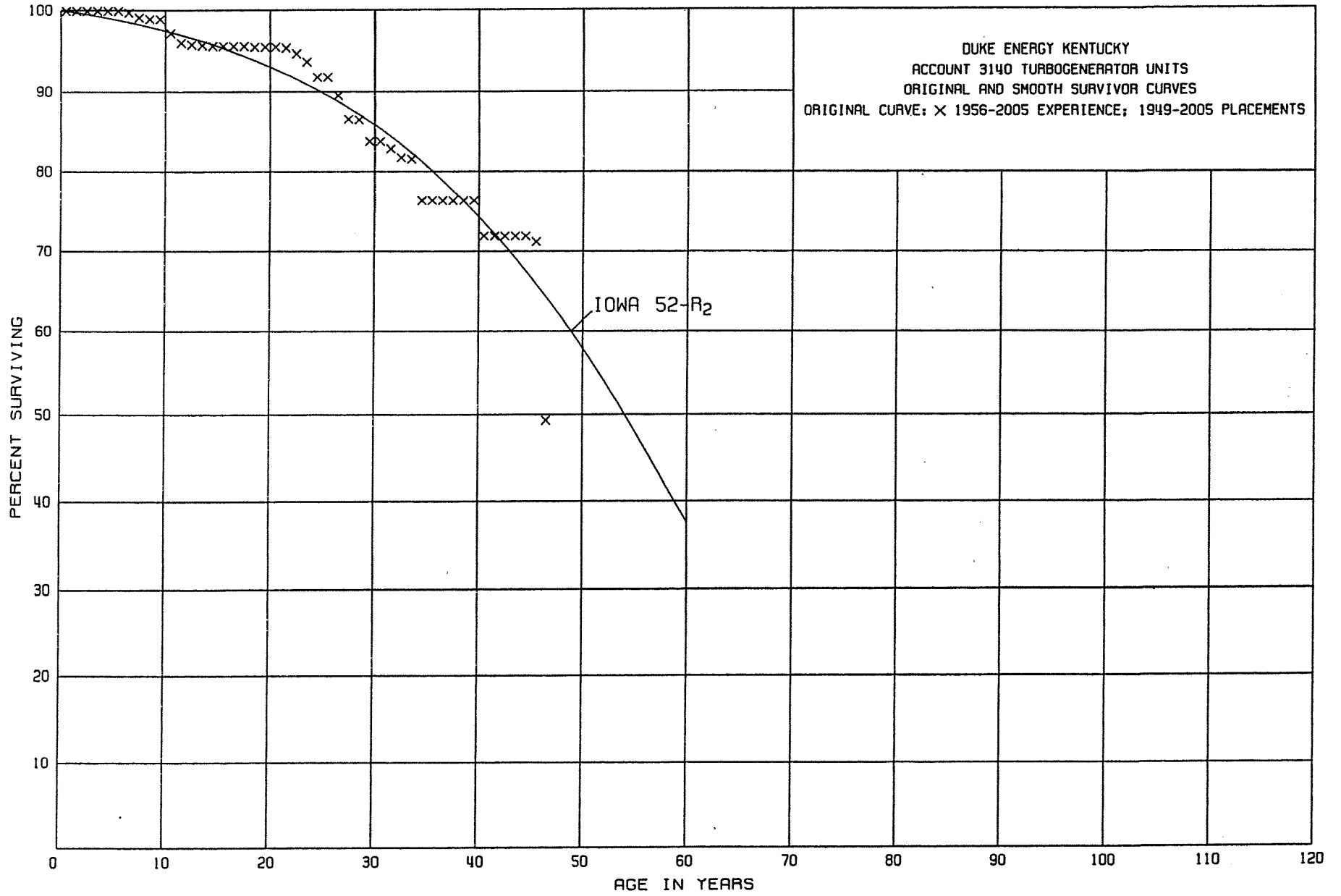
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DUKE ENERGY KENTUCKY
ACCOUNT 3123 BOILER PLANT - CATALYST
ORIGINAL LIFE TABLE

PLACEMENT BAND 2002-2002		EXPERIENCE BAND 2002-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,230,493		0.0000	1.0000	100.00
0.5	2,230,493		0.0000	1.0000	100.00
1.5	2,230,486		0.0000	1.0000	100.00
2.5	2,230,486		0.0000	1.0000	100.00
3.5					100.00

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DUKE ENERGY KENTUCKY

ACCOUNT 3140 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	84,811,717		0.0000	1.0000	100.00
0.5	73,697,777		0.0000	1.0000	100.00
1.5	73,465,484		0.0000	1.0000	100.00
2.5	73,024,715	60,220	0.0008	0.9992	100.00
3.5	72,388,550	701	0.0000	1.0000	99.92
4.5	72,016,974	905	0.0000	1.0000	99.92
5.5	71,674,764	178,326	0.0025	0.9975	99.92
6.5	69,593,303	430,140	0.0062	0.9938	99.67
7.5	69,163,163	117,275	0.0017	0.9983	99.05
8.5	68,568,544	9,638	0.0001	0.9999	98.88
9.5	68,462,293	1,186,631	0.0173	0.9827	98.87
10.5	67,275,662	841,741	0.0125	0.9875	97.16
11.5	66,345,165	76,086	0.0011	0.9989	95.95
12.5	64,424,894	125,301	0.0019	0.9981	95.84
13.5	63,252,256	12,408	0.0002	0.9998	95.66
14.5	63,020,407	29,274	0.0005	0.9995	95.64
15.5	62,833,039	8,902	0.0001	0.9999	95.59
16.5	62,759,719	3,491	0.0001	0.9999	95.58
17.5	62,756,228	67,638	0.0011	0.9989	95.57
18.5	61,986,337	3,500	0.0001	0.9999	95.46
19.5	60,759,584		0.0000	1.0000	95.45
20.5	40,214,815	13,299	0.0003	0.9997	95.45
21.5	40,191,308	311,366	0.0077	0.9923	95.42
22.5	39,776,669	407,969	0.0103	0.9897	94.69
23.5	39,220,303	786,467	0.0201	0.9799	93.71
24.5	7,814,356	6,317	0.0008	0.9992	91.83
25.5	7,808,039	190,246	0.0244	0.9756	91.76
26.5	7,613,012	260,291	0.0342	0.9658	89.52
27.5	7,327,698	2,164	0.0003	0.9997	86.46
28.5	7,325,533	228,580	0.0312	0.9688	86.43
29.5	7,091,706		0.0000	1.0000	83.73
30.5	7,091,706	78,756	0.0111	0.9889	83.73
31.5	6,989,441	90,865	0.0130	0.9870	82.80
32.5	6,887,712	16,033	0.0023	0.9977	81.72
33.5	6,871,679	432,136	0.0629	0.9371	81.53
34.5	6,435,804		0.0000	1.0000	76.40
35.5	6,435,804		0.0000	1.0000	76.40
36.5	6,435,804		0.0000	1.0000	76.40
37.5	6,435,804		0.0000	1.0000	76.40
38.5	6,435,804		0.0000	1.0000	76.40

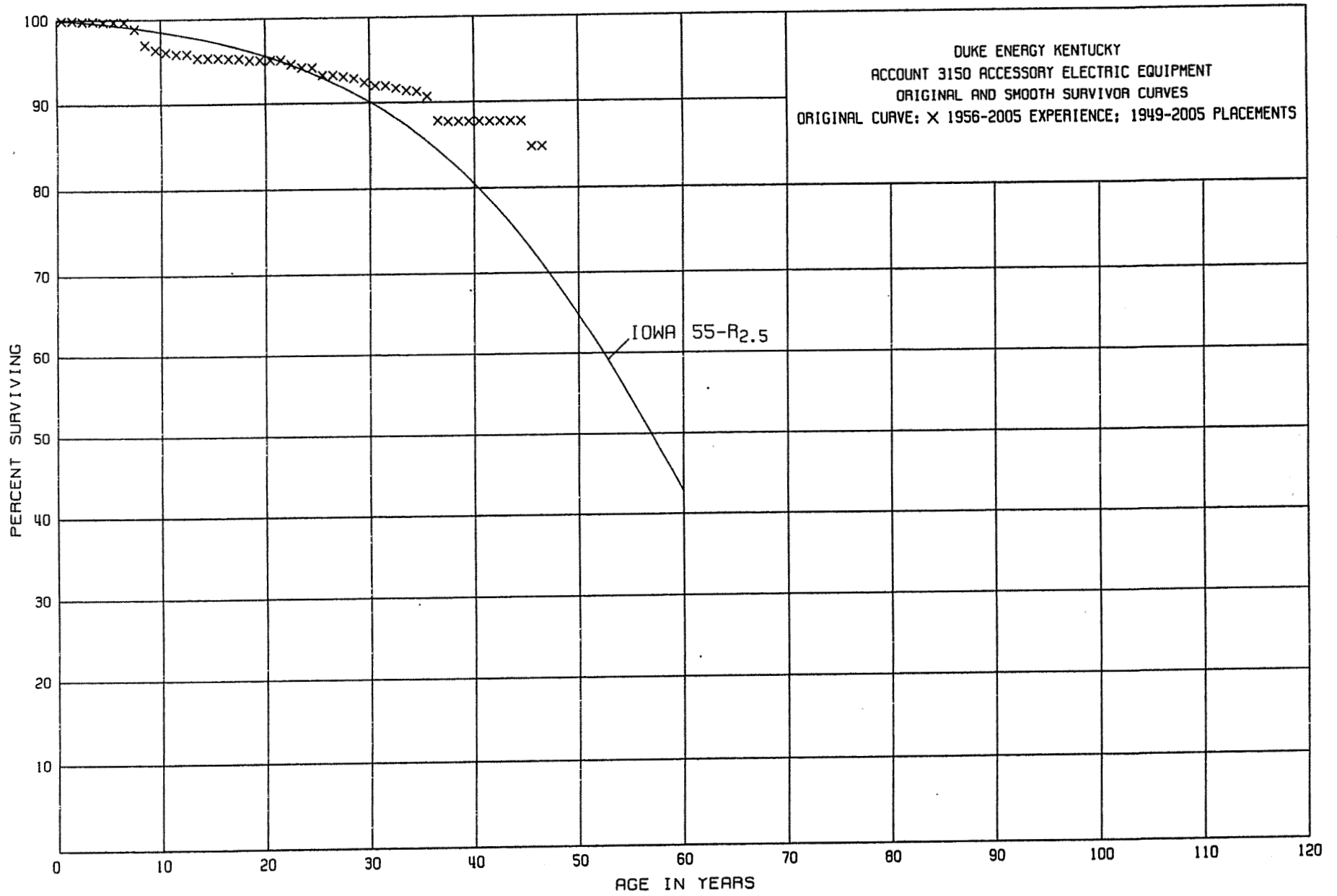
DUKE ENERGY KENTUCKY

ACCOUNT 3140 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	6,435,804	383,504	0.0596	0.9404	76.40
40.5	6,052,300		0.0000	1.0000	71.85
41.5	6,020,503		0.0000	1.0000	71.85
42.5	6,012,216		0.0000	1.0000	71.85
43.5	6,010,672		0.0000	1.0000	71.85
44.5	6,010,672	52,089	0.0087	0.9913	71.85
45.5	29,891	9,199	0.3078	0.6922	71.22
46.5					49.30

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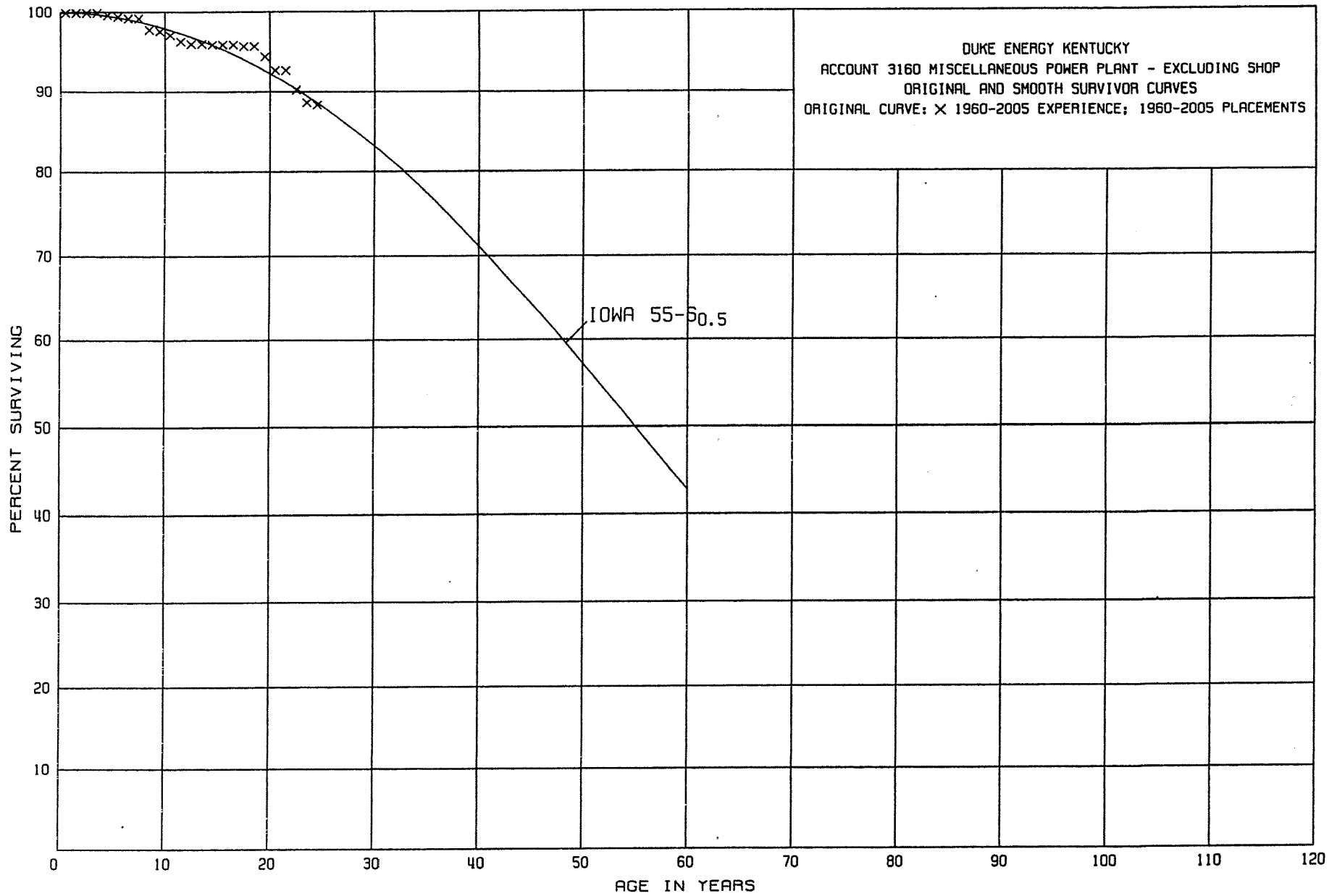
DUKE ENERGY KENTUCKY
ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	32,729,685		0.0000	1.0000	100.00
0.5	32,663,935		0.0000	1.0000	100.00
1.5	32,272,461	72,673	0.0023	0.9977	100.00
2.5	32,199,788	873	0.0000	1.0000	99.77
3.5	32,069,249	11,039	0.0003	0.9997	99.77
4.5	31,812,091	2,705	0.0001	0.9999	99.74
5.5	31,698,100		0.0000	1.0000	99.73
6.5	31,698,100	277,312	0.0087	0.9913	99.73
7.5	31,420,788	584,342	0.0186	0.9814	98.86
8.5	30,816,348	202,502	0.0066	0.9934	97.02
9.5	30,613,847	85,953	0.0028	0.9972	96.38
10.5	30,526,604	59,048	0.0019	0.9981	96.11
11.5	30,467,556	5,988	0.0002	0.9998	95.93
12.5	30,461,568	166,967	0.0055	0.9945	95.91
13.5	29,486,169		0.0000	1.0000	95.38
14.5	29,486,169	6,296	0.0002	0.9998	95.38
15.5	29,333,791	13,543	0.0005	0.9995	95.36
16.5	29,163,812	8,637	0.0003	0.9997	95.31
17.5	29,113,008	46,152	0.0016	0.9984	95.28
18.5	28,896,623		0.0000	1.0000	95.13
19.5	28,870,864	21,209	0.0007	0.9993	95.13
20.5	28,744,052	665	0.0000	1.0000	95.06
21.5	28,467,152	141,400	0.0050	0.9950	95.06
22.5	27,838,020	126,423	0.0045	0.9955	94.58
23.5	27,162,075		0.0000	1.0000	94.15
24.5	4,376,444	40,813	0.0093	0.9907	94.15
25.5	2,885,965		0.0000	1.0000	93.27
26.5	2,829,268	6,115	0.0022	0.9978	93.27
27.5	2,823,154	4,796	0.0017	0.9983	93.06
28.5	2,630,820	13,731	0.0052	0.9948	92.90
29.5	2,617,089	11,117	0.0042	0.9958	92.42
30.5	2,575,425	139	0.0001	0.9999	92.03
31.5	2,386,616	7,102	0.0030	0.9970	92.02
32.5	2,350,585	8,548	0.0036	0.9964	91.74
33.5	2,186,604	3,562	0.0016	0.9984	91.41
34.5	2,039,325	11,666	0.0057	0.9943	91.26
35.5	2,005,915	65,456	0.0326	0.9674	90.74
36.5	1,803,688	2,200	0.0012	0.9988	87.78
37.5	1,787,333		0.0000	1.0000	87.67
38.5	1,783,865		0.0000	1.0000	87.67

DUKE ENERGY KENTUCKY
ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,577,153		0.0000	1.0000	87.67
40.5	1,564,244		0.0000	1.0000	87.67
41.5	1,522,481		0.0000	1.0000	87.67
42.5	1,471,275		0.0000	1.0000	87.67
43.5	1,428,620		0.0000	1.0000	87.67
44.5	1,424,778	46,986	0.0330	0.9670	87.67
45.5	1,092		0.0000	1.0000	84.78
46.5					84.78

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DUKE ENERGY KENTUCKY

ACCOUNT 3160 MISCELLANEOUS POWER PLANT - EXCLUDING SHOP

ORIGINAL LIFE TABLE

PLACEMENT BAND 1960-2005

EXPERIENCE BAND 1960-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	8,524,530		0.0000	1.0000	100.00
0.5	7,967,898	1,598	0.0002	0.9998	100.00
1.5	7,142,848	4,379	0.0006	0.9994	99.98
2.5	7,642,698	2,495	0.0003	0.9997	99.92
3.5	7,223,606	24,717	0.0034	0.9966	99.89
4.5	6,947,957	12,267	0.0018	0.9982	99.55
5.5	6,256,728	13,393	0.0021	0.9979	99.37
6.5	4,976,478	478	0.0001	0.9999	99.16
7.5	4,978,405	66,153	0.0133	0.9867	99.15
8.5	4,804,033	10,612	0.0022	0.9978	97.83
9.5	4,832,076	25,458	0.0053	0.9947	97.61
10.5	4,926,947	38,952	0.0079	0.9921	97.09
11.5	4,683,118	15,961	0.0034	0.9966	96.32
12.5	4,631,381	1,929	0.0004	0.9996	95.99
13.5	4,478,315	1,504	0.0003	0.9997	95.95
14.5	4,076,653	2,754	0.0007	0.9993	95.92
15.5	3,851,471	71	0.0000	1.0000	95.85
16.5	3,728,838	6,159	0.0017	0.9983	95.85
17.5	3,651,448		0.0000	1.0000	95.69
18.5	3,535,912	46,577	0.0132	0.9868	95.69
19.5	3,378,997	61,460	0.0182	0.9818	94.43
20.5	3,884,910		0.0000	1.0000	92.71
21.5	3,727,678	102,016	0.0274	0.9726	92.71
22.5	3,511,900	61,119	0.0174	0.9826	90.17
23.5	3,215,402	9,973	0.0031	0.9969	88.60
24.5	48,345	7,911	0.1636	0.8364	88.33
25.5	40,041		0.0000	1.0000	73.88
26.5	40,041		0.0000	1.0000	73.88
27.5	40,041		0.0000	1.0000	73.88
28.5	40,041		0.0000	1.0000	73.88
29.5	40,041		0.0000	1.0000	73.88
30.5	40,041		0.0000	1.0000	73.88
31.5	40,041		0.0000	1.0000	73.88
32.5	40,041		0.0000	1.0000	73.88
33.5	40,041		0.0000	1.0000	73.88
34.5	40,041		0.0000	1.0000	73.88
35.5	40,041		0.0000	1.0000	73.88
36.5	40,041		0.0000	1.0000	73.88
37.5	40,041		0.0000	1.0000	73.88
38.5	40,041		0.0000	1.0000	73.88

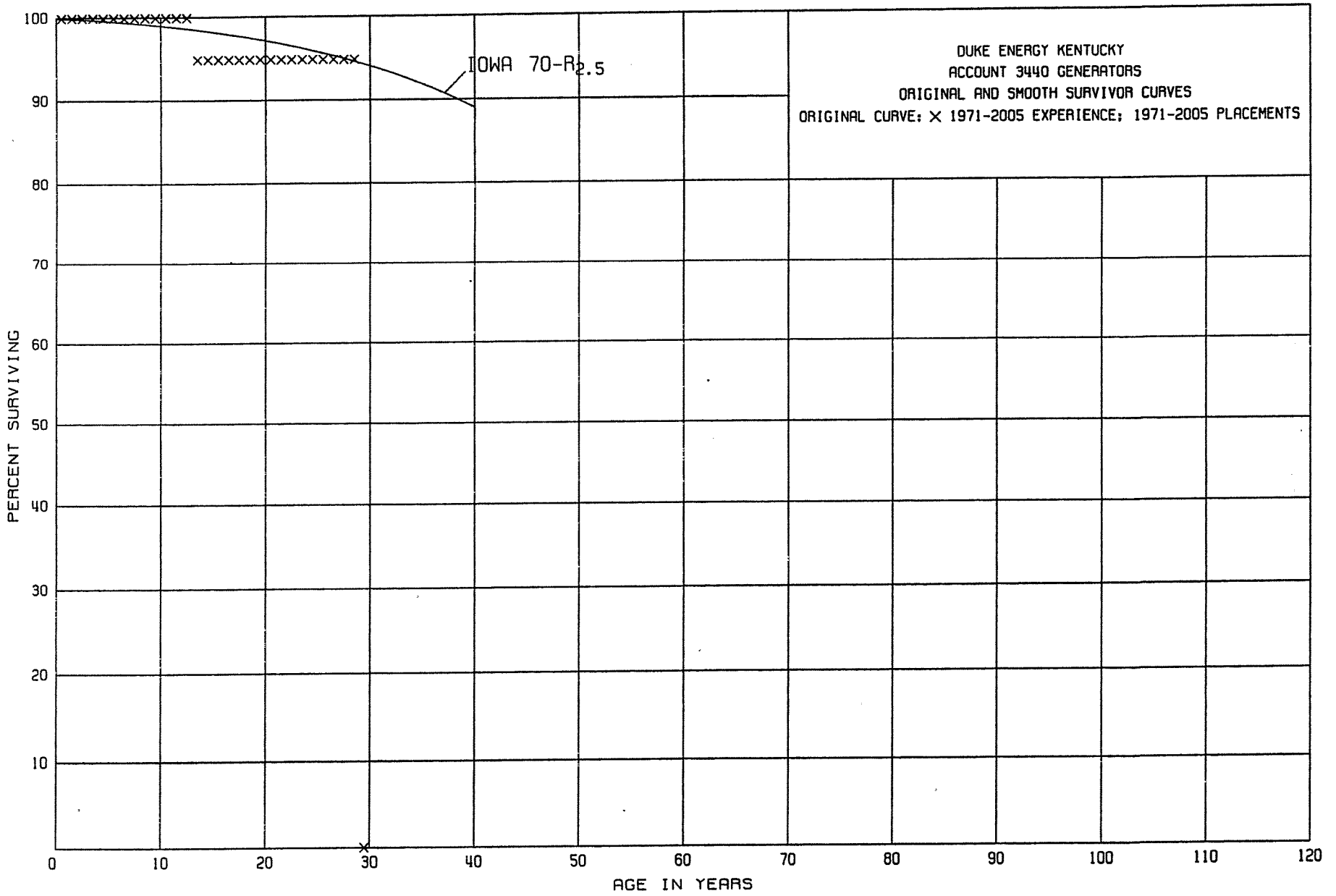
DUKE ENERGY KENTUCKY

ACCOUNT 3160 MISCELLANEOUS POWER PLANT - EXCLUDING SHOP

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1960-2005			EXPERIENCE BAND 1960-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	40,041		0.0000	1.0000	73.88
40.5	27,336		0.0000	1.0000	73.88
41.5	27,336		0.0000	1.0000	73.88
42.5	27,336		0.0000	1.0000	73.88
43.5	27,336		0.0000	1.0000	73.88
44.5	27,336		0.0000	1.0000	73.88
45.5					73.88

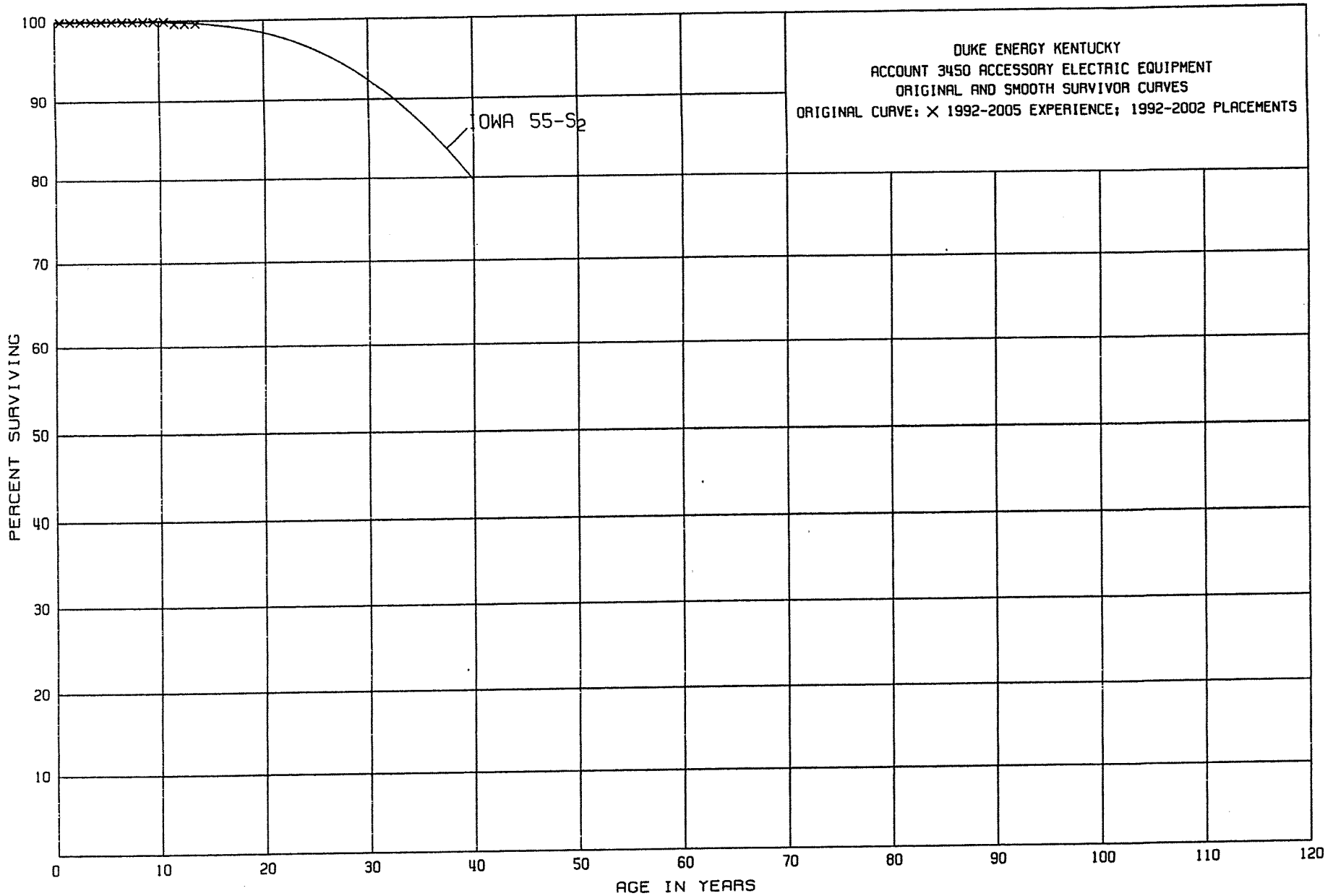
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DUKE ENERGY KENTUCKY
ACCOUNT 3440 GENERATORS
ORIGINAL LIFE TABLE

PLACEMENT BAND 1971-2005			EXPERIENCE BAND 1971-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	224,016,170		0.0000	1.0000	100.00
0.5	213,394,979		0.0000	1.0000	100.00
1.5	213,360,060		0.0000	1.0000	100.00
2.5	213,360,060		0.0000	1.0000	100.00
3.5	213,360,060	5,187	0.0000	1.0000	100.00
4.5	194,724,719	32,402	0.0002	0.9998	100.00
5.5	192,470,911		0.0000	1.0000	99.98
6.5	192,181,334		0.0000	1.0000	99.98
7.5	192,181,334	79,800	0.0004	0.9996	99.98
8.5	173,310,390		0.0000	1.0000	99.94
9.5	197,582,948		0.0000	1.0000	99.94
10.5	163,297,087		0.0000	1.0000	99.94
11.5	163,297,087		0.0000	1.0000	99.94
12.5	163,297,087	8,425,368	0.0516	0.9484	99.94
13.5	266,482		0.0000	1.0000	94.78
14.5	266,482		0.0000	1.0000	94.78
15.5	266,482		0.0000	1.0000	94.78
16.5	266,482		0.0000	1.0000	94.78
17.5	266,482		0.0000	1.0000	94.78
18.5	266,482		0.0000	1.0000	94.78
19.5	266,482		0.0000	1.0000	94.78
20.5	266,482		0.0000	1.0000	94.78
21.5	266,482		0.0000	1.0000	94.78
22.5	266,482		0.0000	1.0000	94.78
23.5	266,482		0.0000	1.0000	94.78
24.5	266,482		0.0000	1.0000	94.78
25.5	266,482		0.0000	1.0000	94.78
26.5	266,482		0.0000	1.0000	94.78
27.5	266,482		0.0000	1.0000	94.78
28.5	266,482	266,482	1.0000	0.0000	94.78
29.5					0.00

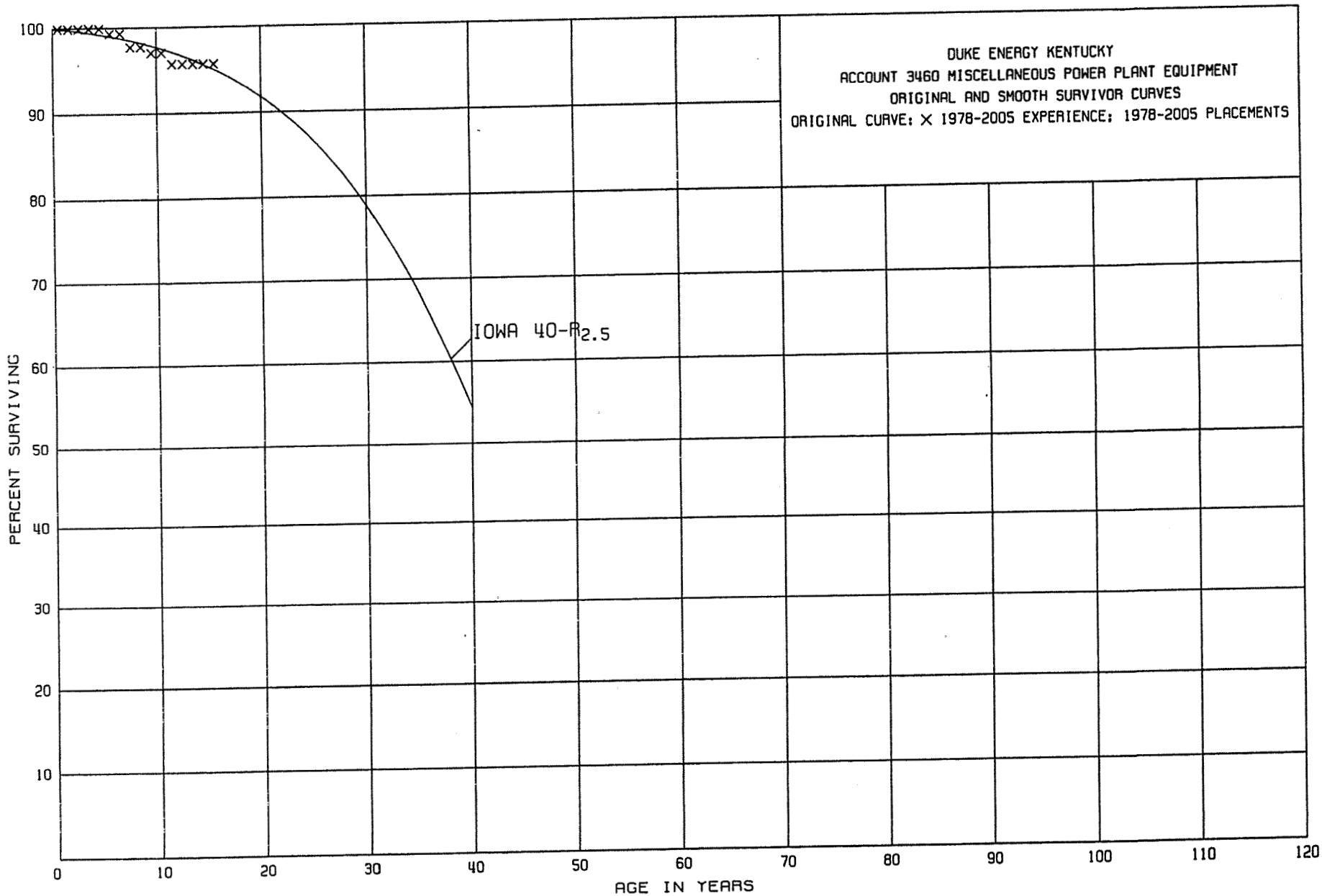
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DUKE ENERGY KENTUCKY
ACCOUNT 3450 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL LIFE TABLE

PLACEMENT BAND 1992-2002			EXPERIENCE BAND 1992-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	17,393,867		0.0000	1.0000	100.00
0.5	17,393,867		0.0000	1.0000	100.00
1.5	17,393,867		0.0000	1.0000	100.00
2.5	17,393,867		0.0000	1.0000	100.00
3.5	17,351,159		0.0000	1.0000	100.00
4.5	17,344,871		0.0000	1.0000	100.00
5.5	17,333,748		0.0000	1.0000	100.00
6.5	17,313,268		0.0000	1.0000	100.00
7.5	17,313,268	18,297	0.0011	0.9989	100.00
8.5	16,838,838		0.0000	1.0000	99.89
9.5	16,813,403		0.0000	1.0000	99.89
10.5	16,813,403	52,428	0.0031	0.9969	99.89
11.5	16,760,975		0.0000	1.0000	99.58
12.5	16,760,975		0.0000	1.0000	99.58
13.5					99.58

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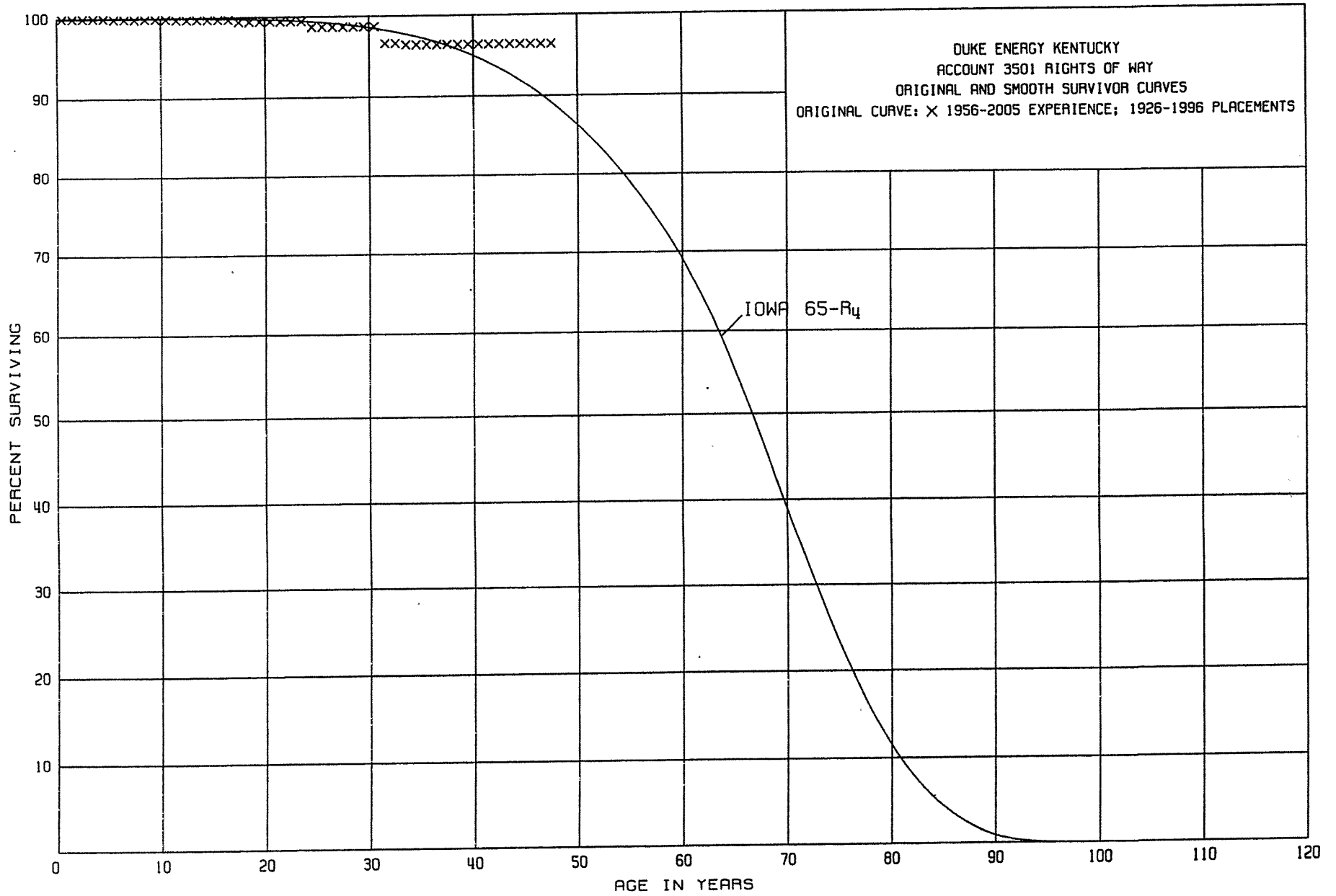
DUKE ENERGY KENTUCKY

ACCOUNT 3460 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1978-2005			EXPERIENCE BAND 1978-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,061,966		0.0000	1.0000	100.00
0.5	4,049,520		0.0000	1.0000	100.00
1.5	3,587,466		0.0000	1.0000	100.00
2.5	3,550,659		0.0000	1.0000	100.00
3.5	3,543,280		0.0000	1.0000	100.00
4.5	3,143,406	23,673	0.0075	0.9925	100.00
5.5	2,962,509		0.0000	1.0000	99.25
6.5	2,521,544	39,000	0.0155	0.9845	99.25
7.5	2,524,323		0.0000	1.0000	97.71
8.5	2,337,802	16,352	0.0070	0.9930	97.71
9.5	2,654,035		0.0000	1.0000	97.03
10.5	2,656,797	37,219	0.0140	0.9860	97.03
11.5	2,522,292		0.0000	1.0000	95.67
12.5	2,487,898		0.0000	1.0000	95.67
13.5	10,642		0.0000	1.0000	95.67
14.5	3,123		0.0000	1.0000	95.67
15.5					95.67
16.5	46		0.0000		
17.5	46		0.0000		
18.5	341		0.0000		
19.5	341		0.0000		
20.5	295		0.0000		
21.5	375		0.0000		
22.5	79		0.0000		
23.5	408		0.0000		
24.5	408		0.0000		
25.5	329		0.0000		
26.5	329		0.0000		
27.5					

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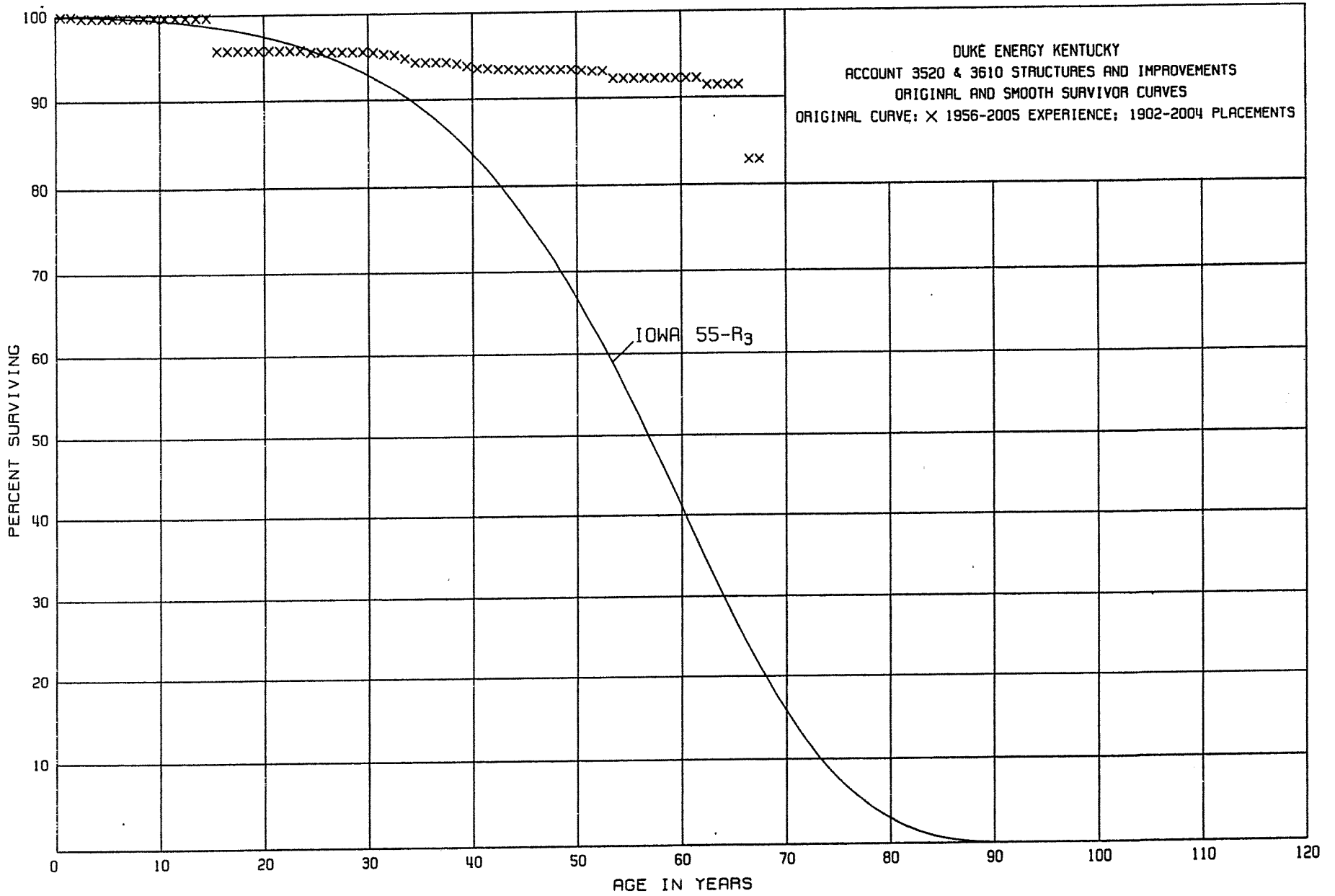
DUKE ENERGY KENTUCKY
ACCOUNT 3501 RIGHTS OF WAY
ORIGINAL LIFE TABLE

PLACEMENT BAND 1926-1996			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,798,855		0.0000	1.0000	100.00
0.5	1,797,444	33	0.0000	1.0000	100.00
1.5	1,634,031		0.0000	1.0000	100.00
2.5	1,629,235		0.0000	1.0000	100.00
3.5	1,513,350		0.0000	1.0000	100.00
4.5	1,519,878	3,357	0.0022	0.9978	100.00
5.5	1,516,568		0.0000	1.0000	99.78
6.5	1,511,152		0.0000	1.0000	99.78
7.5	1,511,152		0.0000	1.0000	99.78
8.5	1,511,152		0.0000	1.0000	99.78
9.5	1,303,101		0.0000	1.0000	99.78
10.5	1,303,101	793	0.0006	0.9994	99.78
11.5	1,208,147	175	0.0001	0.9999	99.72
12.5	1,209,288		0.0000	1.0000	99.71
13.5	1,205,297		0.0000	1.0000	99.71
14.5	1,107,311		0.0000	1.0000	99.71
15.5	1,103,942		0.0000	1.0000	99.71
16.5	1,096,885	3,189	0.0029	0.9971	99.71
17.5	1,095,494		0.0000	1.0000	99.42
18.5	1,095,200		0.0000	1.0000	99.42
19.5	1,095,200		0.0000	1.0000	99.42
20.5	949,519	123	0.0001	0.9999	99.42
21.5	949,395	112	0.0001	0.9999	99.41
22.5	602,533	327	0.0005	0.9995	99.40
23.5	602,206	3,700	0.0061	0.9939	99.35
24.5	512,841		0.0000	1.0000	98.74
25.5	512,841		0.0000	1.0000	98.74
26.5	506,312		0.0000	1.0000	98.74
27.5	506,312		0.0000	1.0000	98.74
28.5	506,200		0.0000	1.0000	98.74
29.5	492,001		0.0000	1.0000	98.74
30.5	490,422	10,509	0.0214	0.9786	98.74
31.5	453,592		0.0000	1.0000	96.63
32.5	418,815	940	0.0022	0.9978	96.63
33.5	392,702		0.0000	1.0000	96.42
34.5	382,450		0.0000	1.0000	96.42
35.5	382,404		0.0000	1.0000	96.42
36.5	381,312		0.0000	1.0000	96.42
37.5	376,556		0.0000	1.0000	96.42
38.5	290,242		0.0000	1.0000	96.42

DUKE ENERGY KENTUCKY
ACCOUNT 3501 RIGHTS OF WAY
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1926-1996			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	237,098		0.0000	1.0000	96.42
40.5	161,822		0.0000	1.0000	96.42
41.5	161,822		0.0000	1.0000	96.42
42.5	139,733		0.0000	1.0000	96.42
43.5	139,498		0.0000	1.0000	96.42
44.5	89,450		0.0000	1.0000	96.42
45.5	87,095		0.0000	1.0000	96.42
46.5	85,132		0.0000	1.0000	96.42
47.5	5,323		0.0000	1.0000	96.42
48.5	4,960		0.0000	1.0000	96.42
49.5	2,257		0.0000	1.0000	96.42
50.5	2,094		0.0000	1.0000	96.42
51.5	1,695		0.0000	1.0000	96.42
52.5	1,695		0.0000	1.0000	96.42
53.5	1,695		0.0000	1.0000	96.42
54.5	1,695		0.0000	1.0000	96.42
55.5					96.42

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DUKE ENERGY KENTUCKY

ACCOUNT 3520 & 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1902-2004			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	519,358		0.0000	1.0000	100.00
0.5	599,181		0.0000	1.0000	100.00
1.5	552,803	1,932	0.0035	0.9965	100.00
2.5	562,685		0.0000	1.0000	99.65
3.5	562,986		0.0000	1.0000	99.65
4.5	562,986		0.0000	1.0000	99.65
5.5	563,258		0.0000	1.0000	99.65
6.5	563,258		0.0000	1.0000	99.65
7.5	531,517	26	0.0000	1.0000	99.65
8.5	531,491		0.0000	1.0000	99.65
9.5	531,981		0.0000	1.0000	99.65
10.5	531,981		0.0000	1.0000	99.65
11.5	531,981		0.0000	1.0000	99.65
12.5	512,714		0.0000	1.0000	99.65
13.5	514,286		0.0000	1.0000	99.65
14.5	514,286	19,258	0.0374	0.9626	99.65
15.5	495,503		0.0000	1.0000	95.92
16.5	536,771		0.0000	1.0000	95.92
17.5	536,771		0.0000	1.0000	95.92
18.5	536,771		0.0000	1.0000	95.92
19.5	536,771		0.0000	1.0000	95.92
20.5	536,771		0.0000	1.0000	95.92
21.5	536,771		0.0000	1.0000	95.92
22.5	536,771		0.0000	1.0000	95.92
23.5	536,771	1,112	0.0021	0.9979	95.92
24.5	535,659		0.0000	1.0000	95.72
25.5	535,659		0.0000	1.0000	95.72
26.5	584,929		0.0000	1.0000	95.72
27.5	590,412		0.0000	1.0000	95.72
28.5	602,465		0.0000	1.0000	95.72
29.5	454,983	354	0.0008	0.9992	95.72
30.5	466,310	1,338	0.0029	0.9971	95.64
31.5	370,743	84	0.0002	0.9998	95.36
32.5	370,659	1,728	0.0047	0.9953	95.34
33.5	368,931	1,721	0.0047	0.9953	94.89
34.5	365,181		0.0000	1.0000	94.44
35.5	365,181	368	0.0010	0.9990	94.44
36.5	357,974		0.0000	1.0000	94.35
37.5	356,062	734	0.0021	0.9979	94.35
38.5	350,479	808	0.0023	0.9977	94.15

DUKE ENERGY KENTUCKY

ACCOUNT 3520 & 3610 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1902-2004			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	349,671	1,389	0.0040	0.9960	93.93	
40.5	347,051		0.0000	1.0000	93.55	
41.5	344,612	308	0.0009	0.9991	93.55	
42.5	344,303		0.0000	1.0000	93.47	
43.5	340,576	269	0.0008	0.9992	93.47	
44.5	340,306		0.0000	1.0000	93.40	
45.5	268,325		0.0000	1.0000	93.40	
46.5	268,325		0.0000	1.0000	93.40	
47.5	209,838		0.0000	1.0000	93.40	
48.5	209,838		0.0000	1.0000	93.40	
49.5	209,838	150	0.0007	0.9993	93.40	
50.5	132,676	139	0.0010	0.9990	93.33	
51.5	131,751	24	0.0002	0.9998	93.24	
52.5	119,963	1,231	0.0103	0.9897	93.22	
53.5	119,643		0.0000	1.0000	92.26	
54.5	119,643		0.0000	1.0000	92.26	
55.5	119,371		0.0000	1.0000	92.26	
56.5	119,371		0.0000	1.0000	92.26	
57.5	119,371		0.0000	1.0000	92.26	
58.5	119,371		0.0000	1.0000	92.26	
59.5	118,881		0.0000	1.0000	92.26	
60.5	118,881		0.0000	1.0000	92.26	
61.5	118,881	1,049	0.0088	0.9912	92.26	
62.5	116,153		0.0000	1.0000	91.45	
63.5	114,580		0.0000	1.0000	91.45	
64.5	114,580		0.0000	1.0000	91.45	
65.5	114,105	10,713	0.0939	0.9061	91.45	
66.5	75,201		0.0000	1.0000	82.86	
67.5	75,201		0.0000	1.0000	82.86	
68.5	75,201		0.0000	1.0000	82.86	
69.5	75,201	197	0.0026	0.9974	82.86	
70.5	75,004	197	0.0026	0.9974	82.64	
71.5	74,807		0.0000	1.0000	82.43	
72.5	74,807		0.0000	1.0000	82.43	
73.5	74,807		0.0000	1.0000	82.43	
74.5	74,807		0.0000	1.0000	82.43	
75.5	74,807		0.0000	1.0000	82.43	
76.5	27,925		0.0000	1.0000	82.43	
77.5	22,923	3,068	0.1338	0.8662	82.43	
78.5	11,773		0.0000	1.0000	71.40	

DUKE ENERGY KENTUCKY

ACCOUNT 3520 & 3610 STRUCTURES AND IMPROVEMENTS

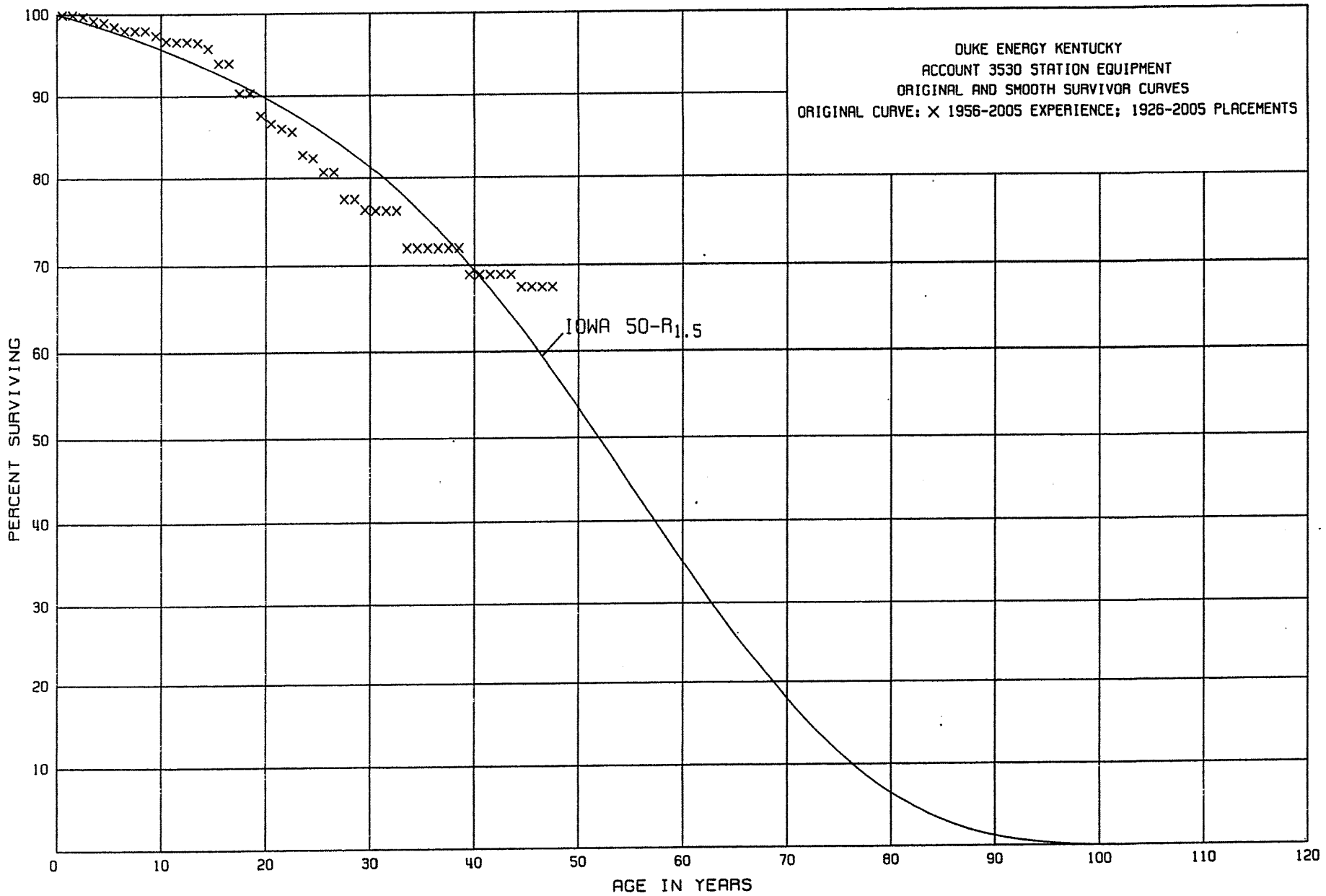
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1902-2004

EXPERIENCE BAND 1956-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	11,773		0.0000	1.0000	71.40
80.5	911		0.0000	1.0000	71.40
81.5	911		0.0000	1.0000	71.40
82.5	911		0.0000	1.0000	71.40
83.5	911		0.0000	1.0000	71.40
84.5	911		0.0000	1.0000	71.40
85.5	911		0.0000	1.0000	71.40
86.5	911		0.0000	1.0000	71.40
87.5	911		0.0000	1.0000	71.40
88.5	911		0.0000	1.0000	71.40
89.5	911		0.0000	1.0000	71.40
90.5	911		0.0000	1.0000	71.40
91.5	911		0.0000	1.0000	71.40
92.5	911		0.0000	1.0000	71.40
93.5	911		0.0000	1.0000	71.40
94.5	911		0.0000	1.0000	71.40
95.5	911		0.0000	1.0000	71.40
96.5	911		0.0000	1.0000	71.40
97.5	911		0.0000	1.0000	71.40
98.5	911		0.0000	1.0000	71.40
99.5	911		0.0000	1.0000	71.40
100.5	911		0.0000	1.0000	71.40
101.5	911		0.0000	1.0000	71.40
102.5	911		0.0000	1.0000	71.40
103.5					71.40

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DUKE ENERGY KENTUCKY
ACCOUNT 3530 STATION EQUIPMENT
ORIGINAL LIFE TABLE

PLACEMENT BAND 1926-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,822,242		0.0000	1.0000	100.00
0.5	10,028,108	15,307	0.0015	0.9985	100.00
1.5	9,499,463	14,085	0.0015	0.9985	99.85
2.5	7,711,374	36,153	0.0047	0.9953	99.70
3.5	5,483,461	14,494	0.0026	0.9974	99.23
4.5	5,085,578	25,168	0.0049	0.9951	98.97
5.5	4,348,332	19,837	0.0046	0.9954	98.49
6.5	4,018,870		0.0000	1.0000	98.04
7.5	3,917,890	3,129	0.0008	0.9992	98.04
8.5	3,920,434	21,452	0.0055	0.9945	97.96
9.5	3,895,083	27,860	0.0072	0.9928	97.42
10.5	3,358,099	2,805	0.0008	0.9992	96.72
11.5	3,343,559	250	0.0001	0.9999	96.64
12.5	3,337,001	5,175	0.0016	0.9984	96.63
13.5	2,474,215	17,590	0.0071	0.9929	96.48
14.5	2,322,251	42,446	0.0183	0.9817	95.79
15.5	2,176,012	325	0.0001	0.9999	94.04
16.5	2,167,661	86,786	0.0400	0.9600	94.03
17.5	2,037,511		0.0000	1.0000	90.27
18.5	2,037,511	59,499	0.0292	0.9708	90.27
19.5	1,731,724	19,882	0.0115	0.9885	87.63
20.5	1,643,441	10,960	0.0067	0.9933	86.62
21.5	1,632,621	8,418	0.0052	0.9948	86.04
22.5	1,320,369	43,422	0.0329	0.9671	85.59
23.5	1,234,883	4,924	0.0040	0.9960	82.77
24.5	1,229,959	26,048	0.0212	0.9788	82.44
25.5	1,172,189		0.0000	1.0000	80.69
26.5	1,159,153	45,427	0.0392	0.9608	80.69
27.5	1,111,917		0.0000	1.0000	77.53
28.5	1,111,917	17,428	0.0157	0.9843	77.53
29.5	890,355	1,050	0.0012	0.9988	76.31
30.5	886,651		0.0000	1.0000	76.22
31.5	886,244		0.0000	1.0000	76.22
32.5	793,362	44,978	0.0567	0.9433	76.22
33.5	748,384		0.0000	1.0000	71.90
34.5	700,352		0.0000	1.0000	71.90
35.5	700,352		0.0000	1.0000	71.90
36.5	700,352		0.0000	1.0000	71.90
37.5	696,367		0.0000	1.0000	71.90
38.5	696,038	28,699	0.0412	0.9588	71.90

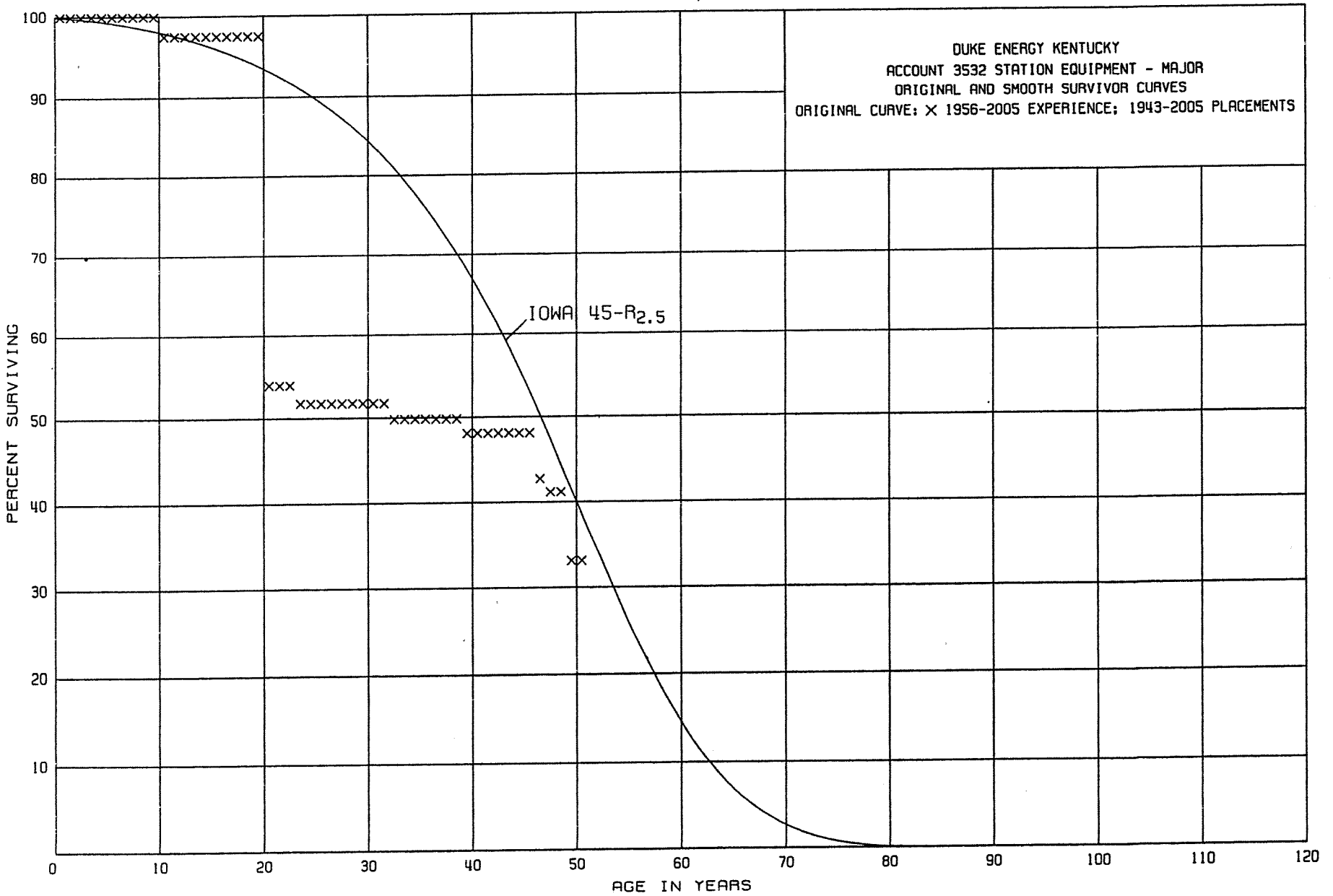
DUKE ENERGY KENTUCKY

ACCOUNT 3530 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1926-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	664,363		0.0000	1.0000	68.94
40.5	467,468		0.0000	1.0000	68.94
41.5	467,468		0.0000	1.0000	68.94
42.5	467,468		0.0000	1.0000	68.94
43.5	467,468	10,132	0.0217	0.9783	68.94
44.5	454,856		0.0000	1.0000	67.44
45.5	373,277		0.0000	1.0000	67.44
46.5	373,277		0.0000	1.0000	67.44
47.5	76,155		0.0000	1.0000	67.44
48.5	76,155		0.0000	1.0000	67.44
49.5	74,296		0.0000	1.0000	67.44
50.5	28,969		0.0000	1.0000	67.44
51.5	28,969		0.0000	1.0000	67.44
52.5	28,969		0.0000	1.0000	67.44
53.5	28,969		0.0000	1.0000	67.44
54.5	19,102		0.0000	1.0000	67.44
55.5	19,102	8,238	0.4313	0.5687	67.44
56.5	10,864		0.0000	1.0000	38.35
57.5	10,864		0.0000	1.0000	38.35
58.5	10,864		0.0000	1.0000	38.35
59.5	10,864		0.0000	1.0000	38.35
60.5	10,864		0.0000	1.0000	38.35
61.5	10,864		0.0000	1.0000	38.35
62.5					38.35

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DUKE ENERGY KENTUCKY

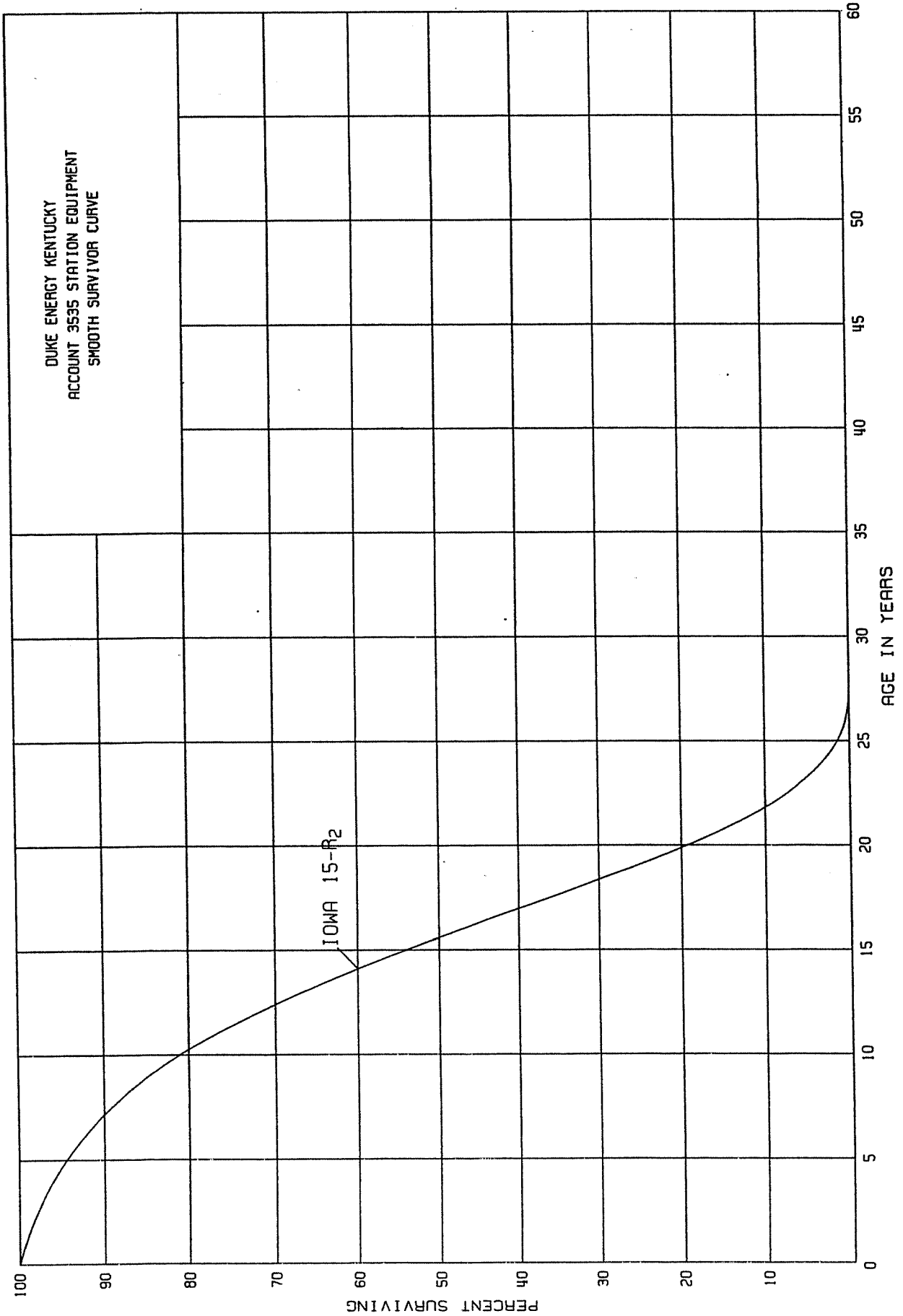
ACCOUNT 3532 STATION EQUIPMENT - MAJOR

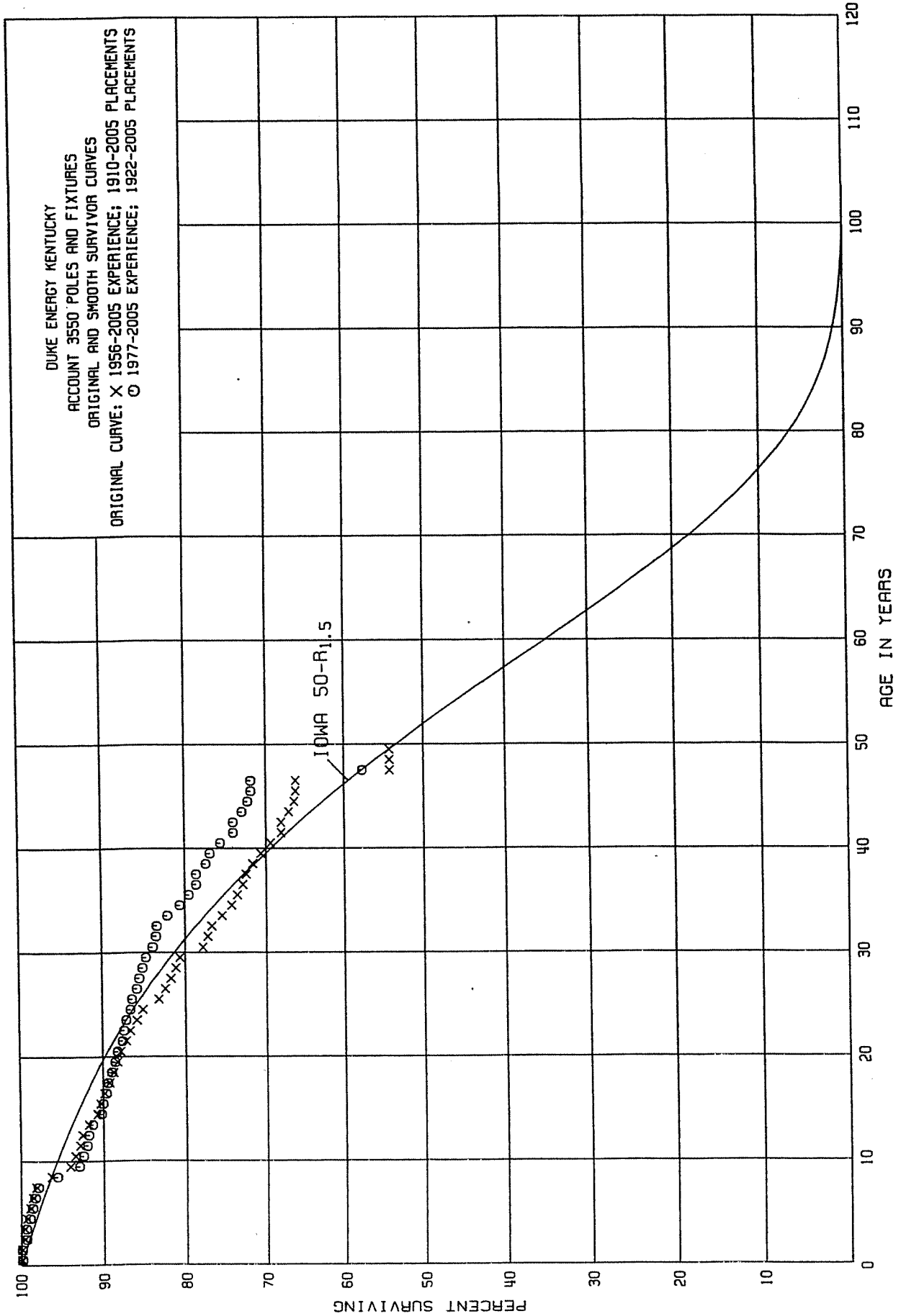
ORIGINAL LIFE TABLE

PLACEMENT BAND 1943-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,894,320		0.0000	1.0000	100.00
0.5	3,700,254		0.0000	1.0000	100.00
1.5	3,700,254		0.0000	1.0000	100.00
2.5	3,091,277		0.0000	1.0000	100.00
3.5	1,967,827		0.0000	1.0000	100.00
4.5	1,846,655		0.0000	1.0000	100.00
5.5	1,592,726		0.0000	1.0000	100.00
6.5	1,592,726		0.0000	1.0000	100.00
7.5	1,592,726		0.0000	1.0000	100.00
8.5	1,592,726		0.0000	1.0000	100.00
9.5	1,592,726	40,579	0.0255	0.9745	100.00
10.5	1,552,147		0.0000	1.0000	97.45
11.5	1,552,147		0.0000	1.0000	97.45
12.5	1,563,012		0.0000	1.0000	97.45
13.5	1,528,568		0.0000	1.0000	97.45
14.5	1,528,568		0.0000	1.0000	97.45
15.5	1,528,568		0.0000	1.0000	97.45
16.5	1,528,568		0.0000	1.0000	97.45
17.5	1,528,568		0.0000	1.0000	97.45
18.5	1,528,568		0.0000	1.0000	97.45
19.5	1,528,568	683,187	0.4469	0.5531	97.45
20.5	722,701		0.0000	1.0000	53.90
21.5	722,701		0.0000	1.0000	53.90
22.5	610,918	24,687	0.0404	0.9596	53.90
23.5	586,231		0.0000	1.0000	51.72
24.5	586,231		0.0000	1.0000	51.72
25.5	586,231		0.0000	1.0000	51.72
26.5	586,231		0.0000	1.0000	51.72
27.5	559,983		0.0000	1.0000	51.72
28.5	559,983		0.0000	1.0000	51.72
29.5	519,368		0.0000	1.0000	51.72
30.5	519,368		0.0000	1.0000	51.72
31.5	519,368	19,543	0.0376	0.9624	51.72
32.5	488,140		0.0000	1.0000	49.78
33.5	488,140		0.0000	1.0000	49.78
34.5	484,047		0.0000	1.0000	49.78
35.5	484,047		0.0000	1.0000	49.78
36.5	484,047		0.0000	1.0000	49.78
37.5	484,047		0.0000	1.0000	49.78
38.5	484,047	16,567	0.0342	0.9658	49.78

DUKE ENERGY KENTUCKY
ACCOUNT 3532 STATION EQUIPMENT - MAJOR
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1943-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	467,480		0.0000	1.0000	48.08
40.5	402,439		0.0000	1.0000	48.08
41.5	402,439		0.0000	1.0000	48.08
42.5	402,439		0.0000	1.0000	48.08
43.5	402,439		0.0000	1.0000	48.08
44.5	402,439		0.0000	1.0000	48.08
45.5	402,439	44,352	0.1102	0.8898	48.08
46.5	358,087	13,357	0.0373	0.9627	42.78
47.5	63,755		0.0000	1.0000	41.18
48.5	63,755	12,744	0.1999	0.8001	41.18
49.5	51,011		0.0000	1.0000	32.95
50.5	25,999		0.0000	1.0000	32.95
51.5	25,999		0.0000	1.0000	32.95
52.5	25,999		0.0000	1.0000	32.95
53.5	25,999		0.0000	1.0000	32.95
54.5	21,699		0.0000	1.0000	32.95
55.5	10,864		0.0000	1.0000	32.95
56.5	10,864		0.0000	1.0000	32.95
57.5	10,864		0.0000	1.0000	32.95
58.5	10,864		0.0000	1.0000	32.95
59.5	10,864		0.0000	1.0000	32.95
60.5	10,864		0.0000	1.0000	32.95
61.5	10,864		0.0000	1.0000	32.95
62.5					32.95





DUKE ENERGY KENTUCKY

ACCOUNT 3550 POLES AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2005

EXPERIENCE BAND 1956-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,144,676		0.0000	1.0000	100.00
0.5	8,835,180	9,372	0.0011	0.9989	100.00
1.5	8,221,399	20,486	0.0025	0.9975	99.89
2.5	7,855,899	6,144	0.0008	0.9992	99.64
3.5	7,371,845	23,206	0.0031	0.9969	99.56
4.5	7,349,499	24,887	0.0034	0.9966	99.25
5.5	6,925,991	24,623	0.0036	0.9964	98.91
6.5	6,621,289	22,056	0.0033	0.9967	98.55
7.5	6,548,784	122,418	0.0187	0.9813	98.22
8.5	5,236,524	124,787	0.0238	0.9762	96.38
9.5	4,598,638	27,987	0.0061	0.9939	94.09
10.5	4,284,319	30,934	0.0072	0.9928	93.52
11.5	3,955,425	9,735	0.0025	0.9975	92.85
12.5	3,794,035	35,377	0.0093	0.9907	92.62
13.5	3,498,370	39,530	0.0113	0.9887	91.76
14.5	3,375,704	16,302	0.0048	0.9952	90.72
15.5	3,292,161	18,086	0.0055	0.9945	90.28
16.5	3,225,006	21,014	0.0065	0.9935	89.78
17.5	3,015,992	17,089	0.0057	0.9943	89.20
18.5	2,884,413	17,142	0.0059	0.9941	88.69
19.5	2,503,988	11,098	0.0044	0.9956	88.17
20.5	2,425,462	19,503	0.0080	0.9920	87.78
21.5	2,393,005	12,229	0.0051	0.9949	87.08
22.5	1,899,203	19,199	0.0101	0.9899	86.64
23.5	1,869,534	13,654	0.0073	0.9927	85.76
24.5	1,638,834	37,664	0.0230	0.9770	85.13
25.5	1,579,863	14,121	0.0089	0.9911	83.17
26.5	1,539,977	12,881	0.0084	0.9916	82.43
27.5	1,499,653	11,574	0.0077	0.9923	81.74
28.5	1,456,489	9,658	0.0066	0.9934	81.11
29.5	1,373,988	47,411	0.0345	0.9655	80.57
30.5	1,294,173	9,323	0.0072	0.9928	77.79
31.5	1,052,284	7,310	0.0069	0.9931	77.23
32.5	891,293	14,739	0.0165	0.9835	76.70
33.5	851,932	13,492	0.0158	0.9842	75.43
34.5	705,711	7,460	0.0106	0.9894	74.24
35.5	691,092	6,509	0.0094	0.9906	73.45
36.5	662,580	3,239	0.0049	0.9951	72.76
37.5	659,112	7,416	0.0113	0.9887	72.40
38.5	642,377	8,910	0.0139	0.9861	71.58

DUKE ENERGY KENTUCKY
ACCOUNT 3550 POLES AND FIXTURES
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	442,826	7,337	0.0166	0.9834	70.59
40.5	394,504	8,015	0.0203	0.9797	69.42
41.5	215,937	92	0.0004	0.9996	68.01
42.5	200,694	2,779	0.0138	0.9862	67.98
43.5	197,283	2,054	0.0104	0.9896	67.04
44.5	117,363	517	0.0044	0.9956	66.34
45.5	109,084		0.0000	1.0000	66.05
46.5	97,533	17,393	0.1783	0.8217	66.05
47.5	13,048		0.0000	1.0000	54.27
48.5	13,048		0.0000	1.0000	54.27
49.5	11,810	22	0.0019	0.9981	54.27
50.5	9,607		0.0000	1.0000	54.17
51.5	448		0.0000	1.0000	54.17
52.5	299		0.0000	1.0000	54.17
53.5	299		0.0000	1.0000	54.17
54.5	299		0.0000	1.0000	54.17
55.5	274		0.0000	1.0000	54.17
56.5	81		0.0000	1.0000	54.17
57.5	81		0.0000	1.0000	54.17
58.5	81		0.0000	1.0000	54.17
59.5					54.17

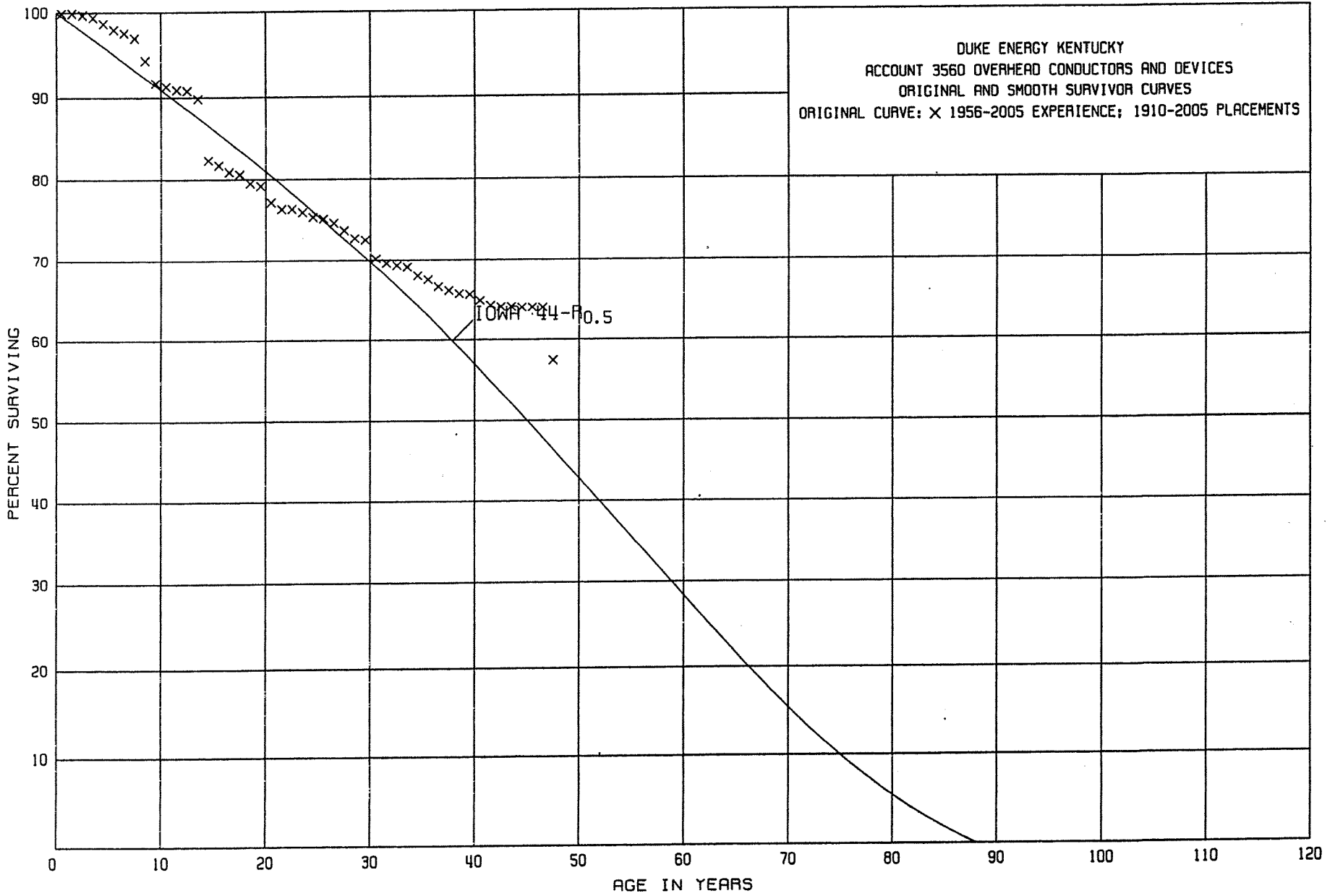
DUKE ENERGY KENTUCKY
ACCOUNT 3550 POLES AND FIXTURES
ORIGINAL LIFE TABLE

PLACEMENT BAND 1922-2005			EXPERIENCE BAND 1977-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,360,731		0.0000	1.0000	100.00
0.5	4,668,177	5,861	0.0013	0.9987	100.00
1.5	4,194,254	18,565	0.0044	0.9956	99.87
2.5	4,507,435	1,010	0.0002	0.9998	99.43
3.5	4,210,427	17,857	0.0042	0.9958	99.41
4.5	4,208,433	14,288	0.0034	0.9966	98.99
5.5	3,912,974	11,720	0.0030	0.9970	98.65
6.5	3,582,817	12,542	0.0035	0.9965	98.35
7.5	4,623,145	111,374	0.0241	0.9759	98.01
8.5	3,773,875	104,048	0.0276	0.9724	95.65
9.5	3,175,655	16,446	0.0052	0.9948	93.01
10.5	3,104,828	19,120	0.0062	0.9938	92.53
11.5	2,902,873	4,178	0.0014	0.9986	91.96
12.5	2,904,840	15,256	0.0053	0.9947	91.83
13.5	2,651,301	33,320	0.0126	0.9874	91.34
14.5	2,544,077	6,856	0.0027	0.9973	90.19
15.5	2,591,527	9,544	0.0037	0.9963	89.95
16.5	2,549,831	5,987	0.0023	0.9977	89.62
17.5	2,153,613	11,475	0.0053	0.9947	89.41
18.5	2,479,037	11,492	0.0046	0.9954	88.94
19.5	2,105,091	6,980	0.0033	0.9967	88.53
20.5	2,033,195	15,686	0.0077	0.9923	88.24
21.5	2,016,912	4,310	0.0021	0.9979	87.56
22.5	1,531,263	4,693	0.0031	0.9969	87.38
23.5	1,520,175	9,055	0.0060	0.9940	87.11
24.5	1,291,072	2,969	0.0023	0.9977	86.59
25.5	1,271,941	9,260	0.0073	0.9927	86.39
26.5	1,259,237	4,381	0.0035	0.9965	85.76
27.5	1,244,450	4,985	0.0040	0.9960	85.46
28.5	1,206,485	5,751	0.0048	0.9952	85.12
29.5	1,106,375	10,618	0.0096	0.9904	84.71
30.5	1,062,823	4,692	0.0044	0.9956	83.90
31.5	825,565	872	0.0011	0.9989	83.53
32.5	671,033	10,694	0.0159	0.9841	83.44
33.5	654,548	11,872	0.0181	0.9819	82.11
34.5	509,947	6,984	0.0137	0.9863	80.62
35.5	495,804	5,591	0.0113	0.9887	79.52
36.5	468,262	117	0.0002	0.9998	78.62
37.5	468,117	7,320	0.0156	0.9844	78.60
38.5	627,770	3,992	0.0064	0.9936	77.37

DUKE ENERGY KENTUCKY
ACCOUNT 3550 POLES AND FIXTURES
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1922-2005			EXPERIENCE BAND 1977-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	433,137	7,273	0.0168	0.9832	76.87	
40.5	384,880	8,015	0.0208	0.9792	75.58	
41.5	206,313		0.0000	1.0000	74.01	
42.5	191,161	2,770	0.0145	0.9855	74.01	
43.5	187,800	1,976	0.0105	0.9895	72.94	
44.5	107,958	517	0.0048	0.9952	72.17	
45.5	99,615		0.0000	1.0000	71.82	
46.5	88,065	17,257	0.1960	0.8040	71.82	
47.5	3,715		0.0000	1.0000	57.74	
48.5	3,715		0.0000	1.0000	57.74	
49.5	2,477	22	0.0089	0.9911	57.74	
50.5	9,434		0.0000	1.0000	57.23	
51.5	423		0.0000	1.0000	57.23	
52.5	274		0.0000	1.0000	57.23	
53.5	274		0.0000	1.0000	57.23	
54.5	299		0.0000	1.0000	57.23	
55.5	274		0.0000	1.0000	57.23	
56.5	81		0.0000	1.0000	57.23	
57.5	81		0.0000	1.0000	57.23	
58.5	81		0.0000	1.0000	57.23	
59.5					57.23	

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DUKE ENERGY KENTUCKY

ACCOUNT 3560 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,569,517		0.0000	1.0000	100.00
0.5	7,505,667	2,024	0.0003	0.9997	100.00
1.5	6,875,059	16,877	0.0025	0.9975	99.97
2.5	6,585,793	19,803	0.0030	0.9970	99.72
3.5	6,120,903	45,315	0.0074	0.9926	99.42
4.5	6,099,535	44,515	0.0073	0.9927	98.68
5.5	5,622,721	21,123	0.0038	0.9962	97.96
6.5	5,245,993	31,171	0.0059	0.9941	97.59
7.5	5,218,329	141,268	0.0271	0.9729	97.01
8.5	4,801,876	136,097	0.0283	0.9717	94.38
9.5	4,503,943	22,651	0.0050	0.9950	91.71
10.5	4,252,782	15,622	0.0037	0.9963	91.25
11.5	4,102,658	6,379	0.0016	0.9984	90.91
12.5	3,935,846	40,159	0.0102	0.9898	90.76
13.5	3,487,626	292,710	0.0839	0.9161	89.83
14.5	3,218,453	22,219	0.0069	0.9931	82.29
15.5	3,126,655	31,264	0.0100	0.9900	81.72
16.5	3,089,813	11,655	0.0038	0.9962	80.90
17.5	2,761,915	38,661	0.0140	0.9860	80.59
18.5	2,643,614	7,518	0.0028	0.9972	79.46
19.5	2,595,610	67,203	0.0259	0.9741	79.24
20.5	2,477,759	24,126	0.0097	0.9903	77.19
21.5	2,453,847	433	0.0002	0.9998	76.44
22.5	1,851,362	10,448	0.0056	0.9944	76.42
23.5	1,840,994	15,449	0.0084	0.9916	75.99
24.5	1,594,889	4,070	0.0026	0.9974	75.35
25.5	1,578,257	9,224	0.0058	0.9942	75.15
26.5	1,566,742	19,424	0.0124	0.9876	74.71
27.5	1,528,028	19,746	0.0129	0.9871	73.78
28.5	1,485,184	5,276	0.0036	0.9964	72.83
29.5	1,379,730	45,897	0.0333	0.9667	72.57
30.5	1,324,987	10,606	0.0080	0.9920	70.15
31.5	1,143,455	4,990	0.0044	0.9956	69.59
32.5	1,004,058	3,040	0.0030	0.9970	69.28
33.5	989,184	15,425	0.0156	0.9844	69.07
34.5	892,080	6,464	0.0072	0.9928	67.99
35.5	884,505	12,371	0.0140	0.9860	67.50
36.5	762,530	5,103	0.0067	0.9933	66.56
37.5	756,679	4,439	0.0059	0.9941	66.11
38.5	741,056	1,303	0.0018	0.9982	65.72
39.5	609,372	7,939	0.0130	0.9870	65.60

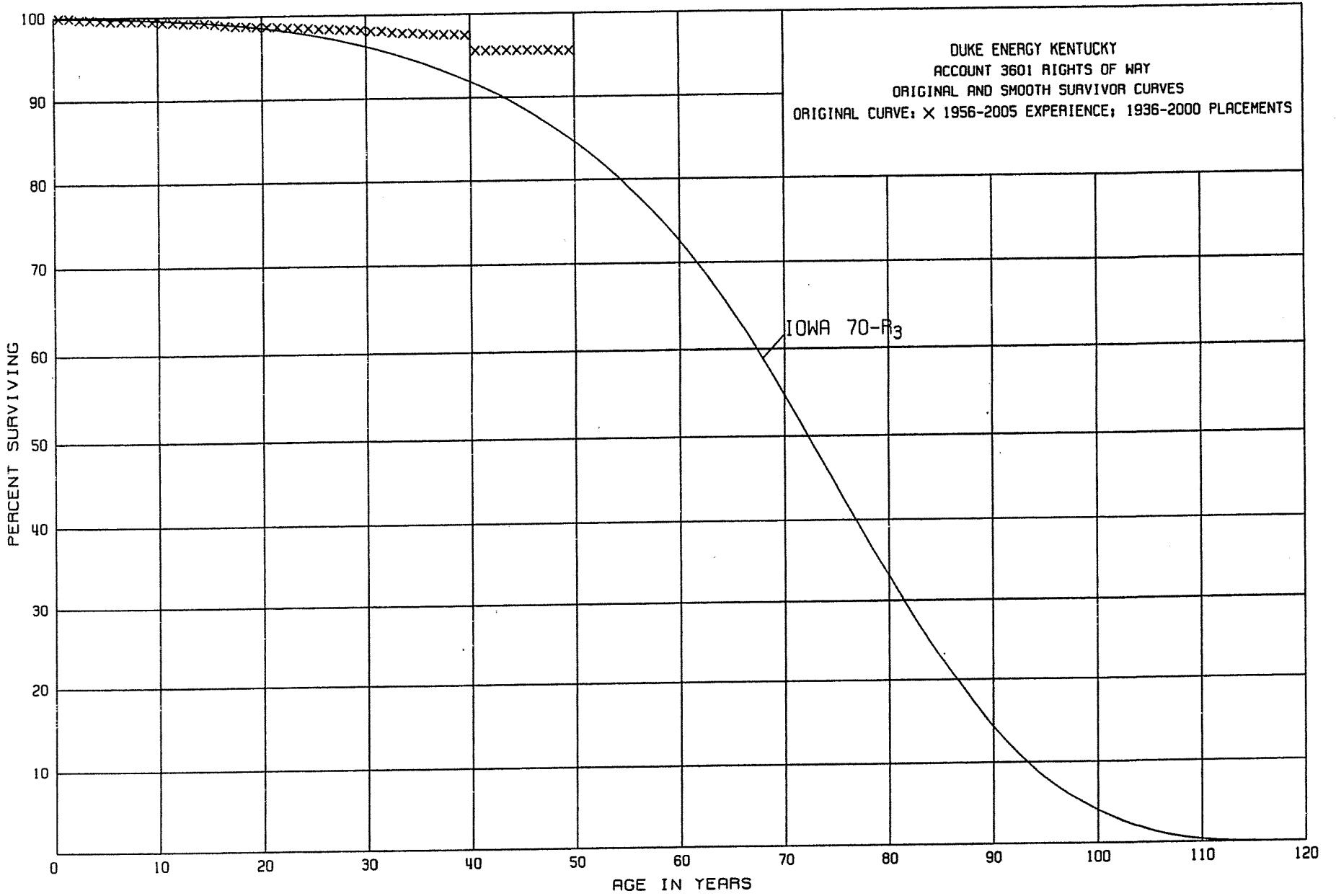
DUKE ENERGY KENTUCKY

ACCOUNT 3560 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
40.5	528,037	4,818	0.0091	0.9909	64.75
41.5	271,665	701	0.0026	0.9974	64.16
42.5	259,116	50	0.0002	0.9998	63.99
43.5	258,197	264	0.0010	0.9990	63.98
44.5	176,006		0.0000	1.0000	63.92
45.5	158,081		0.0000	1.0000	63.92
46.5	150,668	15,271	0.1014	0.8986	63.92
47.5	20,932		0.0000	1.0000	57.44
48.5	20,846	1,933	0.0927	0.9073	57.44
49.5	15,227	5,324	0.3496	0.6504	52.12
50.5	6,720	70	0.0104	0.9896	33.90
51.5	6,650		0.0000	1.0000	33.55
52.5	3,502	1	0.0003	0.9997	33.55
53.5	3,501		0.0000	1.0000	33.54
54.5	3,501		0.0000	1.0000	33.54
55.5	3,501		0.0000	1.0000	33.54
56.5	2,191		0.0000	1.0000	33.54
57.5	2,191		0.0000	1.0000	33.54
58.5	2,191		0.0000	1.0000	33.54
59.5	2,191		0.0000	1.0000	33.54
60.5	2,191		0.0000	1.0000	33.54
61.5	2,191		0.0000	1.0000	33.54
62.5	2,191		0.0000	1.0000	33.54
63.5	2,191		0.0000	1.0000	33.54
64.5	2,191		0.0000	1.0000	33.54
65.5	2,191		0.0000	1.0000	33.54
66.5	2,191		0.0000	1.0000	33.54
67.5	2,191		0.0000	1.0000	33.54
68.5	2,191		0.0000	1.0000	33.54
69.5	2,191		0.0000	1.0000	33.54
70.5	2,191		0.0000	1.0000	33.54
71.5	2,191		0.0000	1.0000	33.54
72.5	2,191		0.0000	1.0000	33.54
73.5	2,191		0.0000	1.0000	33.54
74.5	2,191		0.0000	1.0000	33.54
75.5	2,191		0.0000	1.0000	33.54
76.5	2,191		0.0000	1.0000	33.54
77.5	2,191		0.0000	1.0000	33.54
78.5	2,191		0.0000	1.0000	33.54
79.5	2,191	1,883	0.8594	0.1406	33.54
80.5					4.72

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DUKE ENERGY KENTUCKY
ACCOUNT 3601 RIGHTS OF WAY
ORIGINAL LIFE TABLE

PLACEMENT BAND 1936-2000			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,424,874		0.0000	1.0000	100.00
0.5	4,435,779	948	0.0002	0.9998	100.00
1.5	4,444,499	10,790	0.0024	0.9976	99.98
2.5	4,436,324	3,382	0.0008	0.9992	99.74
3.5	4,445,669	1,615	0.0004	0.9996	99.66
4.5	4,452,400	3,935	0.0009	0.9991	99.62
5.5	4,431,952	209	0.0000	1.0000	99.53
6.5	4,440,549	1,239	0.0003	0.9997	99.53
7.5	4,442,660	980	0.0002	0.9998	99.50
8.5	4,443,515	2,431	0.0005	0.9995	99.48
9.5	4,375,108	5,195	0.0012	0.9988	99.43
10.5	4,191,293	2,117	0.0005	0.9995	99.31
11.5	4,046,755	1,347	0.0003	0.9997	99.26
12.5	3,883,680	1,492	0.0004	0.9996	99.23
13.5	3,680,417	139	0.0000	1.0000	99.19
14.5	3,397,752	1,621	0.0005	0.9995	99.19
15.5	3,160,806	8,197	0.0026	0.9974	99.14
16.5	2,879,817	1,492	0.0005	0.9995	98.88
17.5	2,720,619	2,116	0.0008	0.9992	98.83
18.5	2,365,461	1,091	0.0005	0.9995	98.75
19.5	2,137,520	1,160	0.0005	0.9995	98.70
20.5	1,914,131	79	0.0000	1.0000	98.65
21.5	1,773,435	388	0.0002	0.9998	98.65
22.5	1,534,737	1,110	0.0007	0.9993	98.63
23.5	1,418,797	1,535	0.0011	0.9989	98.56
24.5	1,293,290	650	0.0005	0.9995	98.45
25.5	1,172,183	179	0.0002	0.9998	98.40
26.5	1,100,876	554	0.0005	0.9995	98.38
27.5	1,038,011	410	0.0004	0.9996	98.33
28.5	984,999	750	0.0008	0.9992	98.29
29.5	908,698	883	0.0010	0.9990	98.21
30.5	845,926	344	0.0004	0.9996	98.11
31.5	704,776	1,255	0.0018	0.9982	98.07
32.5	625,343	323	0.0005	0.9995	97.89
33.5	557,448	411	0.0007	0.9993	97.84
34.5	511,301	459	0.0009	0.9991	97.77
35.5	463,726	268	0.0006	0.9994	97.68
36.5	432,439	139	0.0003	0.9997	97.62
37.5	397,690	113	0.0003	0.9997	97.59
38.5	359,915	143	0.0004	0.9996	97.56

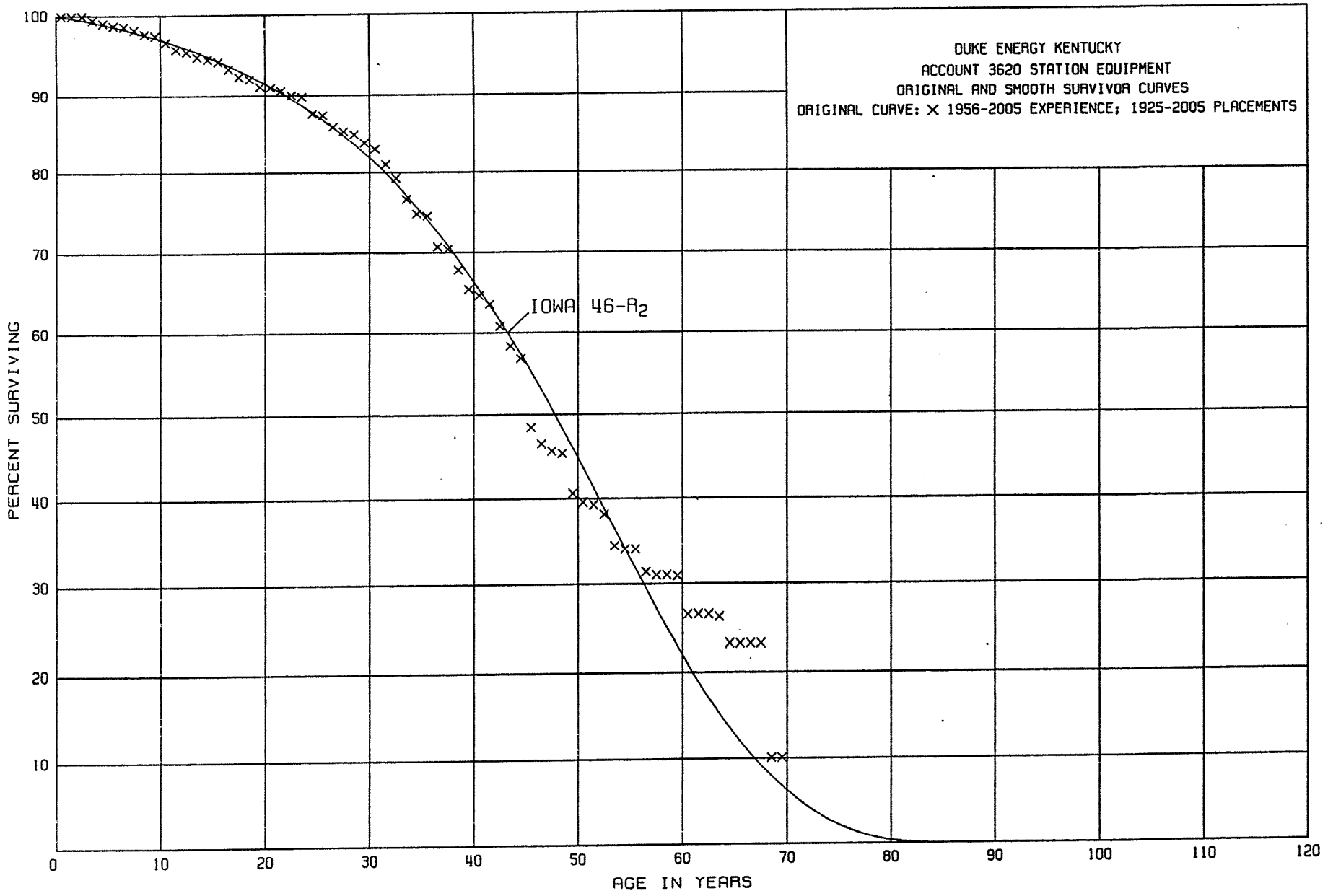
DUKE ENERGY KENTUCKY

ACCOUNT 3601 RIGHTS OF WAY

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1936-2000			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	331,204	6,052	0.0183	0.9817	97.52	
40.5	278,095	8	0.0000	1.0000	95.74	
41.5	256,789	54	0.0002	0.9998	95.74	
42.5	233,145	121	0.0005	0.9995	95.72	
43.5	202,958	10	0.0000	1.0000	95.67	
44.5	166,985	1	0.0000	1.0000	95.67	
45.5	149,756		0.0000	1.0000	95.67	
46.5	138,158		0.0000	1.0000	95.67	
47.5	124,053	84	0.0007	0.9993	95.67	
48.5	110,064		0.0000	1.0000	95.60	
49.5	96,020		0.0000	1.0000	95.60	
50.5	91,259		0.0000	1.0000	95.60	
51.5	81,756		0.0000	1.0000	95.60	
52.5	79,153		0.0000	1.0000	95.60	
53.5	66,426	10	0.0002	0.9998	95.60	
54.5	58,069		0.0000	1.0000	95.58	
55.5	56,332	26	0.0005	0.9995	95.58	
56.5	47,629	12	0.0003	0.9997	95.53	
57.5	44,267	14	0.0003	0.9997	95.50	
58.5	42,454		0.0000	1.0000	95.47	
59.5	41,672		0.0000	1.0000	95.47	
60.5	41,342		0.0000	1.0000	95.47	
61.5	40,879		0.0000	1.0000	95.47	
62.5	35,982		0.0000	1.0000	95.47	
63.5	30,818		0.0000	1.0000	95.47	
64.5	29,244		0.0000	1.0000	95.47	
65.5	26,213		0.0000	1.0000	95.47	
66.5	25,646		0.0000	1.0000	95.47	
67.5	21,091		0.0000	1.0000	95.47	
68.5					95.47	

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DUKE ENERGY KENTUCKY

ACCOUNT 3620 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2005

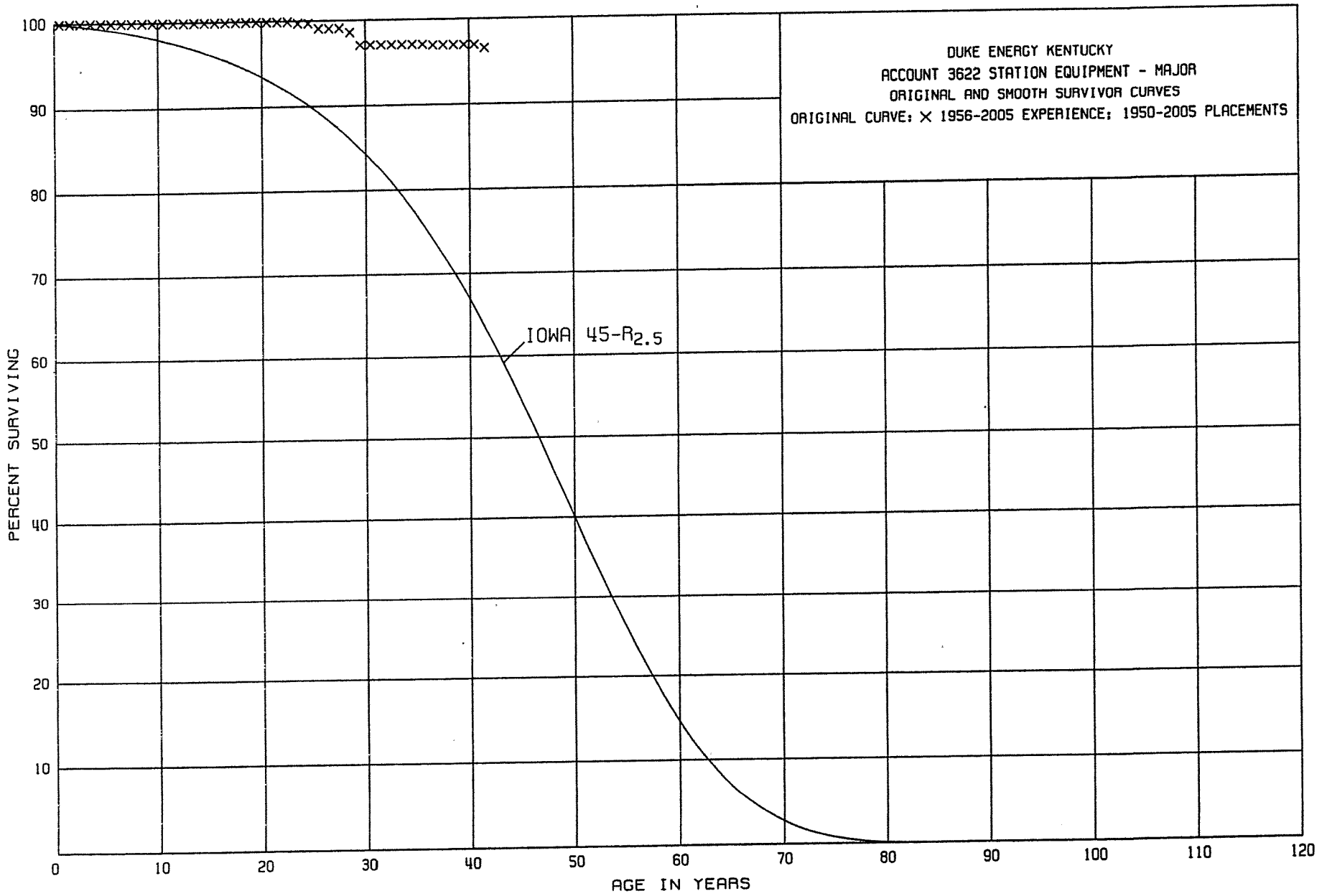
EXPERIENCE BAND 1956-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	19,235,873	5	0.0000	1.0000	100.00
0.5	17,918,663	3,266	0.0002	0.9998	100.00
1.5	16,864,171	5,604	0.0003	0.9997	99.98
2.5	16,294,172	89,477	0.0055	0.9945	99.95
3.5	15,990,570	60,407	0.0038	0.9962	99.40
4.5	14,517,435	40,883	0.0028	0.9972	99.02
5.5	14,555,395	14,219	0.0010	0.9990	98.74
6.5	14,817,270	60,637	0.0041	0.9959	98.64
7.5	14,746,927	85,753	0.0058	0.9942	98.24
8.5	14,378,609	33,303	0.0023	0.9977	97.67
9.5	14,136,724	111,272	0.0079	0.9921	97.45
10.5	13,277,811	120,961	0.0091	0.9909	96.68
11.5	13,029,875	37,719	0.0029	0.9971	95.80
12.5	11,987,315	84,334	0.0070	0.9930	95.52
13.5	11,133,233	30,654	0.0028	0.9972	94.85
14.5	9,678,671	25,324	0.0026	0.9974	94.58
15.5	9,585,966	99,549	0.0104	0.9896	94.33
16.5	9,489,211	97,513	0.0103	0.9897	93.35
17.5	8,750,499	27,786	0.0032	0.9968	92.39
18.5	8,595,886	91,919	0.0107	0.9893	92.09
19.5	8,493,737	14,153	0.0017	0.9983	91.10
20.5	8,457,057	29,782	0.0035	0.9965	90.95
21.5	8,104,728	60,166	0.0074	0.9926	90.63
22.5	7,458,445	13,610	0.0018	0.9982	89.96
23.5	7,088,714	171,187	0.0241	0.9759	89.80
24.5	6,776,599	21,427	0.0032	0.9968	87.64
25.5	6,479,557	106,634	0.0165	0.9835	87.36
26.5	6,246,759	41,652	0.0067	0.9933	85.92
27.5	6,205,106	33,073	0.0053	0.9947	85.34
28.5	5,648,543	72,450	0.0128	0.9872	84.89
29.5	4,414,965	44,980	0.0102	0.9898	83.80
30.5	4,369,175	104,925	0.0240	0.9760	82.95
31.5	3,993,842	81,701	0.0205	0.9795	80.96
32.5	3,764,915	125,502	0.0333	0.9667	79.30
33.5	3,585,082	84,712	0.0236	0.9764	76.66
34.5	3,124,983	12,473	0.0040	0.9960	74.85
35.5	3,050,678	159,143	0.0522	0.9478	74.55
36.5	2,673,427	8,509	0.0032	0.9968	70.66
37.5	2,660,562	94,712	0.0356	0.9644	70.43
38.5	2,512,824	90,710	0.0361	0.9639	67.92

DUKE ENERGY KENTUCKY
ACCOUNT 3620 STATION EQUIPMENT
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1925-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,133,293	24,309	0.0114	0.9886	65.47
40.5	2,083,528	35,074	0.0168	0.9832	64.72
41.5	1,854,903	83,822	0.0452	0.9548	63.63
42.5	1,766,359	70,368	0.0398	0.9602	60.75
43.5	1,686,484	46,040	0.0273	0.9727	58.33
44.5	1,615,855	233,541	0.1445	0.8555	56.74
45.5	1,267,282	53,127	0.0419	0.9581	48.54
46.5	1,192,288	23,260	0.0195	0.9805	46.51
47.5	1,001,209	6,003	0.0060	0.9940	45.60
48.5	928,923	97,490	0.1049	0.8951	45.33
49.5	798,560	18,438	0.0231	0.9769	40.57
50.5	617,870	5,809	0.0094	0.9906	39.63
51.5	585,114	16,087	0.0275	0.9725	39.26
52.5	563,198	54,380	0.0966	0.9034	38.18
53.5	485,073	5,861	0.0121	0.9879	34.49
54.5	478,992		0.0000	1.0000	34.07
55.5	468,629	36,723	0.0784	0.9216	34.07
56.5	410,912	5,732	0.0139	0.9861	31.40
57.5	404,576	34	0.0001	0.9999	30.96
58.5	404,542	964	0.0024	0.9976	30.96
59.5	403,578	55,521	0.1376	0.8624	30.89
60.5	347,425		0.0000	1.0000	26.64
61.5	331,780		0.0000	1.0000	26.64
62.5	331,780	4,340	0.0131	0.9869	26.64
63.5	325,927	37,863	0.1162	0.8838	26.29
64.5	286,141		0.0000	1.0000	23.24
65.5	286,141		0.0000	1.0000	23.24
66.5	285,292		0.0000	1.0000	23.24
67.5	199,526	112,980	0.5662	0.4338	23.24
68.5	86,546	218	0.0025	0.9975	10.08
69.5	86,328		0.0000	1.0000	10.05
70.5	86,328		0.0000	1.0000	10.05
71.5	86,328		0.0000	1.0000	10.05
72.5	86,328		0.0000	1.0000	10.05
73.5	86,328		0.0000	1.0000	10.05
74.5	86,328		0.0000	1.0000	10.05
75.5	86,328		0.0000	1.0000	10.05
76.5	86,328		0.0000	1.0000	10.05
77.5	86,328		0.0000	1.0000	10.05
78.5	51,525		0.0000	1.0000	10.05
79.5					10.05

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DUKE ENERGY KENTUCKY

ACCOUNT 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE

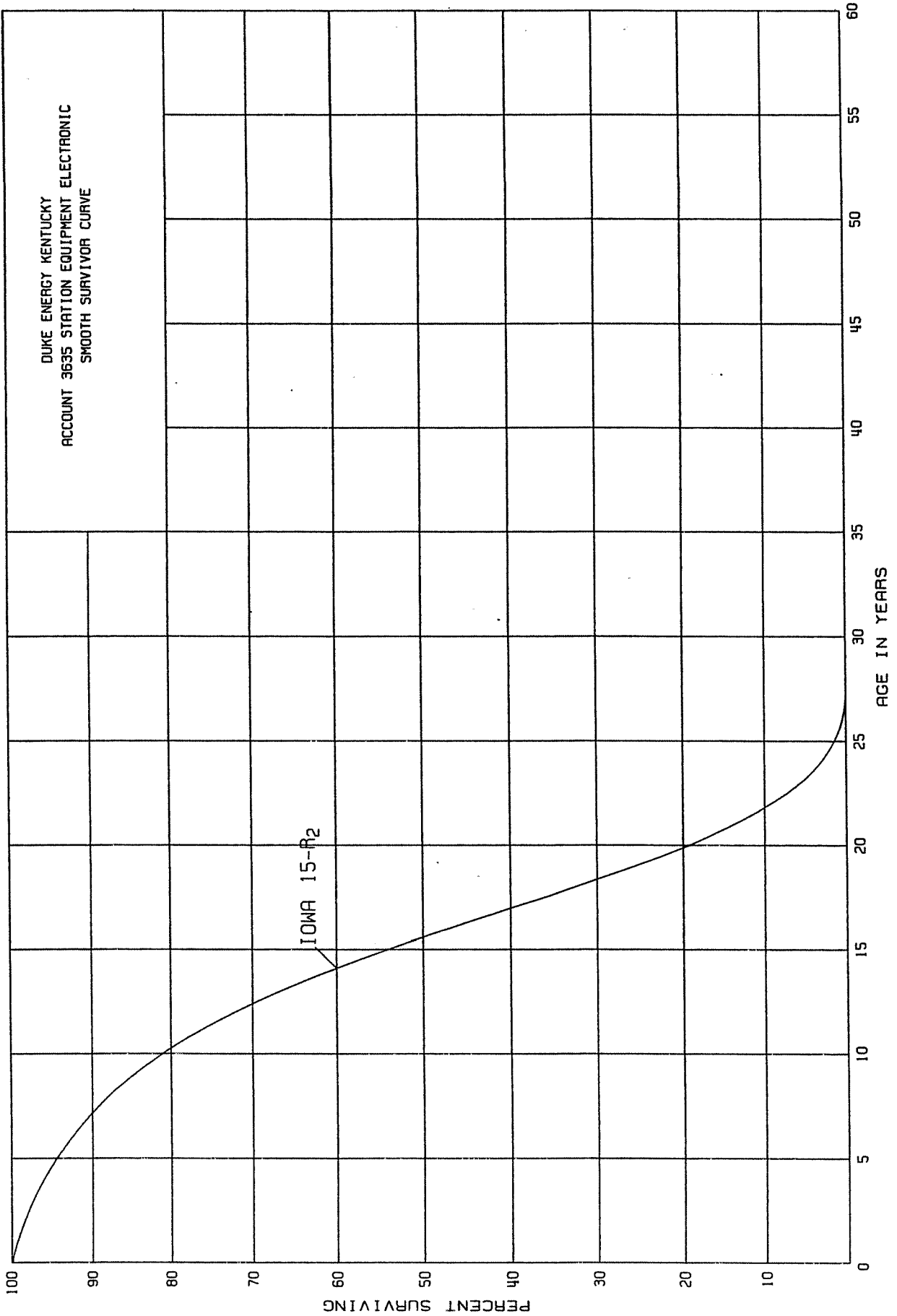
PLACEMENT BAND 1950-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,154,711		0.0000	1.0000	100.00
0.5	13,150,263		0.0000	1.0000	100.00
1.5	12,230,157		0.0000	1.0000	100.00
2.5	11,602,293		0.0000	1.0000	100.00
3.5	11,435,010		0.0000	1.0000	100.00
4.5	8,711,308		0.0000	1.0000	100.00
5.5	7,484,347		0.0000	1.0000	100.00
6.5	7,484,347		0.0000	1.0000	100.00
7.5	7,484,347		0.0000	1.0000	100.00
8.5	7,484,347		0.0000	1.0000	100.00
9.5	7,484,347		0.0000	1.0000	100.00
10.5	7,281,669		0.0000	1.0000	100.00
11.5	7,281,669		0.0000	1.0000	100.00
12.5	6,342,033	7,466	0.0012	0.9988	100.00
13.5	5,956,770		0.0000	1.0000	99.88
14.5	4,856,624		0.0000	1.0000	99.88
15.5	4,822,255		0.0000	1.0000	99.88
16.5	4,721,122		0.0000	1.0000	99.88
17.5	4,642,189		0.0000	1.0000	99.88
18.5	4,488,073		0.0000	1.0000	99.88
19.5	4,446,103		0.0000	1.0000	99.88
20.5	4,446,103		0.0000	1.0000	99.88
21.5	4,034,497		0.0000	1.0000	99.88
22.5	3,336,177	5,181	0.0016	0.9984	99.88
23.5	2,977,534		0.0000	1.0000	99.72
24.5	2,727,833	18,286	0.0067	0.9933	99.72
25.5	2,335,090		0.0000	1.0000	99.05
26.5	2,135,913		0.0000	1.0000	99.05
27.5	2,135,913	9,210	0.0043	0.9957	99.05
28.5	1,720,439	26,953	0.0157	0.9843	98.62
29.5	1,084,532		0.0000	1.0000	97.07
30.5	1,084,532		0.0000	1.0000	97.07
31.5	809,191		0.0000	1.0000	97.07
32.5	771,639		0.0000	1.0000	97.07
33.5	712,666		0.0000	1.0000	97.07
34.5	510,911		0.0000	1.0000	97.07
35.5	501,544	372	0.0007	0.9993	97.07
36.5	473,412		0.0000	1.0000	97.00
37.5	473,412		0.0000	1.0000	97.00
38.5	457,600		0.0000	1.0000	97.00

DUKE ENERGY KENTUCKY

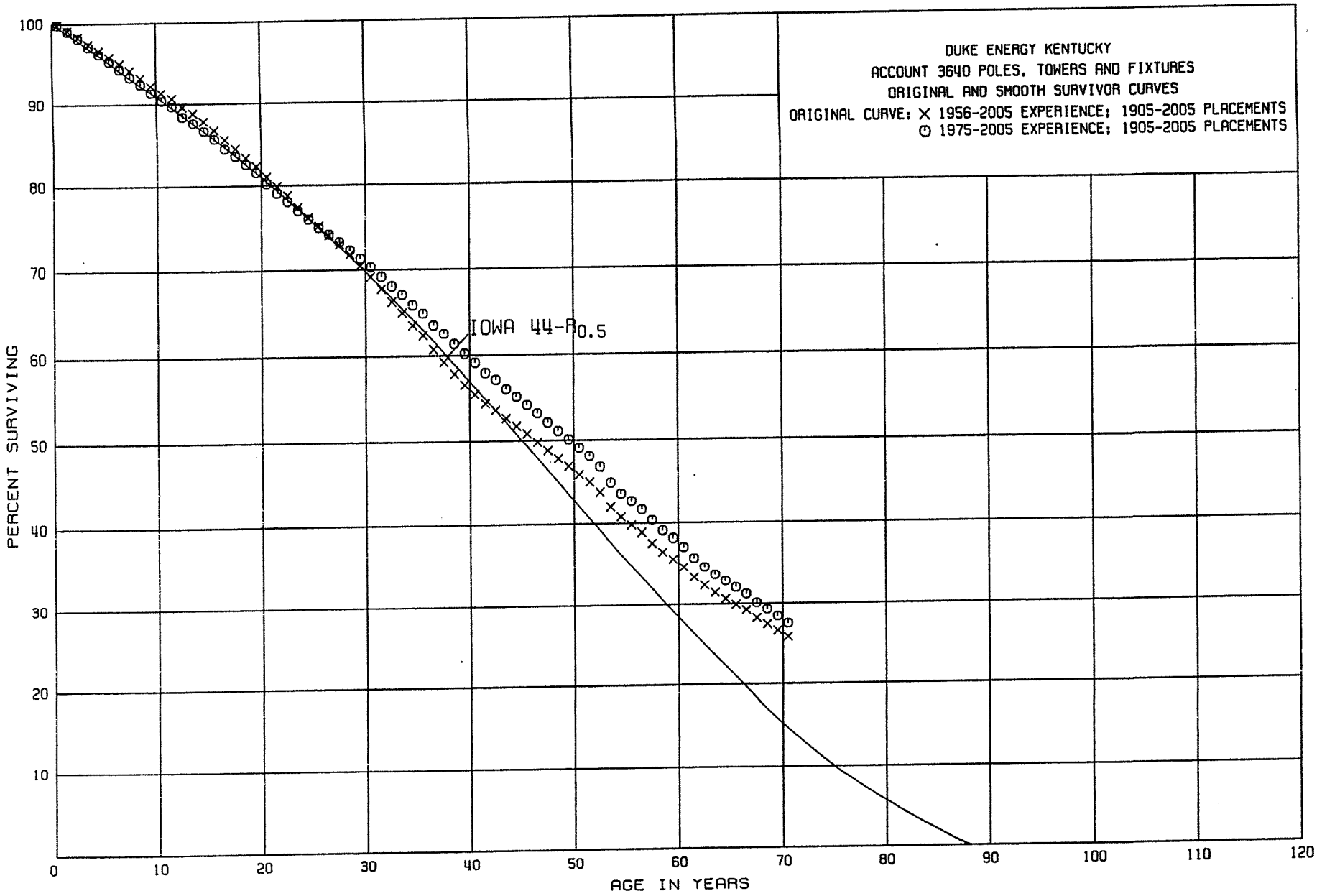
ACCOUNT 3622 STATION EQUIPMENT - MAJOR

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1950-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	363,347		0.0000	1.0000	97.00
40.5	363,347	1,614	0.0044	0.9956	97.00
41.5	240,443		0.0000	1.0000	96.57
42.5	213,570		0.0000	1.0000	96.57
43.5	157,928		0.0000	1.0000	96.57
44.5	157,928		0.0000	1.0000	96.57
45.5	117,610		0.0000	1.0000	96.57
46.5	117,244		0.0000	1.0000	96.57
47.5	102,829		0.0000	1.0000	96.57
48.5	102,829		0.0000	1.0000	96.57
49.5	102,829		0.0000	1.0000	96.57
50.5	1,151		0.0000	1.0000	96.57
51.5	1,151		0.0000	1.0000	96.57
52.5	1,151		0.0000	1.0000	96.57
53.5	1,151		0.0000	1.0000	96.57
54.5	1,151		0.0000	1.0000	96.57
55.5					96.57



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DUKE ENERGY KENTUCKY

ACCOUNT 3640 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	49,341,219	90,944	0.0018	0.9982	100.00
0.5	45,133,474	312,320	0.0069	0.9931	99.82
1.5	43,732,707	358,665	0.0082	0.9918	99.13
2.5	42,384,108	396,863	0.0094	0.9906	98.32
3.5	41,603,230	350,643	0.0084	0.9916	97.40
4.5	40,602,026	337,414	0.0083	0.9917	96.58
5.5	39,209,631	330,708	0.0084	0.9916	95.78
6.5	37,466,334	327,752	0.0087	0.9913	94.98
7.5	35,664,352	326,383	0.0092	0.9908	94.15
8.5	34,099,216	374,463	0.0110	0.9890	93.28
9.5	32,259,564	305,926	0.0095	0.9905	92.25
10.5	30,146,314	227,617	0.0076	0.9924	91.37
11.5	27,906,294	346,029	0.0124	0.9876	90.68
12.5	25,646,675	225,516	0.0088	0.9912	89.56
13.5	23,639,749	264,495	0.0112	0.9888	88.77
14.5	21,878,341	263,337	0.0120	0.9880	87.78
15.5	20,548,284	301,726	0.0147	0.9853	86.73
16.5	18,388,152	231,066	0.0126	0.9874	85.46
17.5	17,357,400	219,040	0.0126	0.9874	84.38
18.5	15,971,351	206,653	0.0129	0.9871	83.32
19.5	14,926,262	235,977	0.0158	0.9842	82.25
20.5	13,931,761	190,119	0.0136	0.9864	80.95
21.5	13,082,198	179,041	0.0137	0.9863	79.85
22.5	12,221,650	212,123	0.0174	0.9826	78.76
23.5	11,321,966	175,221	0.0155	0.9845	77.39
24.5	10,392,759	135,642	0.0131	0.9869	76.19
25.5	9,351,143	132,480	0.0142	0.9858	75.19
26.5	8,615,846	127,920	0.0148	0.9852	74.12
27.5	8,054,896	135,268	0.0168	0.9832	73.02
28.5	7,475,389	133,238	0.0178	0.9822	71.79
29.5	6,974,834	129,827	0.0186	0.9814	70.51
30.5	6,486,952	128,411	0.0198	0.9802	69.20
31.5	5,944,411	136,795	0.0230	0.9770	67.83
32.5	5,306,442	103,700	0.0195	0.9805	66.27
33.5	4,831,522	114,174	0.0236	0.9764	64.98
34.5	4,431,757	78,737	0.0178	0.9822	63.45
35.5	4,077,761	104,050	0.0255	0.9745	62.32
36.5	3,743,570	88,437	0.0236	0.9764	60.73
37.5	3,438,418	80,208	0.0233	0.9767	59.30
38.5	3,186,458	70,307	0.0221	0.9779	57.92

DUKE ENERGY KENTUCKY

ACCOUNT 3640 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,940,109	59,766	0.0203	0.9797	56.64
40.5	2,674,280	53,805	0.0201	0.9799	55.49
41.5	2,418,026	34,615	0.0143	0.9857	54.37
42.5	2,198,704	40,130	0.0183	0.9817	53.59
43.5	1,983,981	34,289	0.0173	0.9827	52.61
44.5	1,751,315	30,108	0.0172	0.9828	51.70
45.5	1,613,209	31,601	0.0196	0.9804	50.81
46.5	1,457,232	28,304	0.0194	0.9806	49.81
47.5	1,310,576	26,924	0.0205	0.9795	48.84
48.5	1,165,763	22,042	0.0189	0.9811	47.84
49.5	1,045,932	23,015	0.0220	0.9780	46.94
50.5	914,937	18,388	0.0201	0.9799	45.91
51.5	809,973	21,716	0.0268	0.9732	44.99
52.5	706,263	28,841	0.0408	0.9592	43.78
53.5	591,551	16,876	0.0285	0.9715	41.99
54.5	515,374	12,740	0.0247	0.9753	40.79
55.5	442,794	10,285	0.0232	0.9768	39.78
56.5	389,002	12,542	0.0322	0.9678	38.86
57.5	350,490	10,814	0.0309	0.9691	37.61
58.5	303,756	7,286	0.0240	0.9760	36.45
59.5	281,810	7,836	0.0278	0.9722	35.58
60.5	261,022	9,758	0.0374	0.9626	34.59
61.5	242,823	7,049	0.0290	0.9710	33.30
62.5	230,066	6,475	0.0281	0.9719	32.33
63.5	202,197	5,224	0.0258	0.9742	31.42
64.5	181,308	3,979	0.0219	0.9781	30.61
65.5	157,967	3,929	0.0249	0.9751	29.94
66.5	138,471	4,798	0.0346	0.9654	29.19
67.5	122,767	3,284	0.0267	0.9733	28.18
68.5	107,123	3,210	0.0300	0.9700	27.43
69.5	100,572	3,088	0.0307	0.9693	26.61
70.5	85,277	2,309	0.0271	0.9729	25.79
71.5	69,565	2,189	0.0315	0.9685	25.09
72.5	54,328	2,383	0.0439	0.9561	24.30
73.5	43,147	1,269	0.0294	0.9706	23.23
74.5	28,530	2,260	0.0792	0.9208	22.55
75.5	21,398	1,881	0.0879	0.9121	20.76
76.5	15,506	766	0.0494	0.9506	18.94
77.5	10,167	136	0.0134	0.9866	18.00
78.5	7,359	157	0.0213	0.9787	17.76

DUKE ENERGY KENTUCKY
ACCOUNT 3640 POLES, TOWERS AND FIXTURES
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	4,254	52	0.0122	0.9878	17.38	
80.5	934	100	0.1071	0.8929	17.17	
81.5	651		0.0000	1.0000	15.33	
82.5	608		0.0000	1.0000	15.33	
83.5	514		0.0000	1.0000	15.33	
84.5	472		0.0000	1.0000	15.33	
85.5	358		0.0000	1.0000	15.33	
86.5	227		0.0000	1.0000	15.33	
87.5	183		0.0000	1.0000	15.33	
88.5	131		0.0000	1.0000	15.33	
89.5	131		0.0000	1.0000	15.33	
90.5					15.33	

DUKE ENERGY KENTUCKY

ACCOUNT 3640 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1975-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	42,489,100	88,109	0.0021	0.9979	100.00
0.5	38,752,241	299,576	0.0077	0.9923	99.79
1.5	37,878,095	351,353	0.0093	0.9907	99.02
2.5	36,880,872	388,086	0.0105	0.9895	98.10
3.5	36,313,881	345,038	0.0095	0.9905	97.07
4.5	35,594,713	330,527	0.0093	0.9907	96.15
5.5	34,423,581	324,443	0.0094	0.9906	95.26
6.5	32,868,091	323,868	0.0099	0.9901	94.36
7.5	31,235,162	321,272	0.0103	0.9897	93.43
8.5	29,869,598	360,546	0.0121	0.9879	92.47
9.5	28,306,942	296,355	0.0105	0.9895	91.35
10.5	26,484,586	216,864	0.0082	0.9918	90.39
11.5	24,502,177	335,333	0.0137	0.9863	89.65
12.5	22,511,444	212,300	0.0094	0.9906	88.42
13.5	20,795,316	234,646	0.0113	0.9887	87.59
14.5	19,234,910	227,042	0.0118	0.9882	86.60
15.5	18,137,736	255,137	0.0141	0.9859	85.58
16.5	16,177,334	176,629	0.0109	0.9891	84.37
17.5	15,350,699	184,836	0.0120	0.9880	83.45
18.5	14,164,112	171,118	0.0121	0.9879	82.45
19.5	13,337,081	202,852	0.0152	0.9848	81.45
20.5	12,495,697	171,141	0.0137	0.9863	80.21
21.5	11,776,453	148,980	0.0127	0.9873	79.11
22.5	11,041,444	151,907	0.0138	0.9862	78.11
23.5	10,300,457	143,934	0.0140	0.9860	77.03
24.5	9,421,891	116,599	0.0124	0.9876	75.95
25.5	8,396,217	95,317	0.0114	0.9886	75.01
26.5	7,733,757	89,304	0.0115	0.9885	74.15
27.5	7,205,421	100,651	0.0140	0.9860	73.30
28.5	6,640,638	85,871	0.0129	0.9871	72.27
29.5	6,180,340	86,769	0.0140	0.9860	71.34
30.5	5,736,389	91,607	0.0160	0.9840	70.34
31.5	5,236,437	82,869	0.0158	0.9842	69.21
32.5	4,697,887	68,904	0.0147	0.9853	68.12
33.5	4,285,321	76,734	0.0179	0.9821	67.12
34.5	3,960,736	61,436	0.0155	0.9845	65.92
35.5	3,651,857	79,386	0.0217	0.9783	64.90
36.5	3,365,837	54,331	0.0161	0.9839	63.49
37.5	3,115,343	56,603	0.0182	0.9818	62.47
38.5	2,894,552	52,477	0.0181	0.9819	61.33

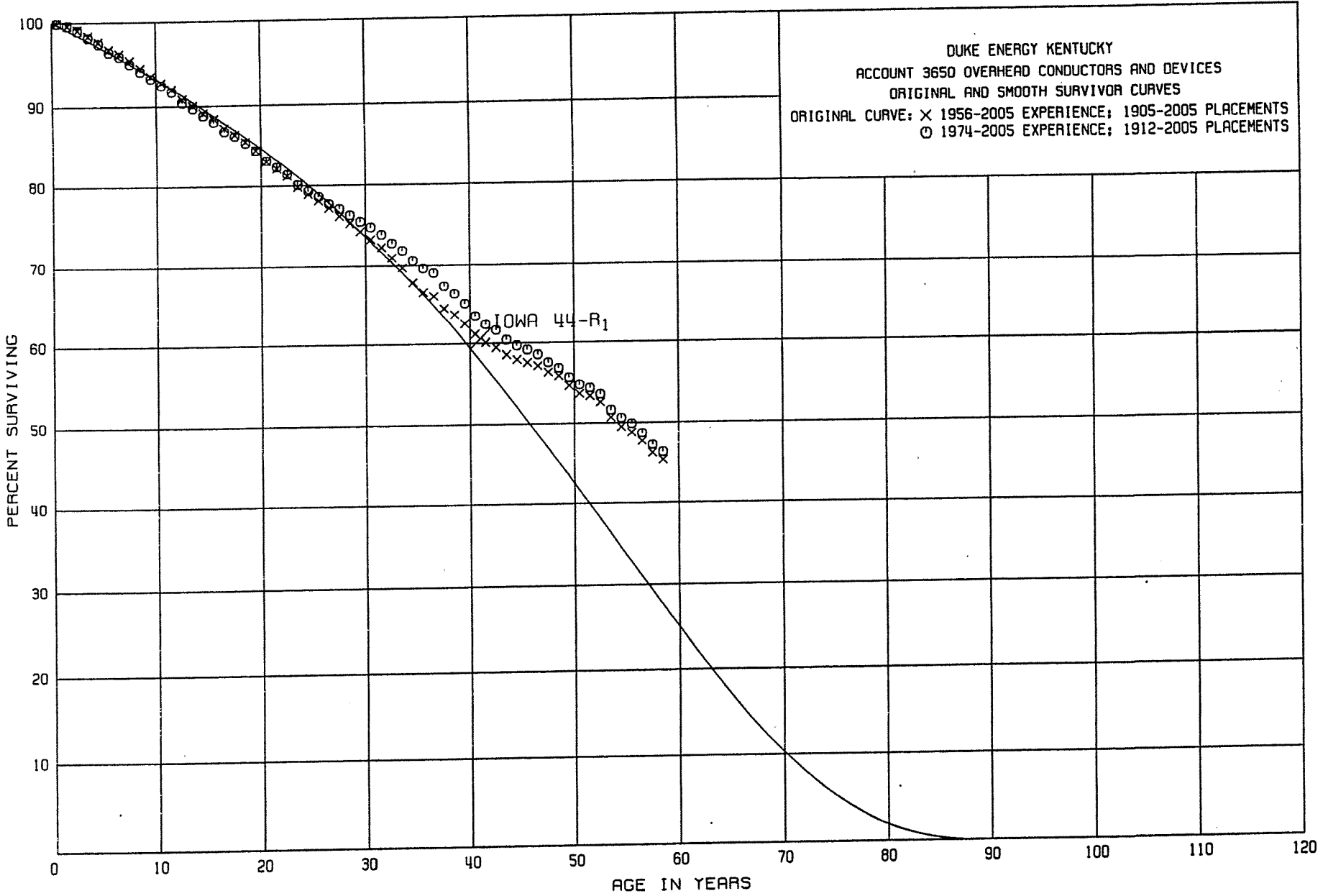
DUKE ENERGY KENTUCKY
ACCOUNT 3640 POLES, TOWERS AND FIXTURES
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1975-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,689,897	46,519	0.0173	0.9827	60.22
40.5	2,463,073	49,215	0.0200	0.9800	59.18
41.5	2,241,978	32,638	0.0146	0.9854	58.00
42.5	2,047,338	37,003	0.0181	0.9819	57.15
43.5	1,868,775	31,725	0.0170	0.9830	56.12
44.5	1,658,160	28,630	0.0173	0.9827	55.17
45.5	1,532,268	29,718	0.0194	0.9806	54.22
46.5	1,397,598	27,060	0.0194	0.9806	53.17
47.5	1,265,920	24,900	0.0197	0.9803	52.14
48.5	1,142,963	21,739	0.0190	0.9810	51.11
49.5	1,031,655	22,527	0.0218	0.9782	50.14
50.5	900,517	18,104	0.0201	0.9799	49.05
51.5	796,241	20,456	0.0257	0.9743	48.06
52.5	696,365	28,607	0.0411	0.9589	46.82
53.5	582,064	16,448	0.0283	0.9717	44.90
54.5	507,071	10,553	0.0208	0.9792	43.63
55.5	437,287	10,285	0.0235	0.9765	42.72
56.5	383,714	12,542	0.0327	0.9673	41.72
57.5	345,752	10,814	0.0313	0.9687	40.36
58.5	300,041	7,286	0.0243	0.9757	39.10
59.5	278,547	7,836	0.0281	0.9719	38.15
60.5	257,758	9,758	0.0379	0.9621	37.08
61.5	239,560	7,049	0.0294	0.9706	35.67
62.5	226,830	6,475	0.0285	0.9715	34.62
63.5	198,961	5,224	0.0263	0.9737	33.63
64.5	179,481	3,979	0.0222	0.9778	32.75
65.5	156,140	3,929	0.0252	0.9748	32.02
66.5	136,644	4,798	0.0351	0.9649	31.21
67.5	120,966	3,284	0.0271	0.9729	30.11
68.5	105,322	3,210	0.0305	0.9695	29.29
69.5	100,572	3,088	0.0307	0.9693	28.40
70.5	85,277	2,309	0.0271	0.9729	27.53
71.5	69,565	2,189	0.0315	0.9685	26.78
72.5	54,328	2,383	0.0439	0.9561	25.94
73.5	43,147	1,269	0.0294	0.9706	24.80
74.5	28,530	2,260	0.0792	0.9208	24.07
75.5	21,398	1,881	0.0879	0.9121	22.16
76.5	15,506	766	0.0494	0.9506	20.21
77.5	10,167	136	0.0134	0.9866	19.21
78.5	7,359	157	0.0213	0.9787	18.95

DUKE ENERGY KENTUCKY
ACCOUNT 3640 POLES, TOWERS AND FIXTURES
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1975-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	4,254	52	0.0122	0.9878	18.55	
80.5	934	100	0.1071	0.8929	18.32	
81.5	651		0.0000	1.0000	16.36	
82.5	608		0.0000	1.0000	16.36	
83.5	514		0.0000	1.0000	16.36	
84.5	472		0.0000	1.0000	16.36	
85.5	358		0.0000	1.0000	16.36	
86.5	227		0.0000	1.0000	16.36	
87.5	183		0.0000	1.0000	16.36	
88.5	131		0.0000	1.0000	16.36	
89.5	131		0.0000	1.0000	16.36	
90.5					16.36	

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DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2005

EXPERIENCE BAND 1956-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	68,358,043	42,908	0.0006	0.9994	100.00
0.5	67,664,802	238,414	0.0035	0.9965	99.94
1.5	63,103,999	314,578	0.0050	0.9950	99.59
2.5	57,748,656	426,113	0.0074	0.9926	99.09
3.5	57,113,212	383,610	0.0067	0.9933	98.36
4.5	54,477,700	504,582	0.0093	0.9907	97.70
5.5	46,984,793	246,615	0.0052	0.9948	96.79
6.5	44,688,539	361,272	0.0081	0.9919	96.29
7.5	42,196,858	426,450	0.0101	0.9899	95.51
8.5	40,835,407	401,121	0.0098	0.9902	94.55
9.5	39,043,671	326,692	0.0084	0.9916	93.62
10.5	36,545,998	317,926	0.0087	0.9913	92.83
11.5	32,647,062	440,204	0.0135	0.9865	92.02
12.5	30,083,798	254,625	0.0085	0.9915	90.78
13.5	27,570,857	279,616	0.0101	0.9899	90.01
14.5	24,997,138	199,012	0.0080	0.9920	89.10
15.5	23,360,313	324,383	0.0139	0.9861	88.39
16.5	20,419,827	179,605	0.0088	0.9912	87.16
17.5	19,503,855	212,918	0.0109	0.9891	86.39
18.5	17,880,440	215,449	0.0120	0.9880	85.45
19.5	16,587,264	272,067	0.0164	0.9836	84.42
20.5	15,166,107	165,300	0.0109	0.9891	83.04
21.5	14,220,644	158,568	0.0112	0.9888	82.13
22.5	12,947,308	228,168	0.0176	0.9824	81.21
23.5	11,969,327	130,618	0.0109	0.9891	79.78
24.5	11,246,965	114,905	0.0102	0.9898	78.91
25.5	10,165,646	118,306	0.0116	0.9884	78.11
26.5	9,325,283	115,302	0.0124	0.9876	77.20
27.5	8,906,748	113,340	0.0127	0.9873	76.24
28.5	8,450,390	111,311	0.0132	0.9868	75.27
29.5	7,941,067	102,737	0.0129	0.9871	74.28
30.5	7,684,480	105,632	0.0137	0.9863	73.32
31.5	6,947,163	128,735	0.0185	0.9815	72.32
32.5	6,062,502	111,785	0.0184	0.9816	70.98
33.5	5,518,332	150,051	0.0272	0.9728	69.67
34.5	4,872,687	89,498	0.0184	0.9816	67.77
35.5	4,299,656	36,712	0.0085	0.9915	66.52
36.5	4,025,696	93,535	0.0232	0.9768	65.95
37.5	3,665,552	45,998	0.0125	0.9875	64.42
38.5	3,378,947	63,519	0.0188	0.9812	63.61

DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	68,358,043	42,908	0.0006	0.9994	100.00
0.5	67,664,802	238,414	0.0035	0.9965	99.94
1.5	63,103,999	314,578	0.0050	0.9950	99.59
2.5	57,748,656	426,113	0.0074	0.9926	99.09
3.5	57,113,212	383,610	0.0067	0.9933	98.36
4.5	54,477,700	504,582	0.0093	0.9907	97.70
5.5	46,984,793	246,615	0.0052	0.9948	96.79
6.5	44,688,539	361,272	0.0081	0.9919	96.29
7.5	42,196,858	426,450	0.0101	0.9899	95.51
8.5	40,835,407	401,121	0.0098	0.9902	94.55
9.5	39,043,671	326,692	0.0084	0.9916	93.62
10.5	36,545,998	317,926	0.0087	0.9913	92.83
11.5	32,647,062	440,204	0.0135	0.9865	92.02
12.5	30,083,798	254,625	0.0085	0.9915	90.78
13.5	27,570,857	279,616	0.0101	0.9899	90.01
14.5	24,997,138	199,012	0.0080	0.9920	89.10
15.5	23,360,313	324,383	0.0139	0.9861	88.39
16.5	20,419,827	179,605	0.0088	0.9912	87.16
17.5	19,503,855	212,918	0.0109	0.9891	86.39
18.5	17,880,440	215,449	0.0120	0.9880	85.45
19.5	16,587,264	272,067	0.0164	0.9836	84.42
20.5	15,166,107	165,300	0.0109	0.9891	83.04
21.5	14,220,644	158,568	0.0112	0.9888	82.13
22.5	12,947,308	228,168	0.0176	0.9824	81.21
23.5	11,969,327	130,618	0.0109	0.9891	79.78
24.5	11,246,965	114,905	0.0102	0.9898	78.91
25.5	10,165,646	118,306	0.0116	0.9884	78.11
26.5	9,325,283	115,302	0.0124	0.9876	77.20
27.5	8,906,748	113,340	0.0127	0.9873	76.24
28.5	8,450,390	111,311	0.0132	0.9868	75.27
29.5	7,941,067	102,737	0.0129	0.9871	74.28
30.5	7,684,480	105,632	0.0137	0.9863	73.32
31.5	6,947,163	128,735	0.0185	0.9815	72.32
32.5	6,062,502	111,785	0.0184	0.9816	70.98
33.5	5,518,332	150,051	0.0272	0.9728	69.67
34.5	4,872,687	89,498	0.0184	0.9816	67.77
35.5	4,299,656	36,712	0.0085	0.9915	66.52
36.5	4,025,696	93,535	0.0232	0.9768	65.95
37.5	3,665,552	45,998	0.0125	0.9875	64.42
38.5	3,378,947	63,519	0.0188	0.9812	63.61
39.5	2,998,716	62,387	0.0208	0.9792	62.41

DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
40.5	2,650,821	41,757	0.0158	0.9842	61.11
41.5	2,295,590	23,780	0.0104	0.9896	60.14
42.5	2,053,393	31,103	0.0151	0.9849	59.51
43.5	1,828,730	17,858	0.0098	0.9902	58.61
44.5	1,598,126	11,439	0.0072	0.9928	58.04
45.5	1,483,511	10,482	0.0071	0.9929	57.62
46.5	1,393,229	19,896	0.0143	0.9857	57.21
47.5	1,268,314	11,585	0.0091	0.9909	56.39
48.5	1,161,812	24,948	0.0215	0.9785	55.88
49.5	1,046,535	17,998	0.0172	0.9828	54.68
50.5	938,608	6,028	0.0064	0.9936	53.74
51.5	826,869	12,082	0.0146	0.9854	53.40
52.5	770,139	28,467	0.0370	0.9630	52.62
53.5	631,971	14,751	0.0233	0.9767	50.67
54.5	560,279	7,721	0.0138	0.9862	49.49
55.5	461,906	10,658	0.0231	0.9769	48.81
56.5	415,005	13,106	0.0316	0.9684	47.68
57.5	385,036	6,956	0.0181	0.9819	46.17
58.5	348,432	8,331	0.0239	0.9761	45.33
59.5	327,649	3,936	0.0120	0.9880	44.25
60.5	319,073	3,191	0.0100	0.9900	43.72
61.5	315,051	3,158	0.0100	0.9900	43.28
62.5	306,033	5,537	0.0181	0.9819	42.85
63.5	290,085	331	0.0011	0.9989	42.07
64.5	277,790	10,202	0.0367	0.9633	42.02
65.5	267,068	2,128	0.0080	0.9920	40.48
66.5	254,945	16,357	0.0642	0.9358	40.16
67.5	218,888	11,024	0.0504	0.9496	37.58
68.5	207,864	15,959	0.0768	0.9232	35.69
69.5	191,928	2,501	0.0130	0.9870	32.95
70.5	189,427	1,036	0.0055	0.9945	32.52
71.5	188,391		0.0000	1.0000	32.34
72.5	188,391	3	0.0000	1.0000	32.34
73.5	188,215		0.0000	1.0000	32.34
74.5	188,215	1,202	0.0064	0.9936	32.34
75.5	187,014	5,071	0.0271	0.9729	32.13
76.5	181,943	113	0.0006	0.9994	31.26
77.5	181,830	367	0.0020	0.9980	31.24
78.5	181,432	1,271	0.0070	0.9930	31.18
79.5	180,158	6,807	0.0378	0.9622	30.96
80.5					29.79

DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1912-2005

EXPERIENCE BAND 1974-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	60,751,210	42,806	0.0007	0.9993	100.00
0.5	60,833,938	233,343	0.0038	0.9962	99.93
1.5	56,720,535	304,130	0.0054	0.9946	99.55
2.5	51,987,865	417,168	0.0080	0.9920	99.01
3.5	51,804,006	377,301	0.0073	0.9927	98.22
4.5	49,357,771	498,632	0.0101	0.9899	97.50
5.5	42,088,659	236,466	0.0056	0.9944	96.52
6.5	40,062,707	347,020	0.0087	0.9913	95.98
7.5	37,972,935	391,488	0.0103	0.9897	95.14
8.5	37,032,556	346,720	0.0094	0.9906	94.16
9.5	35,733,911	288,065	0.0081	0.9919	93.27
10.5	33,570,156	294,542	0.0088	0.9912	92.51
11.5	30,011,190	415,708	0.0139	0.9861	91.70
12.5	27,849,448	234,761	0.0084	0.9916	90.43
13.5	25,490,389	262,983	0.0103	0.9897	89.67
14.5	23,071,784	185,188	0.0080	0.9920	88.75
15.5	21,664,650	295,561	0.0136	0.9864	88.04
16.5	18,855,074	148,330	0.0079	0.9921	86.84
17.5	17,922,876	171,852	0.0096	0.9904	86.15
18.5	16,499,169	182,691	0.0111	0.9889	85.32
19.5	15,418,874	237,975	0.0154	0.9846	84.37
20.5	14,134,592	137,595	0.0097	0.9903	83.07
21.5	13,401,883	133,540	0.0100	0.9900	82.26
22.5	12,262,523	202,733	0.0165	0.9835	81.44
23.5	11,429,789	110,378	0.0097	0.9903	80.10
24.5	10,777,240	104,681	0.0097	0.9903	79.32
25.5	9,744,682	110,025	0.0113	0.9887	78.55
26.5	8,946,163	70,911	0.0079	0.9921	77.66
27.5	8,539,453	83,598	0.0098	0.9902	77.05
28.5	8,093,699	81,060	0.0100	0.9900	76.29
29.5	7,607,344	76,011	0.0100	0.9900	75.53
30.5	7,063,337	84,384	0.0119	0.9881	74.77
31.5	6,378,531	90,685	0.0142	0.9858	73.88
32.5	5,547,741	70,545	0.0127	0.9873	72.83
33.5	5,045,115	94,819	0.0188	0.9812	71.91
34.5	4,467,445	59,022	0.0132	0.9868	70.56
35.5	3,956,962	34,809	0.0088	0.9912	69.63
36.5	3,684,789	93,344	0.0253	0.9747	69.02
37.5	3,324,711	45,910	0.0138	0.9862	67.27
38.5	3,037,896	63,253	0.0208	0.9792	66.34
39.5	2,657,862	62,174	0.0234	0.9766	64.96

DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

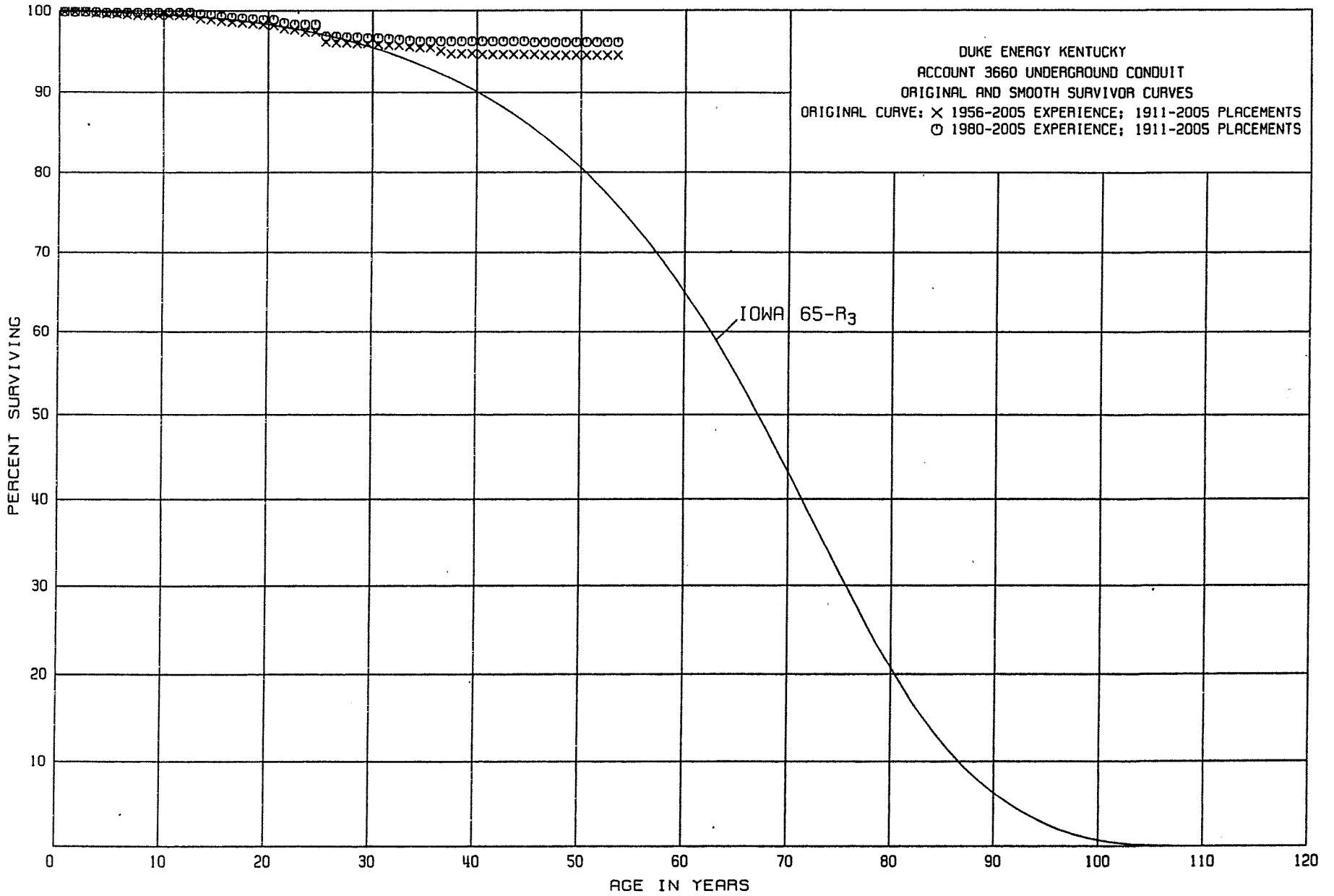
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1912-2005

EXPERIENCE BAND 1974-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
40.5	2,310,143	41,678	0.0180	0.9820	63.44
41.5	1,955,220	23,660	0.0121	0.9879	62.30
42.5	1,713,143	31,030	0.0181	0.9819	61.55
43.5	1,488,543	17,846	0.0120	0.9880	60.44
44.5	1,258,046	11,439	0.0091	0.9909	59.71
45.5	1,160,991	10,482	0.0090	0.9910	59.17
46.5	1,070,739	19,896	0.0186	0.9814	58.64
47.5	945,824	11,585	0.0122	0.9878	57.55
48.5	1,159,601	23,027	0.0199	0.9801	56.85
49.5	1,046,245	17,998	0.0172	0.9828	55.72
50.5	936,804	5,987	0.0064	0.9936	54.76
51.5	825,277	11,974	0.0145	0.9855	54.41
52.5	768,655	28,467	0.0370	0.9630	53.62
53.5	630,487	13,277	0.0211	0.9789	51.64
54.5	560,268	7,721	0.0138	0.9862	50.55
55.5	461,896	10,658	0.0231	0.9769	49.85
56.5	414,995	13,106	0.0316	0.9684	48.70
57.5	385,026	6,956	0.0181	0.9819	47.16
58.5	348,422	8,331	0.0239	0.9761	46.31
59.5	327,639	3,936	0.0120	0.9880	45.20
60.5	319,063	3,191	0.0100	0.9900	44.66
61.5	315,051	3,158	0.0100	0.9900	44.21
62.5	306,033	5,537	0.0181	0.9819	43.77
63.5	290,085	331	0.0011	0.9989	42.98
64.5	277,790	10,202	0.0367	0.9633	42.93
65.5	267,068	2,128	0.0080	0.9920	41.35
66.5	254,945	16,357	0.0642	0.9358	41.02
67.5	218,888	11,024	0.0504	0.9496	38.39
68.5	207,864	15,959	0.0768	0.9232	36.46
69.5	191,928	2,501	0.0130	0.9870	33.66
70.5	189,427	1,036	0.0055	0.9945	33.22
71.5	188,391		0.0000	1.0000	33.04
72.5	188,391	3	0.0000	1.0000	33.04
73.5	188,215		0.0000	1.0000	33.04
74.5	188,215	1,202	0.0064	0.9936	33.04
75.5	187,014	5,071	0.0271	0.9729	32.83
76.5	181,943	113	0.0006	0.9994	31.94
77.5	181,830	367	0.0020	0.9980	31.92
78.5	181,432	1,271	0.0070	0.9930	31.86
79.5	180,158	6,807	0.0378	0.9622	31.64
80.5					30.44

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DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1911-2005

EXPERIENCE BAND 1956-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,344,430		0.0000	1.0000	100.00
0.5	14,058,574	9,983	0.0007	0.9993	100.00
1.5	13,833,916	2,127	0.0002	0.9998	99.93
2.5	10,786,124	19,428	0.0018	0.9982	99.91
3.5	10,615,055	11,296	0.0011	0.9989	99.73
4.5	10,277,750	2,392	0.0002	0.9998	99.62
5.5	9,819,921	9,409	0.0010	0.9990	99.60
6.5	7,944,728	7,279	0.0009	0.9991	99.50
7.5	7,099,265	457	0.0001	0.9999	99.41
8.5	6,196,617	109	0.0000	1.0000	99.40
9.5	5,398,655	573	0.0001	0.9999	99.40
10.5	4,561,949	573	0.0001	0.9999	99.39
11.5	3,492,573	331	0.0001	0.9999	99.38
12.5	2,655,475	8,815	0.0033	0.9967	99.37
13.5	2,026,245	3,319	0.0016	0.9984	99.04
14.5	1,974,496	3,759	0.0019	0.9981	98.88
15.5	1,859,896	1,830	0.0010	0.9990	98.69
16.5	1,678,737	2,026	0.0012	0.9988	98.59
17.5	1,574,732	1,179	0.0007	0.9993	98.47
18.5	1,557,398	2,119	0.0014	0.9986	98.40
19.5	1,501,917	235	0.0002	0.9998	98.26
20.5	1,497,634	6,501	0.0043	0.9957	98.24
21.5	1,390,326	1,512	0.0011	0.9989	97.82
22.5	1,372,772	4,102	0.0030	0.9970	97.71
23.5	1,332,190	45	0.0000	1.0000	97.42
24.5	1,345,914	17,118	0.0127	0.9873	97.42
25.5	1,198,663	871	0.0007	0.9993	96.18
26.5	1,202,244	176	0.0001	0.9999	96.11
27.5	1,195,992	757	0.0006	0.9994	96.10
28.5	1,163,482	361	0.0003	0.9997	96.04
29.5	978,142	808	0.0008	0.9992	96.01
30.5	767,377	698	0.0009	0.9991	95.93
31.5	688,152	326	0.0005	0.9995	95.84
32.5	572,658	1,027	0.0018	0.9982	95.79
33.5	549,131	855	0.0016	0.9984	95.62
34.5	459,103	22	0.0000	1.0000	95.47
35.5	421,069	1,569	0.0037	0.9963	95.47
36.5	396,266	1,504	0.0038	0.9962	95.12
37.5	394,620	36	0.0001	0.9999	94.76
38.5	385,924	4	0.0000	1.0000	94.75

DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	385,985	119	0.0003	0.9997	94.75	
40.5	372,361	1	0.0000	1.0000	94.72	
41.5	366,685	25	0.0001	0.9999	94.72	
42.5	283,952		0.0000	1.0000	94.71	
43.5	272,102		0.0000	1.0000	94.71	
44.5	253,548	154	0.0006	0.9994	94.71	
45.5	252,210	157	0.0006	0.9994	94.65	
46.5	248,319		0.0000	1.0000	94.59	
47.5	238,574		0.0000	1.0000	94.59	
48.5	232,033		0.0000	1.0000	94.59	
49.5	223,016		0.0000	1.0000	94.59	
50.5	198,285		0.0000	1.0000	94.59	
51.5	194,295		0.0000	1.0000	94.59	
52.5	190,835		0.0000	1.0000	94.59	
53.5	178,448	221	0.0012	0.9988	94.59	
54.5	172,793		0.0000	1.0000	94.48	
55.5	152,842	151	0.0010	0.9990	94.48	
56.5	139,327		0.0000	1.0000	94.39	
57.5	139,193	179	0.0013	0.9987	94.39	
58.5	136,493		0.0000	1.0000	94.27	
59.5	136,492		0.0000	1.0000	94.27	
60.5	135,439		0.0000	1.0000	94.27	
61.5	135,175		0.0000	1.0000	94.27	
62.5	132,897		0.0000	1.0000	94.27	
63.5	130,570		0.0000	1.0000	94.27	
64.5	120,442		0.0000	1.0000	94.27	
65.5	68,025		0.0000	1.0000	94.27	
66.5	68,024		0.0000	1.0000	94.27	
67.5	40,430		0.0000	1.0000	94.27	
68.5	40,313	130	0.0032	0.9968	94.27	
69.5	40,183		0.0000	1.0000	93.97	
70.5	38,246		0.0000	1.0000	93.97	
71.5	38,203		0.0000	1.0000	93.97	
72.5	37,972		0.0000	1.0000	93.97	
73.5	34,893		0.0000	1.0000	93.97	
74.5	21,275		0.0000	1.0000	93.97	
75.5	21,003		0.0000	1.0000	93.97	
76.5	12,127		0.0000	1.0000	93.97	
77.5	11,901		0.0000	1.0000	93.97	
78.5	9,727		0.0000	1.0000	93.97	

DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	8,881		0.0000	1.0000	93.97
80.5	8,881		0.0000	1.0000	93.97
81.5	8,765		0.0000	1.0000	93.97
82.5	1,607		0.0000	1.0000	93.97
83.5	1,607		0.0000	1.0000	93.97
84.5	1,607		0.0000	1.0000	93.97
85.5	1,410		0.0000	1.0000	93.97
86.5	1,410		0.0000	1.0000	93.97
87.5	1,410		0.0000	1.0000	93.97
88.5	1,410		0.0000	1.0000	93.97
89.5	469		0.0000	1.0000	93.97
90.5	469		0.0000	1.0000	93.97
91.5	469		0.0000	1.0000	93.97
92.5	469		0.0000	1.0000	93.97
93.5	469		0.0000	1.0000	93.97
94.5					93.97

DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1980-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	13,292,106		0.0000	1.0000	100.00
0.5	12,983,855	7,184	0.0006	0.9994	100.00
1.5	12,763,627	2,127	0.0002	0.9998	99.94
2.5	9,745,814	1,360	0.0001	0.9999	99.92
3.5	9,769,295	7,284	0.0007	0.9993	99.91
4.5	9,638,415	2,270	0.0002	0.9998	99.84
5.5	9,242,621	3,670	0.0004	0.9996	99.82
6.5	7,484,422		0.0000	1.0000	99.78
7.5	6,668,605		0.0000	1.0000	99.78
8.5	5,858,119		0.0000	1.0000	99.78
9.5	5,099,054		0.0000	1.0000	99.78
10.5	4,285,198	359	0.0001	0.9999	99.78
11.5	3,216,510		0.0000	1.0000	99.77
12.5	2,386,086	3,978	0.0017	0.9983	99.77
13.5	1,759,787	2,705	0.0015	0.9985	99.60
14.5	1,714,716	2,155	0.0013	0.9987	99.45
15.5	1,551,814	1,743	0.0011	0.9989	99.32
16.5	1,454,750	1,563	0.0011	0.9989	99.21
17.5	1,335,994	1,139	0.0009	0.9991	99.10
18.5	1,336,128	1,567	0.0012	0.9988	99.01
19.5	1,282,620	235	0.0002	0.9998	98.89
20.5	1,280,110	5,330	0.0042	0.9958	98.87
21.5	1,183,406	1,512	0.0013	0.9987	98.45
22.5	1,171,528	830	0.0007	0.9993	98.32
23.5	1,139,738		0.0000	1.0000	98.25
24.5	1,165,323	16,534	0.0142	0.9858	98.25
25.5	1,022,336		0.0000	1.0000	96.85
26.5	1,021,286	149	0.0001	0.9999	96.85
27.5	1,027,202	733	0.0007	0.9993	96.84
28.5	998,849	346	0.0003	0.9997	96.77
29.5	831,285	749	0.0009	0.9991	96.74
30.5	633,926	660	0.0010	0.9990	96.65
31.5	554,757	320	0.0006	0.9994	96.55
32.5	432,973	434	0.0010	0.9990	96.49
33.5	410,037	416	0.0010	0.9990	96.39
34.5	321,557		0.0000	1.0000	96.29
35.5	283,613		0.0000	1.0000	96.29
36.5	262,657	55	0.0002	0.9998	96.29
37.5	264,788		0.0000	1.0000	96.27
38.5	266,254		0.0000	1.0000	96.27

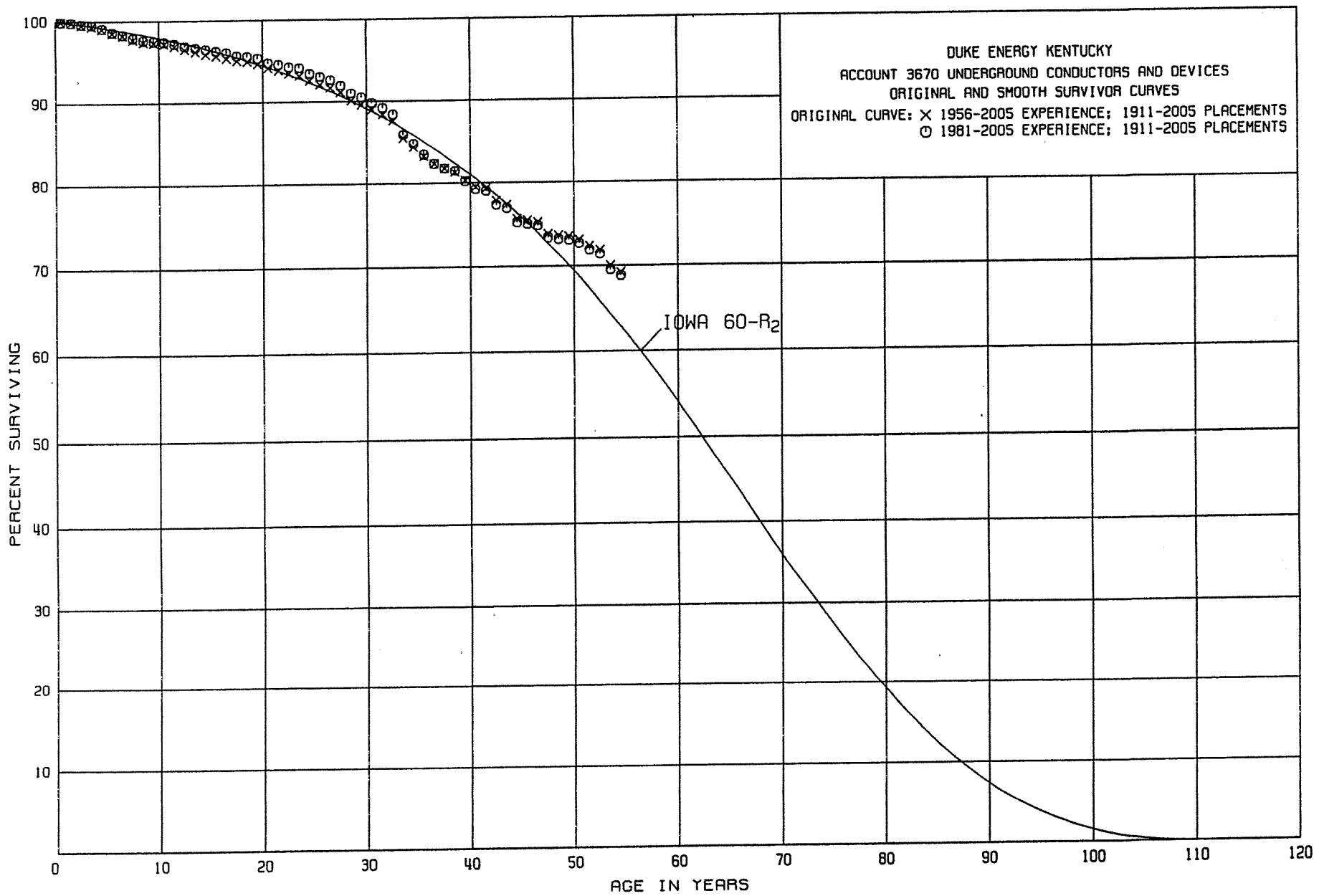
DUKE ENERGY KENTUCKY
ACCOUNT 3660 UNDERGROUND CONDUIT
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1980-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	317,644		0.0000	1.0000	96.27
40.5	304,141	1	0.0000	1.0000	96.27
41.5	326,059		0.0000	1.0000	96.27
42.5	243,555		0.0000	1.0000	96.27
43.5	231,863		0.0000	1.0000	96.27
44.5	214,555	88	0.0004	0.9996	96.27
45.5	213,326	157	0.0007	0.9993	96.23
46.5	209,665		0.0000	1.0000	96.16
47.5	203,177		0.0000	1.0000	96.16
48.5	210,254		0.0000	1.0000	96.16
49.5	201,510		0.0000	1.0000	96.16
50.5	185,654		0.0000	1.0000	96.16
51.5	181,891		0.0000	1.0000	96.16
52.5	180,604		0.0000	1.0000	96.16
53.5	169,064		0.0000	1.0000	96.16
54.5	163,631		0.0000	1.0000	96.16
55.5	143,795		0.0000	1.0000	96.16
56.5	137,719		0.0000	1.0000	96.16
57.5	137,586	179	0.0013	0.9987	96.16
58.5	134,886		0.0000	1.0000	96.03
59.5	135,082		0.0000	1.0000	96.03
60.5	134,029		0.0000	1.0000	96.03
61.5	133,765		0.0000	1.0000	96.03
62.5	131,486		0.0000	1.0000	96.03
63.5	130,101		0.0000	1.0000	96.03
64.5	119,973		0.0000	1.0000	96.03
65.5	67,556		0.0000	1.0000	96.03
66.5	67,555		0.0000	1.0000	96.03
67.5	39,961		0.0000	1.0000	96.03
68.5	40,313	130	0.0032	0.9968	96.03
69.5	40,183		0.0000	1.0000	95.72
70.5	38,246		0.0000	1.0000	95.72
71.5	38,203		0.0000	1.0000	95.72
72.5	37,972		0.0000	1.0000	95.72
73.5	34,893		0.0000	1.0000	95.72
74.5	21,275		0.0000	1.0000	95.72
75.5	21,003		0.0000	1.0000	95.72
76.5	12,127		0.0000	1.0000	95.72
77.5	11,901		0.0000	1.0000	95.72
78.5	9,727		0.0000	1.0000	95.72

DUKE ENERGY KENTUCKY
 ACCOUNT 3660 UNDERGROUND CONDUIT
 ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1980-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	8,881		0.0000	1.0000	95.72
80.5	8,881		0.0000	1.0000	95.72
81.5	8,765		0.0000	1.0000	95.72
82.5	1,607		0.0000	1.0000	95.72
83.5	1,607		0.0000	1.0000	95.72
84.5	1,607		0.0000	1.0000	95.72
85.5	1,410		0.0000	1.0000	95.72
86.5	1,410		0.0000	1.0000	95.72
87.5	1,410		0.0000	1.0000	95.72
88.5	1,410		0.0000	1.0000	95.72
89.5	469		0.0000	1.0000	95.72
90.5	469		0.0000	1.0000	95.72
91.5	469		0.0000	1.0000	95.72
92.5	469		0.0000	1.0000	95.72
93.5	469		0.0000	1.0000	95.72
94.5					95.72

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DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	34,236,703	9,400	0.0003	0.9997	100.00
0.5	33,316,511	61,639	0.0019	0.9981	99.97
1.5	32,067,336	77,942	0.0024	0.9976	99.78
2.5	29,319,707	67,127	0.0023	0.9977	99.54
3.5	28,663,613	90,290	0.0031	0.9969	99.31
4.5	26,467,735	134,210	0.0051	0.9949	99.00
5.5	23,667,391	85,279	0.0036	0.9964	98.50
6.5	21,284,796	90,003	0.0042	0.9958	98.15
7.5	20,442,420	70,199	0.0034	0.9966	97.74
8.5	19,220,902	22,170	0.0012	0.9988	97.41
9.5	18,463,753	20,581	0.0011	0.9989	97.29
10.5	17,688,270	54,682	0.0031	0.9969	97.18
11.5	16,527,653	57,045	0.0035	0.9965	96.88
12.5	14,773,406	56,238	0.0038	0.9962	96.54
13.5	13,623,919	39,723	0.0029	0.9971	96.17
14.5	12,495,769	31,098	0.0025	0.9975	95.89
15.5	11,294,865	25,067	0.0022	0.9978	95.65
16.5	9,919,388	33,909	0.0034	0.9966	95.44
17.5	8,907,012	13,968	0.0016	0.9984	95.12
18.5	7,601,515	18,683	0.0025	0.9975	94.97
19.5	6,940,575	41,818	0.0060	0.9940	94.73
20.5	6,333,587	20,821	0.0033	0.9967	94.16
21.5	5,584,733	18,621	0.0033	0.9967	93.85
22.5	5,115,600	16,861	0.0033	0.9967	93.54
23.5	4,827,428	34,295	0.0071	0.9929	93.23
24.5	4,497,106	20,637	0.0046	0.9954	92.57
25.5	4,001,247	17,745	0.0044	0.9956	92.14
26.5	3,329,324	23,076	0.0069	0.9931	91.73
27.5	3,034,933	32,227	0.0106	0.9894	91.10
28.5	2,493,398	14,354	0.0058	0.9942	90.13
29.5	1,891,586	14,083	0.0074	0.9926	89.61
30.5	1,675,738	10,632	0.0063	0.9937	88.95
31.5	1,401,007	12,353	0.0088	0.9912	88.39
32.5	981,664	24,263	0.0247	0.9753	87.61
33.5	857,306	10,382	0.0121	0.9879	85.45
34.5	744,544	9,928	0.0133	0.9867	84.42
35.5	647,319	6,731	0.0104	0.9896	83.30
36.5	614,206	4,575	0.0074	0.9926	82.43
37.5	593,800	3,646	0.0061	0.9939	81.82
38.5	570,899	7,454	0.0131	0.9869	81.32

DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	549,918	5,288	0.0096	0.9904	80.25	
40.5	516,518	959	0.0019	0.9981	79.48	
41.5	478,414	9,541	0.0199	0.9801	79.33	
42.5	396,298	2,341	0.0059	0.9941	77.75	
43.5	385,832	8,487	0.0220	0.9780	77.29	
44.5	362,410	717	0.0020	0.9980	75.59	
45.5	350,006	1,316	0.0038	0.9962	75.44	
46.5	330,902	5,836	0.0176	0.9824	75.15	
47.5	321,150	883	0.0027	0.9973	73.83	
48.5	311,125	428	0.0014	0.9986	73.63	
49.5	290,505	1,693	0.0058	0.9942	73.53	
50.5	191,749	1,881	0.0098	0.9902	73.10	
51.5	183,841	1,171	0.0064	0.9936	72.38	
52.5	180,301	4,815	0.0267	0.9733	71.92	
53.5	172,914	2,065	0.0119	0.9881	70.00	
54.5	164,733	184	0.0011	0.9989	69.17	
55.5	132,248	399	0.0030	0.9970	69.09	
56.5	119,913		0.0000	1.0000	68.88	
57.5	119,913	304	0.0025	0.9975	68.88	
58.5	116,329	170	0.0015	0.9985	68.71	
59.5	116,159		0.0000	1.0000	68.61	
60.5	114,904		0.0000	1.0000	68.61	
61.5	114,904	5,147	0.0448	0.9552	68.61	
62.5	109,463		0.0000	1.0000	65.54	
63.5	109,030		0.0000	1.0000	65.54	
64.5	107,909		0.0000	1.0000	65.54	
65.5	29,647		0.0000	1.0000	65.54	
66.5	28,582	1,624	0.0568	0.9432	65.54	
67.5	8,507		0.0000	1.0000	61.82	
68.5	8,143	141	0.0173	0.9827	61.82	
69.5	8,002		0.0000	1.0000	60.75	
70.5	7,811	497	0.0636	0.9364	60.75	
71.5	7,314		0.0000	1.0000	56.89	
72.5	6,991		0.0000	1.0000	56.89	
73.5	6,665		0.0000	1.0000	56.89	
74.5	5,461	150	0.0275	0.9725	56.89	
75.5	5,311		0.0000	1.0000	55.33	
76.5	2,262		0.0000	1.0000	55.33	
77.5	2,262		0.0000	1.0000	55.33	
78.5	2,052		0.0000	1.0000	55.33	

DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,668		0.0000	1.0000	55.33
80.5	1,668		0.0000	1.0000	55.33
81.5	1,668		0.0000	1.0000	55.33
82.5	183		0.0000	1.0000	55.33
83.5	159		0.0000	1.0000	55.33
84.5	159		0.0000	1.0000	55.33
85.5	159		0.0000	1.0000	55.33
86.5	159		0.0000	1.0000	55.33
87.5	159		0.0000	1.0000	55.33
88.5	159		0.0000	1.0000	55.33
89.5					55.33

DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1981-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	29,659,618	7,919	0.0003	0.9997	100.00
0.5	29,125,852	38,894	0.0013	0.9987	99.97
1.5	28,582,363	59,543	0.0021	0.9979	99.84
2.5	26,160,765	40,605	0.0016	0.9984	99.63
3.5	26,066,709	86,327	0.0033	0.9967	99.47
4.5	24,468,531	126,097	0.0052	0.9948	99.14
5.5	21,854,017	74,629	0.0034	0.9966	98.62
6.5	19,732,585	79,967	0.0041	0.9959	98.28
7.5	19,339,742	63,856	0.0033	0.9967	97.88
8.5	18,240,239	12,810	0.0007	0.9993	97.56
9.5	17,620,947	10,166	0.0006	0.9994	97.49
10.5	16,947,538	48,348	0.0029	0.9971	97.43
11.5	15,825,570	44,962	0.0028	0.9972	97.15
12.5	14,108,870	26,849	0.0019	0.9981	96.88
13.5	13,007,393	30,820	0.0024	0.9976	96.70
14.5	11,903,675	26,393	0.0022	0.9978	96.47
15.5	10,648,737	22,195	0.0021	0.9979	96.26
16.5	9,321,446	32,782	0.0035	0.9965	96.06
17.5	8,388,932	9,304	0.0011	0.9989	95.72
18.5	7,116,304	17,272	0.0024	0.9976	95.61
19.5	6,476,399	38,242	0.0059	0.9941	95.38
20.5	5,885,379	15,440	0.0026	0.9974	94.82
21.5	5,161,806	13,870	0.0027	0.9973	94.57
22.5	4,702,417	7,247	0.0015	0.9985	94.31
23.5	4,443,772	31,921	0.0072	0.9928	94.17
24.5	4,140,693	19,275	0.0047	0.9953	93.49
25.5	3,766,643	16,093	0.0043	0.9957	93.05
26.5	3,099,439	22,522	0.0073	0.9927	92.65
27.5	2,807,739	29,965	0.0107	0.9893	91.97
28.5	2,279,415	12,522	0.0055	0.9945	90.99
29.5	1,688,231	12,879	0.0076	0.9924	90.49
30.5	1,509,459	9,965	0.0066	0.9934	89.80
31.5	1,262,211	11,804	0.0094	0.9906	89.21
32.5	841,406	23,445	0.0279	0.9721	88.37
33.5	721,110	8,989	0.0125	0.9875	85.90
34.5	609,742	9,733	0.0160	0.9840	84.83
35.5	514,276	6,666	0.0130	0.9870	83.47
36.5	481,228	3,201	0.0067	0.9933	82.38
37.5	462,490	1,931	0.0042	0.9958	81.83
38.5	444,331	7,217	0.0162	0.9838	81.49

DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1981-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	424,340	5,223	0.0123	0.9877	80.17	
40.5	482,977	959	0.0020	0.9980	79.18	
41.5	445,938	9,481	0.0213	0.9787	79.02	
42.5	385,876	2,211	0.0057	0.9943	77.34	
43.5	376,053	8,368	0.0223	0.9777	76.90	
44.5	352,415	716	0.0020	0.9980	75.19	
45.5	340,474	1,270	0.0037	0.9963	75.04	
46.5	321,415	5,836	0.0182	0.9818	74.76	
47.5	312,005	883	0.0028	0.9972	73.40	
48.5	302,324	428	0.0014	0.9986	73.19	
49.5	283,078	1,693	0.0060	0.9940	73.09	
50.5	184,322	1,881	0.0102	0.9898	72.65	
51.5	180,200	1,171	0.0065	0.9935	71.91	
52.5	176,661	4,815	0.0273	0.9727	71.44	
53.5	169,483	1,724	0.0102	0.9898	69.49	
54.5	162,158	184	0.0011	0.9989	68.78	
55.5	129,673	338	0.0026	0.9974	68.70	
56.5	117,399		0.0000	1.0000	68.52	
57.5	119,116	97	0.0008	0.9992	68.52	
58.5	115,765	170	0.0015	0.9985	68.47	
59.5	115,594		0.0000	1.0000	68.37	
60.5	114,339		0.0000	1.0000	68.37	
61.5	114,339	5,147	0.0450	0.9550	68.37	
62.5	108,898		0.0000	1.0000	65.29	
63.5	108,465		0.0000	1.0000	65.29	
64.5	107,646		0.0000	1.0000	65.29	
65.5	29,384		0.0000	1.0000	65.29	
66.5	28,319	1,624	0.0573	0.9427	65.29	
67.5	8,244		0.0000	1.0000	61.55	
68.5	7,880	141	0.0179	0.9821	61.55	
69.5	8,002		0.0000	1.0000	60.45	
70.5	7,811	497	0.0636	0.9364	60.45	
71.5	7,314		0.0000	1.0000	56.61	
72.5	6,991		0.0000	1.0000	56.61	
73.5	6,665		0.0000	1.0000	56.61	
74.5	5,461	150	0.0275	0.9725	56.61	
75.5	5,311		0.0000	1.0000	55.05	
76.5	2,262		0.0000	1.0000	55.05	
77.5	2,262		0.0000	1.0000	55.05	
78.5	2,052		0.0000	1.0000	55.05	

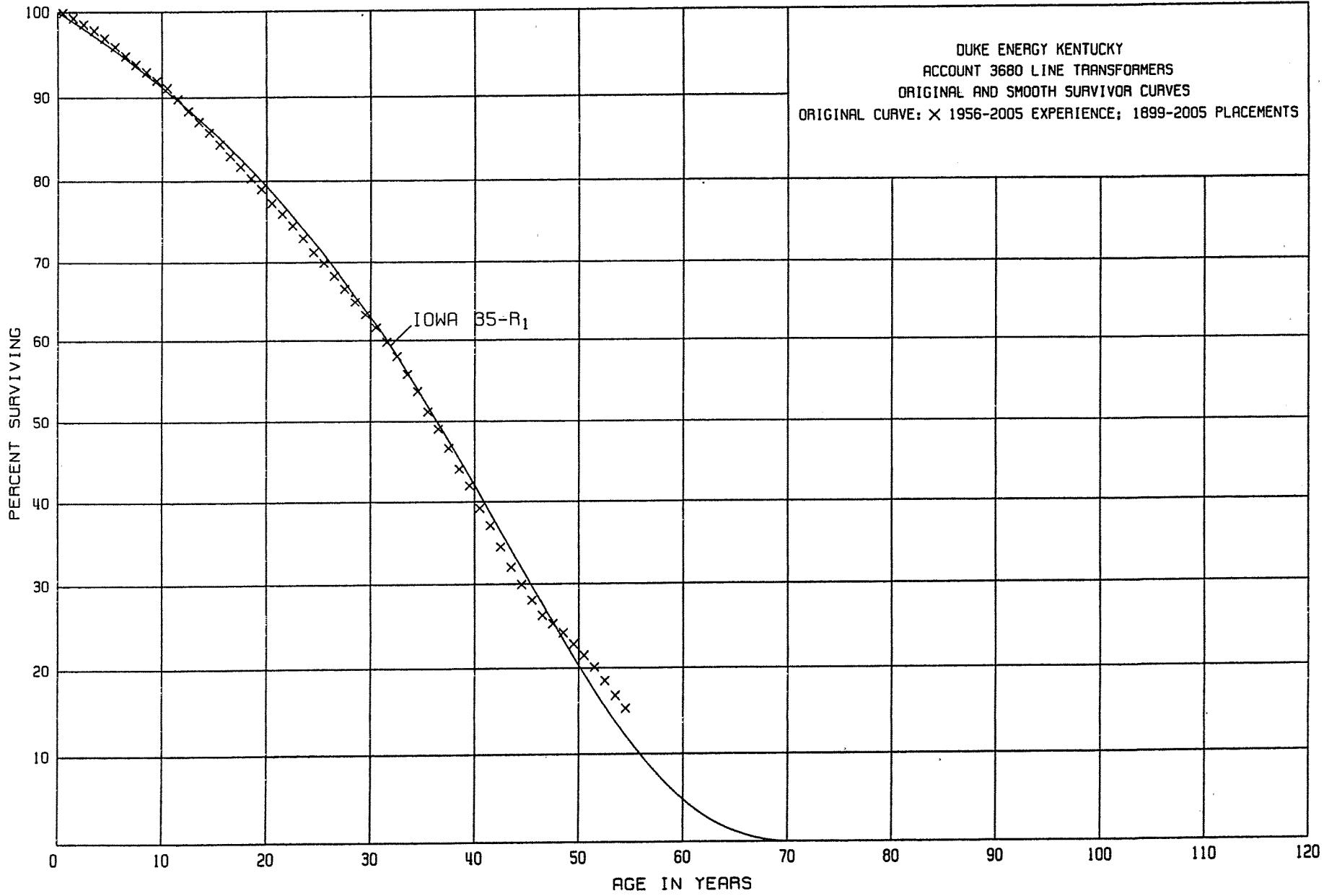
DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2005			EXPERIENCE BAND 1981-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,668		0.0000	1.0000	55.05
80.5	1,668		0.0000	1.0000	55.05
81.5	1,668		0.0000	1.0000	55.05
82.5	183		0.0000	1.0000	55.05
83.5	159		0.0000	1.0000	55.05
84.5	159		0.0000	1.0000	55.05
85.5	159		0.0000	1.0000	55.05
86.5	159		0.0000	1.0000	55.05
87.5	159		0.0000	1.0000	55.05
88.5	159		0.0000	1.0000	55.05
89.5					55.05

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DUKE ENERGY KENTUCKY

ACCOUNT 3680 LINE TRANSFORMERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1899-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	51,145,115	38,303	0.0007	0.9993	100.00
0.5	56,501,588	339,327	0.0060	0.9940	99.93
1.5	56,353,078	410,146	0.0073	0.9927	99.33
2.5	54,153,708	405,005	0.0075	0.9925	98.60
3.5	53,927,062	487,462	0.0090	0.9910	97.86
4.5	51,897,695	546,452	0.0105	0.9895	96.98
5.5	50,167,355	551,604	0.0110	0.9890	95.96
6.5	48,107,042	483,790	0.0101	0.9899	94.90
7.5	45,895,743	469,833	0.0102	0.9898	93.94
8.5	43,198,235	437,119	0.0101	0.9899	92.98
9.5	41,181,815	438,799	0.0107	0.9893	92.04
10.5	39,162,869	556,997	0.0142	0.9858	91.06
11.5	35,943,052	564,492	0.0157	0.9843	89.77
12.5	33,174,066	470,826	0.0142	0.9858	88.36
13.5	31,022,431	473,313	0.0153	0.9847	87.11
14.5	28,416,676	467,282	0.0164	0.9836	85.78
15.5	25,905,470	416,254	0.0161	0.9839	84.37
16.5	23,313,834	365,255	0.0157	0.9843	83.01
17.5	20,749,583	365,189	0.0176	0.9824	81.71
18.5	18,991,275	309,552	0.0163	0.9837	80.27
19.5	17,506,488	363,055	0.0207	0.9793	78.96
20.5	15,930,319	284,381	0.0179	0.9821	77.33
21.5	14,582,627	264,983	0.0182	0.9818	75.95
22.5	13,141,205	279,005	0.0212	0.9788	74.57
23.5	12,196,530	299,255	0.0245	0.9755	72.99
24.5	10,951,316	201,423	0.0184	0.9816	71.20
25.5	9,978,785	232,013	0.0233	0.9767	69.89
26.5	9,096,347	212,258	0.0233	0.9767	68.26
27.5	8,208,085	211,470	0.0258	0.9742	66.67
28.5	7,488,033	196,131	0.0262	0.9738	64.95
29.5	6,951,571	178,125	0.0256	0.9744	63.25
30.5	6,329,929	186,354	0.0294	0.9706	61.63
31.5	5,400,401	166,063	0.0308	0.9692	59.82
32.5	4,615,154	171,221	0.0371	0.9629	57.98
33.5	3,924,162	147,493	0.0376	0.9624	55.83
34.5	3,288,793	158,332	0.0481	0.9519	53.73
35.5	2,688,975	112,102	0.0417	0.9583	51.15
36.5	2,264,056	114,136	0.0504	0.9496	49.02
37.5	1,901,945	103,574	0.0545	0.9455	46.55
38.5	1,652,717	79,093	0.0479	0.9521	44.01

DUKE ENERGY KENTUCKY

ACCOUNT 3680 LINE TRANSFORMERS

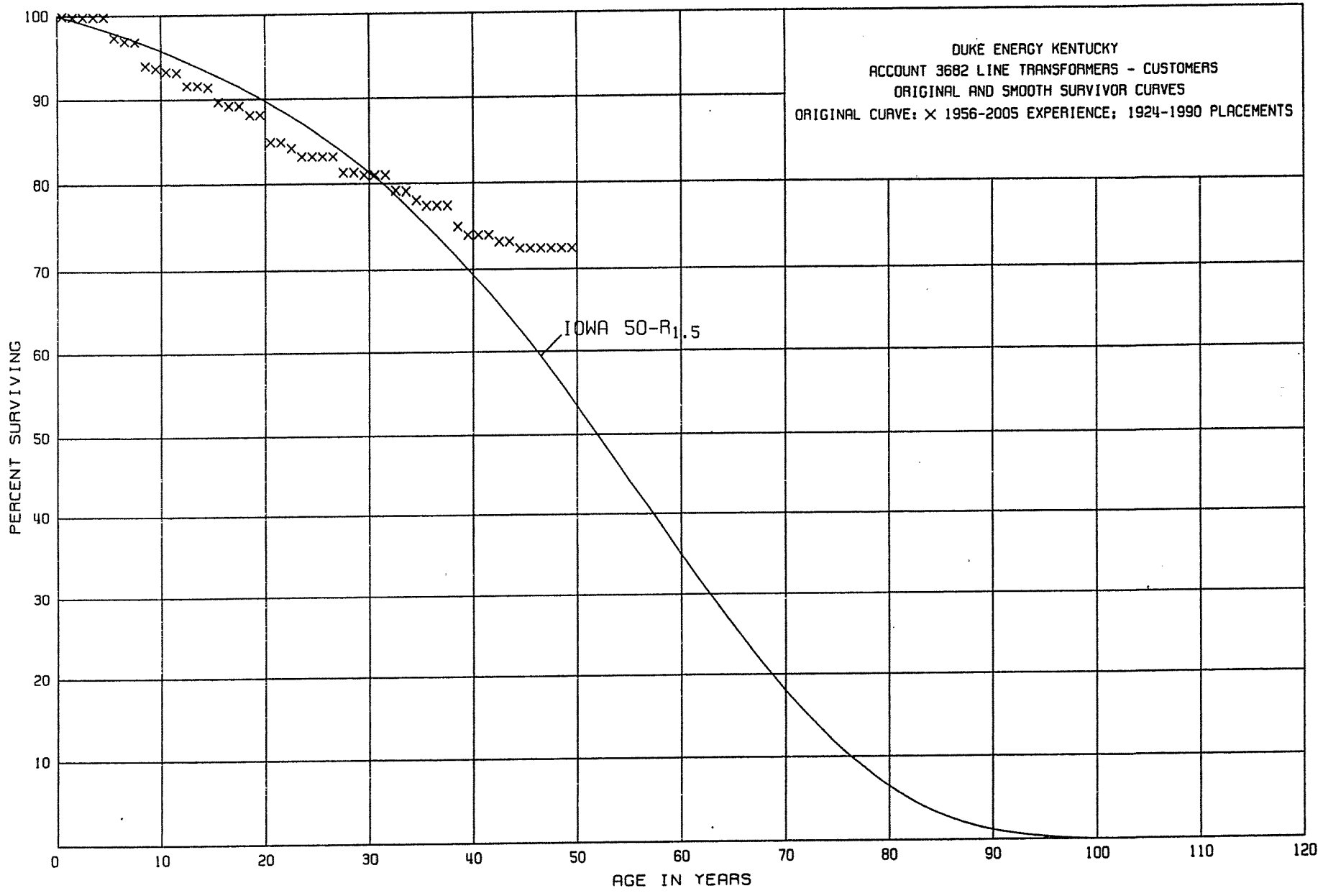
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1899-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,381,022	87,542	0.0634	0.9366	41.90
40.5	1,171,738	63,010	0.0538	0.9462	39.24
41.5	948,796	68,252	0.0719	0.9281	37.13
42.5	814,006	57,273	0.0704	0.9296	34.46
43.5	705,936	47,659	0.0675	0.9325	32.03
44.5	592,065	36,598	0.0618	0.9382	29.87
45.5	509,843	32,746	0.0642	0.9358	28.02
46.5	427,383	16,751	0.0392	0.9608	26.22
47.5	375,615	17,033	0.0453	0.9547	25.19
48.5	344,822	18,098	0.0525	0.9475	24.05
49.5	264,429	14,768	0.0558	0.9442	22.79
50.5	205,854	13,403	0.0651	0.9349	21.52
51.5	163,852	12,958	0.0791	0.9209	20.12
52.5	143,463	13,409	0.0935	0.9065	18.53
53.5	117,640	10,623	0.0903	0.9097	16.80
54.5	88,307	7,523	0.0852	0.9148	15.28
55.5	72,231	11,716	0.1622	0.8378	13.98
56.5	56,646	4,021	0.0710	0.9290	11.71
57.5	53,130	4,972	0.0936	0.9064	10.88
58.5	43,478	2,100	0.0483	0.9517	9.86
59.5	40,643	3,077	0.0757	0.9243	9.38
60.5	36,951	2,833	0.0767	0.9233	8.67
61.5	34,093	2,218	0.0651	0.9349	8.01
62.5	32,031	3,012	0.0940	0.9060	7.49
63.5	28,689	1,637	0.0571	0.9429	6.79
64.5	24,505	1,618	0.0660	0.9340	6.40
65.5	20,058	2,579	0.1286	0.8714	5.98
66.5	17,212	1,091	0.0634	0.9366	5.21
67.5	15,938	3,791	0.2379	0.7621	4.88
68.5	9,889	697	0.0705	0.9295	3.72
69.5	7,539	203	0.0269	0.9731	3.46
70.5	7,269	420	0.0578	0.9422	3.37
71.5	6,849	53	0.0077	0.9923	3.18
72.5	6,613	231	0.0349	0.9651	3.16
73.5	6,008	508	0.0846	0.9154	3.05
74.5	5,500		0.0000	1.0000	2.79
75.5	5,314	13	0.0024	0.9976	2.79
76.5	5,122		0.0000	1.0000	2.78
77.5	4,941	48	0.0097	0.9903	2.78
78.5	4,504	24	0.0053	0.9947	2.75

DUKE ENERGY KENTUCKY
ACCOUNT 3680 LINE TRANSFORMERS
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1899-2005			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	4,155	250	0.0602	0.9398	2.74	
80.5	1,735		0.0000	1.0000	2.58	
81.5	1,735		0.0000	1.0000	2.58	
82.5	1,490		0.0000	1.0000	2.58	
83.5	837		0.0000	1.0000	2.58	
84.5	719		0.0000	1.0000	2.58	
85.5	331		0.0000	1.0000	2.58	
86.5	331		0.0000	1.0000	2.58	
87.5	331		0.0000	1.0000	2.58	
88.5	292		0.0000	1.0000	2.58	
89.5	1,950	1,950	1.0000	0.0000	2.58	
90.5					0.00	

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DUKE ENERGY KENTUCKY

ACCOUNT 3682 LINE TRANSFORMERS - CUSTOMERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-1990			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	269,029		0.0000	1.0000	100.00
0.5	278,347	442	0.0016	0.9984	100.00
1.5	289,862	139	0.0005	0.9995	99.84
2.5	319,597	17	0.0001	0.9999	99.79
3.5	322,803	92	0.0003	0.9997	99.78
4.5	333,699	8,295	0.0249	0.9751	99.75
5.5	331,264	1,266	0.0038	0.9962	97.27
6.5	338,885	339	0.0010	0.9990	96.90
7.5	345,129	9,890	0.0287	0.9713	96.80
8.5	337,549	1,100	0.0033	0.9967	94.02
9.5	337,198	1,484	0.0044	0.9956	93.71
10.5	337,727	393	0.0012	0.9988	93.30
11.5	337,334	5,669	0.0168	0.9832	93.19
12.5	331,729		0.0000	1.0000	91.62
13.5	331,740	811	0.0024	0.9976	91.62
14.5	335,027	6,359	0.0190	0.9810	91.40
15.5	307,866	1,561	0.0051	0.9949	89.66
16.5	308,089		0.0000	1.0000	89.20
17.5	308,309	3,956	0.0128	0.9872	89.20
18.5	304,354		0.0000	1.0000	88.06
19.5	297,777	10,565	0.0355	0.9645	88.06
20.5	292,286		0.0000	1.0000	84.93
21.5	286,900	2,358	0.0082	0.9918	84.93
22.5	284,542	3,363	0.0118	0.9882	84.23
23.5	282,919	64	0.0002	0.9998	83.24
24.5	287,257	52	0.0002	0.9998	83.22
25.5	277,557		0.0000	1.0000	83.20
26.5	274,313	6,196	0.0226	0.9774	83.20
27.5	252,099	67	0.0003	0.9997	81.32
28.5	245,407	1,029	0.0042	0.9958	81.30
29.5	221,246		0.0000	1.0000	80.96
30.5	215,333		0.0000	1.0000	80.96
31.5	211,549	4,497	0.0213	0.9787	80.96
32.5	201,419	444	0.0022	0.9978	79.24
33.5	195,954	2,405	0.0123	0.9877	79.07
34.5	171,917	1,404	0.0082	0.9918	78.10
35.5	165,105		0.0000	1.0000	77.46
36.5	139,814		0.0000	1.0000	77.46
37.5	112,938	3,431	0.0304	0.9696	77.46
38.5	107,366	1,452	0.0135	0.9865	75.11

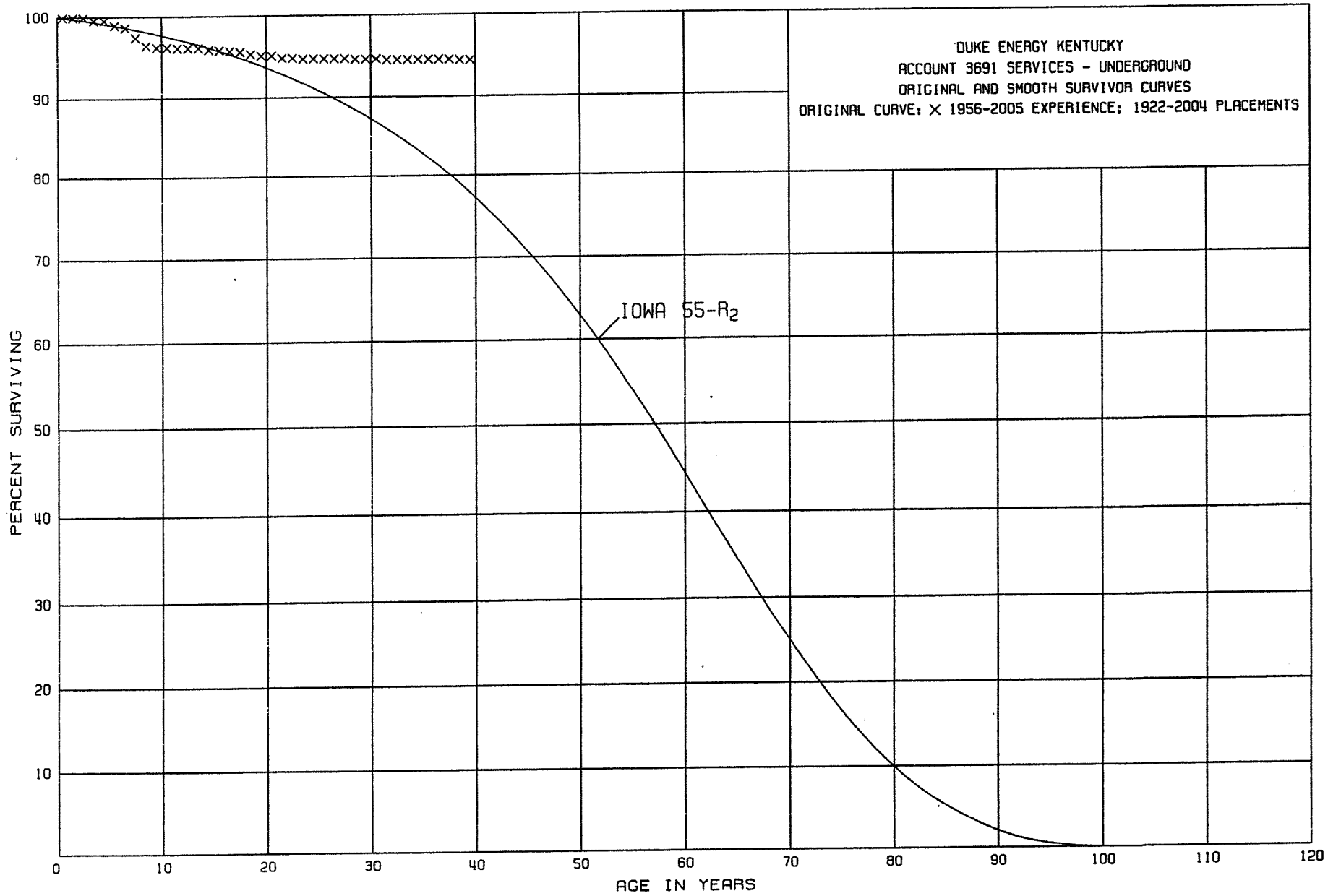
DUKE ENERGY KENTUCKY

ACCOUNT 3682 LINE TRANSFORMERS - CUSTOMERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-1990			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	94,911		0.0000	1.0000	74.10
40.5	89,794		0.0000	1.0000	74.10
41.5	85,402	951	0.0111	0.9889	74.10
42.5	70,199		0.0000	1.0000	73.28
43.5	66,216	731	0.0110	0.9890	73.28
44.5	56,411		0.0000	1.0000	72.47
45.5	56,411		0.0000	1.0000	72.47
46.5	53,713		0.0000	1.0000	72.47
47.5	53,499		0.0000	1.0000	72.47
48.5	51,066		0.0000	1.0000	72.47
49.5	22,555	420	0.0186	0.9814	72.47
50.5	19,717		0.0000	1.0000	71.12
51.5	19,717		0.0000	1.0000	71.12
52.5	18,265		0.0000	1.0000	71.12
53.5	18,216		0.0000	1.0000	71.12
54.5	12,260		0.0000	1.0000	71.12
55.5	11,844		0.0000	1.0000	71.12
56.5	7,987		0.0000	1.0000	71.12
57.5	7,586		0.0000	1.0000	71.12
58.5	5,275		0.0000	1.0000	71.12
59.5	4,526		0.0000	1.0000	71.12
60.5	2,668		0.0000	1.0000	71.12
61.5	2,668		0.0000	1.0000	71.12
62.5	2,495		0.0000	1.0000	71.12
63.5	2,484		0.0000	1.0000	71.12
64.5	221		0.0000	1.0000	71.12
65.5	221		0.0000	1.0000	71.12
66.5	221		0.0000	1.0000	71.12
67.5	1		0.0000	1.0000	71.12
68.5					71.12

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DUKE ENERGY KENTUCKY

ACCOUNT 3691 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE

PLACEMENT BAND 1922-2004			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	504,318		0.0000	1.0000	100.00	
0.5	510,858	619	0.0012	0.9988	100.00	
1.5	510,044		0.0000	1.0000	99.88	
2.5	182,236	665	0.0036	0.9964	99.88	
3.5	122,326	91	0.0007	0.9993	99.52	
4.5	123,364	677	0.0055	0.9945	99.45	
5.5	126,024	431	0.0034	0.9966	98.90	
6.5	125,034	1,542	0.0123	0.9877	98.56	
7.5	123,819	1,265	0.0102	0.9898	97.35	
8.5	122,840	156	0.0013	0.9987	96.36	
9.5	122,781	52	0.0004	0.9996	96.23	
10.5	122,784	59	0.0005	0.9995	96.19	
11.5	122,733		0.0000	1.0000	96.14	
12.5	122,892		0.0000	1.0000	96.14	
13.5	123,476	319	0.0026	0.9974	96.14	
14.5	123,244	98	0.0008	0.9992	95.89	
15.5	123,267	163	0.0013	0.9987	95.81	
16.5	123,104	120	0.0010	0.9990	95.69	
17.5	123,294	376	0.0030	0.9970	95.59	
18.5	123,048	229	0.0019	0.9981	95.30	
19.5	122,955	53	0.0004	0.9996	95.12	
20.5	122,902	357	0.0029	0.9971	95.08	
21.5	122,545	53	0.0004	0.9996	94.80	
22.5	122,492	51	0.0004	0.9996	94.76	
23.5	122,441		0.0000	1.0000	94.72	
24.5	122,441	85	0.0007	0.9993	94.72	
25.5	122,356		0.0000	1.0000	94.65	
26.5	122,379		0.0000	1.0000	94.65	
27.5	122,379	23	0.0002	0.9998	94.65	
28.5	121,485	85	0.0007	0.9993	94.63	
29.5	120,872	6	0.0000	1.0000	94.56	
30.5	120,381	39	0.0003	0.9997	94.56	
31.5	120,342		0.0000	1.0000	94.53	
32.5	119,853	3	0.0000	1.0000	94.53	
33.5	119,231	9	0.0001	0.9999	94.53	
34.5	115,752		0.0000	1.0000	94.52	
35.5	104,674		0.0000	1.0000	94.52	
36.5	88,166	19	0.0002	0.9998	94.52	
37.5	81,779	45	0.0006	0.9994	94.50	
38.5	73,138	74	0.0010	0.9990	94.44	

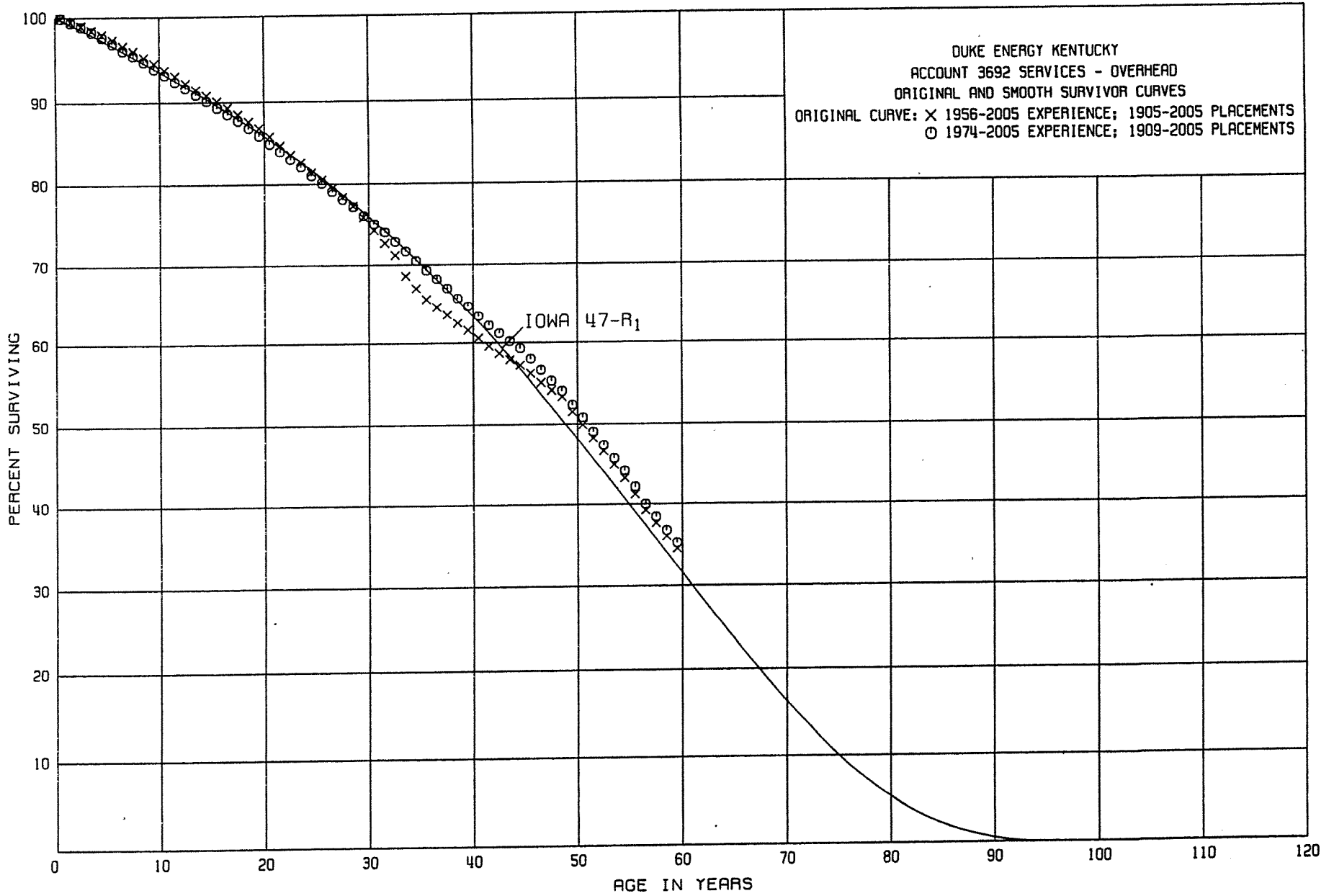
DUKE ENERGY KENTUCKY

ACCOUNT 3691 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1922-2004			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	62,249	181	0.0029	0.9971	94.35	
40.5	57,064		0.0000	1.0000	94.08	
41.5	49,574		0.0000	1.0000	94.08	
42.5	39,751		0.0000	1.0000	94.08	
43.5	35,699		0.0000	1.0000	94.08	
44.5	30,704	42	0.0014	0.9986	94.08	
45.5	28,915		0.0000	1.0000	93.95	
46.5	26,698	57	0.0021	0.9979	93.95	
47.5	22,250		0.0000	1.0000	93.75	
48.5	20,507		0.0000	1.0000	93.75	
49.5	15,255		0.0000	1.0000	93.75	
50.5	9,566		0.0000	1.0000	93.75	
51.5	9,564		0.0000	1.0000	93.75	
52.5	7,466	85	0.0114	0.9886	93.75	
53.5	7,220		0.0000	1.0000	92.68	
54.5	6,256		0.0000	1.0000	92.68	
55.5	3,533		0.0000	1.0000	92.68	
56.5	2,822		0.0000	1.0000	92.68	
57.5	2,789		0.0000	1.0000	92.68	
58.5	2,788		0.0000	1.0000	92.68	
59.5	2,675		0.0000	1.0000	92.68	
60.5	2,620		0.0000	1.0000	92.68	
61.5	2,612		0.0000	1.0000	92.68	
62.5	2,572		0.0000	1.0000	92.68	
63.5	2,492		0.0000	1.0000	92.68	
64.5	2,431		0.0000	1.0000	92.68	
65.5	2,389		0.0000	1.0000	92.68	
66.5	2,389		0.0000	1.0000	92.68	
67.5	2,104	1	0.0005	0.9995	92.68	
68.5					92.63	

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DUKE ENERGY KENTUCKY

ACCOUNT 3692 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	11,781,727	13,518	0.0011	0.9989	100.00
0.5	11,804,308	44,539	0.0038	0.9962	99.89
1.5	11,773,763	55,627	0.0047	0.9953	99.51
2.5	10,238,565	52,168	0.0051	0.9949	99.04
3.5	10,207,961	56,926	0.0056	0.9944	98.53
4.5	10,151,623	64,314	0.0063	0.9937	97.98
5.5	9,559,141	65,335	0.0068	0.9932	97.36
6.5	9,285,807	55,853	0.0060	0.9940	96.70
7.5	8,977,884	63,418	0.0071	0.9929	96.12
8.5	8,619,467	69,206	0.0080	0.9920	95.44
9.5	8,108,671	66,468	0.0082	0.9918	94.68
10.5	7,727,110	61,545	0.0080	0.9920	93.90
11.5	7,372,489	68,962	0.0094	0.9906	93.15
12.5	6,990,769	56,608	0.0081	0.9919	92.27
13.5	6,626,447	51,694	0.0078	0.9922	91.52
14.5	6,340,773	53,258	0.0084	0.9916	90.81
15.5	6,043,008	51,317	0.0085	0.9915	90.05
16.5	5,732,793	51,125	0.0089	0.9911	89.28
17.5	5,454,899	55,302	0.0101	0.9899	88.49
18.5	5,088,579	47,986	0.0094	0.9906	87.60
19.5	4,739,573	52,863	0.0112	0.9888	86.78
20.5	4,419,686	57,519	0.0130	0.9870	85.81
21.5	4,040,856	51,147	0.0127	0.9873	84.69
22.5	3,760,528	47,352	0.0126	0.9874	83.61
23.5	3,483,357	48,637	0.0140	0.9860	82.56
24.5	3,173,582	36,804	0.0116	0.9884	81.40
25.5	2,935,119	34,711	0.0118	0.9882	80.46
26.5	2,699,587	38,703	0.0143	0.9857	79.51
27.5	2,465,729	35,350	0.0143	0.9857	78.37
28.5	2,262,823	40,698	0.0180	0.9820	77.25
29.5	2,062,621	42,745	0.0207	0.9793	75.86
30.5	1,937,889	41,700	0.0215	0.9785	74.29
31.5	1,727,846	34,376	0.0199	0.9801	72.69
32.5	1,576,405	57,968	0.0368	0.9632	71.24
33.5	1,394,687	33,908	0.0243	0.9757	68.62
34.5	1,249,462	24,535	0.0196	0.9804	66.95
35.5	1,131,949	17,243	0.0152	0.9848	65.64
36.5	1,022,674	16,756	0.0164	0.9836	64.64
37.5	935,716	15,461	0.0165	0.9835	63.58
38.5	838,786	12,570	0.0150	0.9850	62.53

DUKE ENERGY KENTUCKY
ACCOUNT 3692 SERVICES - OVERHEAD
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	758,046	12,729	0.0168	0.9832	61.59
40.5	683,179	11,439	0.0167	0.9833	60.56
41.5	616,701	8,574	0.0139	0.9861	59.55
42.5	554,558	7,576	0.0137	0.9863	58.72
43.5	493,346	6,568	0.0133	0.9867	57.92
44.5	429,434	7,082	0.0165	0.9835	57.15
45.5	368,744	7,280	0.0197	0.9803	56.21
46.5	315,798	5,050	0.0160	0.9840	55.10
47.5	271,585	4,247	0.0156	0.9844	54.22
48.5	234,420	8,149	0.0348	0.9652	53.37
49.5	192,337	5,915	0.0308	0.9692	51.51
50.5	167,076	5,808	0.0348	0.9652	49.92
51.5	145,712	4,899	0.0336	0.9664	48.18
52.5	129,268	4,503	0.0348	0.9652	46.56
53.5	114,503	4,528	0.0395	0.9605	44.94
54.5	102,867	4,564	0.0444	0.9556	43.16
55.5	90,582	4,480	0.0495	0.9505	41.24
56.5	79,784	3,355	0.0421	0.9579	39.20
57.5	71,023	2,986	0.0420	0.9580	37.55
58.5	64,286	2,693	0.0419	0.9581	35.97
59.5	59,021	2,346	0.0397	0.9603	34.46
60.5	55,460	1,983	0.0358	0.9642	33.09
61.5	52,334	2,041	0.0390	0.9610	31.91
62.5	49,138	2,264	0.0461	0.9539	30.67
63.5	46,012	120	0.0026	0.9974	29.26
64.5	44,194	1,930	0.0437	0.9563	29.18
65.5	40,756	1,469	0.0360	0.9640	27.90
66.5	37,862	2,235	0.0590	0.9410	26.90
67.5	34,968	1,945	0.0556	0.9444	25.31
68.5	33,023	2,010	0.0609	0.9391	23.90
69.5	31,005	798	0.0257	0.9743	22.44
70.5	30,206	674	0.0223	0.9777	21.86
71.5	29,532		0.0000	1.0000	21.37
72.5	29,532		0.0000	1.0000	21.37
73.5	29,532	13	0.0004	0.9996	21.37
74.5	29,487	58	0.0020	0.9980	21.36
75.5	29,420	860	0.0292	0.9708	21.32
76.5	28,560	56	0.0020	0.9980	20.70
77.5	28,503	245	0.0086	0.9914	20.66
78.5	28,258	939	0.0332	0.9668	20.48

DUKE ENERGY KENTUCKY

ACCOUNT 3692 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	27,319	939	0.0344	0.9656	19.80	
80.5	27		0.0000	1.0000	19.12	
81.5	27		0.0000	1.0000	19.12	
82.5	27		0.0000	1.0000	19.12	
83.5	27		0.0000	1.0000	19.12	
84.5	27		0.0000	1.0000	19.12	
85.5	27		0.0000	1.0000	19.12	
86.5	27		0.0000	1.0000	19.12	
87.5	27		0.0000	1.0000	19.12	
88.5	27		0.0000	1.0000	19.12	
89.5	27		0.0000	1.0000	19.12	
90.5	27		0.0000	1.0000	19.12	
91.5	27		0.0000	1.0000	19.12	
92.5	27		0.0000	1.0000	19.12	
93.5	27		0.0000	1.0000	19.12	
94.5	27		0.0000	1.0000	19.12	
95.5					19.12	

DUKE ENERGY KENTUCKY

ACCOUNT 3692 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE

PLACEMENT BAND 1909-2005			EXPERIENCE BAND 1974-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,889,839	13,518	0.0014	0.9986	100.00
0.5	10,030,557	44,539	0.0044	0.9956	99.86
1.5	10,133,059	55,165	0.0054	0.9946	99.42
2.5	8,731,652	51,851	0.0059	0.9941	98.88
3.5	8,807,256	56,281	0.0064	0.9936	98.30
4.5	8,859,762	63,350	0.0072	0.9928	97.67
5.5	8,349,742	64,011	0.0077	0.9923	96.97
6.5	8,158,359	54,364	0.0067	0.9933	96.22
7.5	7,936,140	60,291	0.0076	0.9924	95.58
8.5	7,662,168	65,404	0.0085	0.9915	94.85
9.5	7,230,045	60,626	0.0084	0.9916	94.04
10.5	6,932,128	55,699	0.0080	0.9920	93.25
11.5	6,663,578	61,403	0.0092	0.9908	92.50
12.5	6,376,161	51,843	0.0081	0.9919	91.65
13.5	6,101,625	51,593	0.0085	0.9915	90.91
14.5	5,888,682	53,182	0.0090	0.9910	90.14
15.5	5,659,234	51,099	0.0090	0.9910	89.33
16.5	5,404,370	50,899	0.0094	0.9906	88.53
17.5	5,140,127	55,012	0.0107	0.9893	87.70
18.5	4,812,604	47,520	0.0099	0.9901	86.76
19.5	4,497,311	52,029	0.0116	0.9884	85.90
20.5	4,203,382	46,442	0.0110	0.9890	84.90
21.5	3,857,057	43,593	0.0113	0.9887	83.97
22.5	3,599,643	41,968	0.0117	0.9883	83.02
23.5	3,345,030	42,493	0.0127	0.9873	82.05
24.5	3,054,788	34,868	0.0114	0.9886	81.01
25.5	2,817,586	34,224	0.0121	0.9879	80.09
26.5	2,580,339	32,194	0.0125	0.9875	79.12
27.5	2,340,432	26,621	0.0114	0.9886	78.13
28.5	2,138,081	31,142	0.0146	0.9854	77.24
29.5	1,947,527	26,382	0.0135	0.9865	76.11
30.5	1,757,774	23,289	0.0132	0.9868	75.08
31.5	1,567,870	24,572	0.0157	0.9843	74.09
32.5	1,430,569	23,957	0.0167	0.9833	72.93
33.5	1,286,246	22,193	0.0173	0.9827	71.71
34.5	1,155,894	18,968	0.0164	0.9836	70.47
35.5	1,045,569	17,171	0.0164	0.9836	69.31
36.5	936,331	16,676	0.0178	0.9822	68.17
37.5	849,408	15,418	0.0182	0.9818	66.96
38.5	752,399	12,474	0.0166	0.9834	65.74

DUKE ENERGY KENTUCKY

ACCOUNT 3692 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

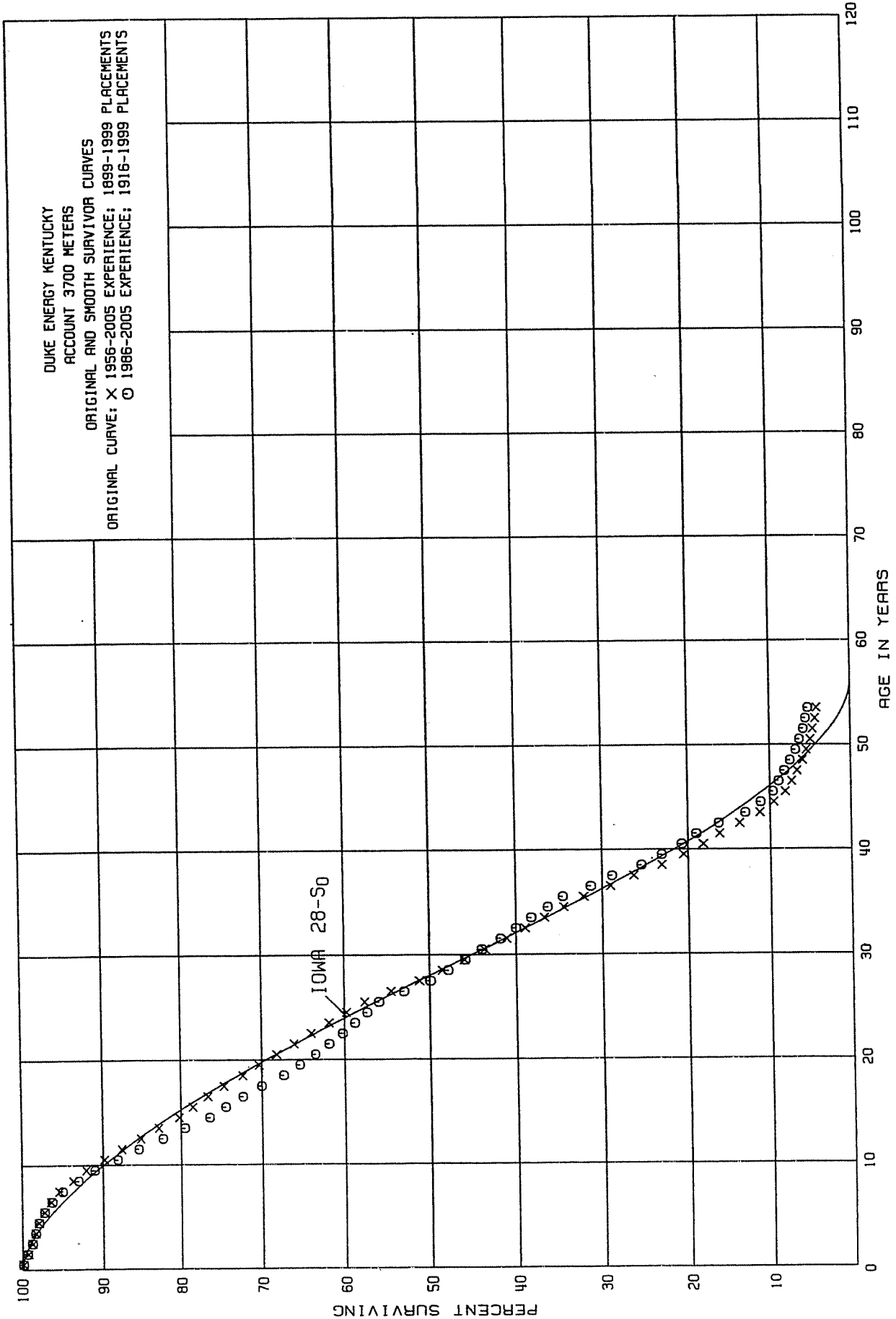
PLACEMENT BAND 1909-2005			EXPERIENCE BAND 1974-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	671,714	12,635	0.0188	0.9812	64.65	
40.5	596,928	11,410	0.0191	0.9809	63.43	
41.5	530,478	8,518	0.0161	0.9839	62.22	
42.5	468,432	7,548	0.0161	0.9839	61.22	
43.5	407,257	6,563	0.0161	0.9839	60.23	
44.5	343,349	7,082	0.0206	0.9794	59.26	
45.5	285,668	7,280	0.0255	0.9745	58.04	
46.5	232,708	5,050	0.0217	0.9783	56.56	
47.5	188,495	4,247	0.0225	0.9775	55.33	
48.5	233,633	7,424	0.0318	0.9682	54.09	
49.5	192,275	5,915	0.0308	0.9692	52.37	
50.5	166,444	5,794	0.0348	0.9652	50.76	
51.5	145,094	4,899	0.0338	0.9662	48.99	
52.5	128,650	4,503	0.0350	0.9650	47.33	
53.5	113,885	3,972	0.0349	0.9651	45.67	
54.5	102,805	4,564	0.0444	0.9556	44.08	
55.5	90,528	4,480	0.0495	0.9505	42.12	
56.5	79,730	3,355	0.0421	0.9579	40.04	
57.5	70,969	2,986	0.0421	0.9579	38.35	
58.5	64,232	2,693	0.0419	0.9581	36.74	
59.5	58,967	2,346	0.0398	0.9602	35.20	
60.5	55,407	1,983	0.0358	0.9642	33.80	
61.5	52,280	2,041	0.0390	0.9610	32.59	
62.5	49,084	2,264	0.0461	0.9539	31.32	
63.5	45,985	120	0.0026	0.9974	29.88	
64.5	44,194	1,930	0.0437	0.9563	29.80	
65.5	40,756	1,469	0.0360	0.9640	28.50	
66.5	37,862	2,235	0.0590	0.9410	27.47	
67.5	34,968	1,945	0.0556	0.9444	25.85	
68.5	33,023	2,010	0.0609	0.9391	24.41	
69.5	31,005	798	0.0257	0.9743	22.92	
70.5	30,206	674	0.0223	0.9777	22.33	
71.5	29,532		0.0000	1.0000	21.83	
72.5	29,532		0.0000	1.0000	21.83	
73.5	29,532	13	0.0004	0.9996	21.83	
74.5	29,487	58	0.0020	0.9980	21.82	
75.5	29,420	860	0.0292	0.9708	21.78	
76.5	28,560	56	0.0020	0.9980	21.14	
77.5	28,503	245	0.0086	0.9914	21.10	
78.5	28,258	939	0.0332	0.9668	20.92	

DUKE ENERGY KENTUCKY

ACCOUNT 3692 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1909-2005			EXPERIENCE BAND 1974-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	27,319	939	0.0344	0.9656	20.23
80.5	27		0.0000	1.0000	19.53
81.5	27		0.0000	1.0000	19.53
82.5	27		0.0000	1.0000	19.53
83.5	27		0.0000	1.0000	19.53
84.5	27		0.0000	1.0000	19.53
85.5	27		0.0000	1.0000	19.53
86.5	27		0.0000	1.0000	19.53
87.5	27		0.0000	1.0000	19.53
88.5	27		0.0000	1.0000	19.53
89.5	27		0.0000	1.0000	19.53
90.5	27		0.0000	1.0000	19.53
91.5	27		0.0000	1.0000	19.53
92.5	27		0.0000	1.0000	19.53
93.5	27		0.0000	1.0000	19.53
94.5	27		0.0000	1.0000	19.53
95.5					19.53



DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1899-1999

EXPERIENCE BAND 1956-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,911,899	8,061	0.0005	0.9995	100.00
0.5	15,575,586	103,912	0.0067	0.9933	99.95
1.5	15,111,928	78,792	0.0052	0.9948	99.28
2.5	15,149,885	54,340	0.0036	0.9964	98.76
3.5	15,155,967	64,396	0.0042	0.9958	98.40
4.5	15,147,653	99,575	0.0066	0.9934	97.99
5.5	15,084,500	127,658	0.0085	0.9915	97.34
6.5	15,055,693	165,625	0.0110	0.9890	96.51
7.5	14,019,752	237,470	0.0169	0.9831	95.45
8.5	12,447,606	231,513	0.0186	0.9814	93.84
9.5	11,783,666	295,017	0.0250	0.9750	92.09
10.5	11,107,505	268,117	0.0241	0.9759	89.79
11.5	10,325,027	294,450	0.0285	0.9715	87.63
12.5	9,433,715	258,360	0.0274	0.9726	85.13
13.5	8,440,948	261,708	0.0310	0.9690	82.80
14.5	7,672,074	168,776	0.0220	0.9780	80.23
15.5	6,977,738	164,344	0.0236	0.9764	78.46
16.5	6,320,301	166,358	0.0263	0.9737	76.61
17.5	5,741,417	178,232	0.0310	0.9690	74.60
18.5	5,224,413	145,546	0.0279	0.9721	72.29
19.5	4,749,598	138,481	0.0292	0.9708	70.27
20.5	4,423,841	135,761	0.0307	0.9693	68.22
21.5	4,107,685	131,869	0.0321	0.9679	66.13
22.5	3,807,018	129,704	0.0341	0.9659	64.01
23.5	3,480,026	122,452	0.0352	0.9648	61.83
24.5	3,200,111	112,926	0.0353	0.9647	59.65
25.5	2,955,906	161,861	0.0548	0.9452	57.54
26.5	2,604,253	157,923	0.0606	0.9394	54.39
27.5	2,329,717	119,850	0.0514	0.9486	51.09
28.5	2,077,399	108,194	0.0521	0.9479	48.46
29.5	1,885,839	96,754	0.0513	0.9487	45.94
30.5	1,738,291	99,109	0.0570	0.9430	43.58
31.5	1,564,235	84,460	0.0540	0.9460	41.10
32.5	1,419,796	80,157	0.0565	0.9435	38.88
33.5	1,282,016	81,593	0.0636	0.9364	36.68
34.5	1,141,566	73,425	0.0643	0.9357	34.35
35.5	1,008,225	98,041	0.0972	0.9028	32.14
36.5	863,029	81,127	0.0940	0.9060	29.02
37.5	730,607	90,386	0.1237	0.8763	26.29
38.5	591,007	64,812	0.1097	0.8903	23.04

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1899-1999			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	467,761	53,480	0.1143	0.8857	20.51
40.5	360,585	39,635	0.1099	0.8901	18.17
41.5	293,374	44,140	0.1505	0.8495	16.17
42.5	246,990	45,663	0.1849	0.8151	13.74
43.5	200,972	30,977	0.1541	0.8459	11.20
44.5	170,726	24,032	0.1408	0.8592	9.47
45.5	143,461	14,425	0.1005	0.8995	8.14
46.5	126,035	12,499	0.0992	0.9008	7.32
47.5	110,231	10,818	0.0981	0.9019	6.59
48.5	92,701	9,189	0.0991	0.9009	5.94
49.5	78,763	6,421	0.0815	0.9185	5.35
50.5	69,603	4,644	0.0667	0.9333	4.91
51.5	62,544	3,799	0.0607	0.9393	4.58
52.5	52,407	2,960	0.0565	0.9435	4.30
53.5	44,593	1,687	0.0378	0.9622	4.06
54.5	41,103	1,104	0.0269	0.9731	3.91
55.5	37,952	791	0.0208	0.9792	3.80
56.5	36,006	1,725	0.0479	0.9521	3.72
57.5	31,195	872	0.0280	0.9720	3.54
58.5	26,117	1,070	0.0410	0.9590	3.44
59.5	24,202	734	0.0303	0.9697	3.30
60.5	23,257	1,134	0.0488	0.9512	3.20
61.5	21,684	1,247	0.0575	0.9425	3.04
62.5	20,233	1,096	0.0542	0.9458	2.87
63.5	17,873	597	0.0334	0.9666	2.71
64.5	15,117	193	0.0128	0.9872	2.62
65.5	14,166	295	0.0208	0.9792	2.59
66.5	12,694	274	0.0216	0.9784	2.54
67.5	12,261	117	0.0095	0.9905	2.49
68.5	10,794	315	0.0292	0.9708	2.47
69.5	9,572	315	0.0329	0.9671	2.40
70.5	9,016	1,240	0.1375	0.8625	2.32
71.5	7,426	582	0.0784	0.9216	2.00
72.5	6,819	17	0.0025	0.9975	1.84
73.5	6,802	9	0.0013	0.9987	1.84
74.5	5,926		0.0000	1.0000	1.84
75.5	5,223		0.0000	1.0000	1.84
76.5	3,711		0.0000	1.0000	1.84
77.5	2,952		0.0000	1.0000	1.84
78.5	2,036		0.0000	1.0000	1.84

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1899-1999			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,642		0.0000	1.0000	1.84
80.5	1,046		0.0000	1.0000	1.84
81.5	708		0.0000	1.0000	1.84
82.5	304		0.0000	1.0000	1.84
83.5	158		0.0000	1.0000	1.84
84.5	125		0.0000	1.0000	1.84
85.5					1.84

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1916-1999

EXPERIENCE BAND 1986-2005

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	9,254,222	4,370	0.0005	0.9995	100.00
0.5	10,271,345	60,759	0.0059	0.9941	99.95
1.5	10,167,696	60,563	0.0060	0.9940	99.36
2.5	10,437,093	37,300	0.0036	0.9964	98.76
3.5	10,661,797	44,261	0.0042	0.9958	98.40
4.5	10,816,474	76,924	0.0071	0.9929	97.99
5.5	11,047,646	106,350	0.0096	0.9904	97.29
6.5	11,359,114	148,263	0.0131	0.9869	96.36
7.5	10,545,042	218,903	0.0208	0.9792	95.10
8.5	9,255,771	212,418	0.0229	0.9771	93.12
9.5	8,754,201	278,630	0.0318	0.9682	90.99
10.5	8,231,826	248,770	0.0302	0.9698	88.10
11.5	7,661,372	278,170	0.0363	0.9637	85.44
12.5	6,927,201	238,163	0.0344	0.9656	82.34
13.5	6,083,095	240,500	0.0395	0.9605	79.51
14.5	5,424,629	143,386	0.0264	0.9736	76.37
15.5	4,860,975	134,783	0.0277	0.9723	74.35
16.5	4,314,791	135,333	0.0314	0.9686	72.29
17.5	3,835,998	141,870	0.0370	0.9630	70.02
18.5	3,421,990	105,213	0.0307	0.9693	67.43
19.5	3,084,007	86,741	0.0281	0.9719	65.36
20.5	2,926,776	78,908	0.0270	0.9730	63.52
21.5	2,751,008	71,260	0.0259	0.9741	61.80
22.5	2,577,458	64,669	0.0251	0.9749	60.20
23.5	2,364,344	61,628	0.0261	0.9739	58.69
24.5	2,205,478	54,125	0.0245	0.9755	57.16
25.5	2,060,439	104,374	0.0507	0.9493	55.76
26.5	1,797,214	101,756	0.0566	0.9434	52.93
27.5	1,586,040	68,731	0.0433	0.9567	49.93
28.5	1,410,085	59,712	0.0423	0.9577	47.77
29.5	1,302,368	53,376	0.0410	0.9590	45.75
30.5	1,218,593	58,474	0.0480	0.9520	43.87
31.5	1,094,605	46,499	0.0425	0.9575	41.76
32.5	986,271	43,243	0.0438	0.9562	39.99
33.5	885,512	45,362	0.0512	0.9488	38.24
34.5	788,093	39,813	0.0505	0.9495	36.28
35.5	694,821	64,065	0.0922	0.9078	34.45
36.5	586,523	46,627	0.0795	0.9205	31.27
37.5	496,792	59,021	0.1188	0.8812	28.78
38.5	396,695	37,230	0.0939	0.9061	25.36

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1916-1999

EXPERIENCE BAND 1986-2005

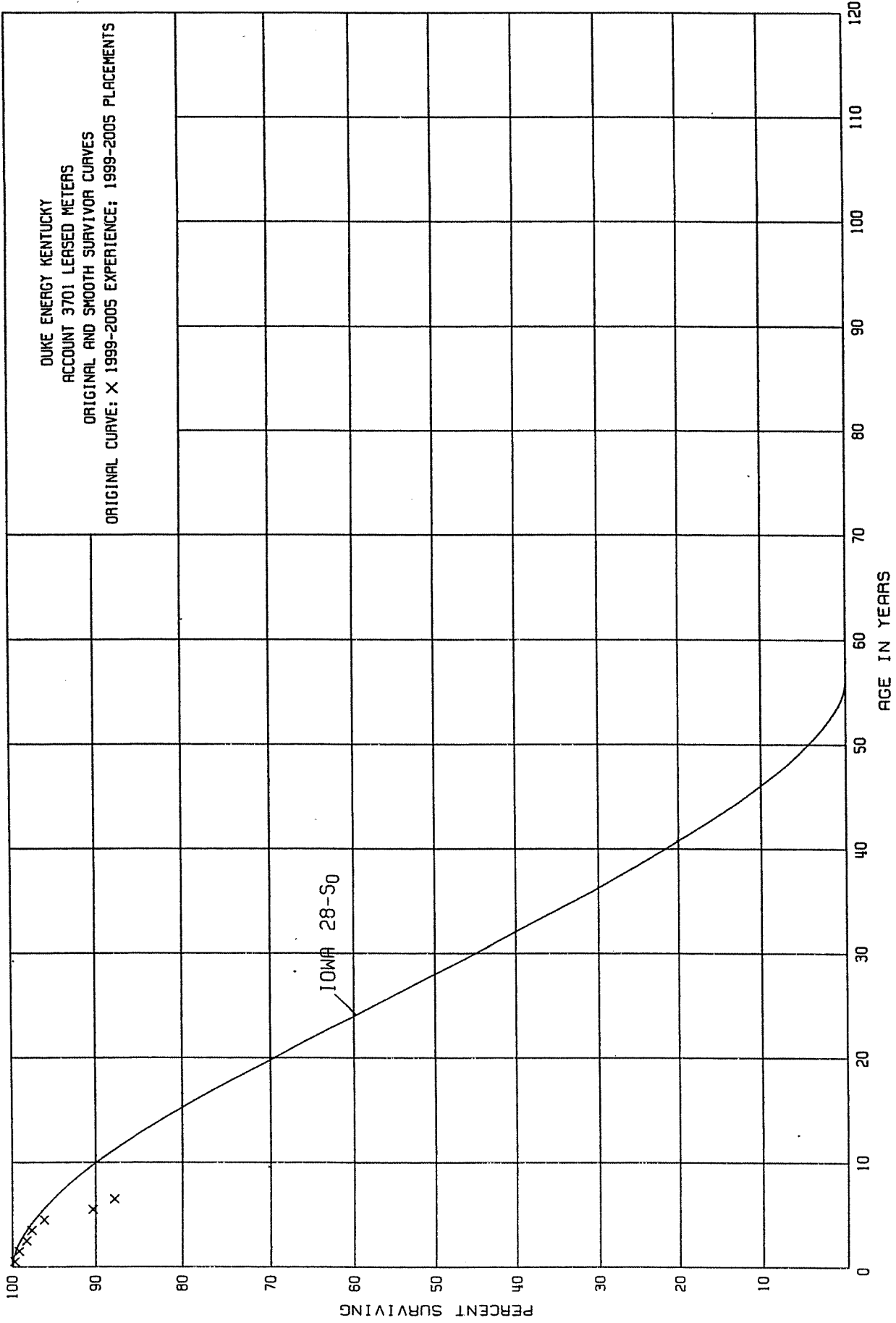
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	303,092	29,618	0.0977	0.9023	22.98
40.5	220,838	18,154	0.0822	0.9178	20.73
41.5	174,917	25,558	0.1461	0.8539	19.03
42.5	147,768	29,369	0.1988	0.8012	16.25
43.5	120,073	18,031	0.1502	0.8498	13.02
44.5	108,795	14,827	0.1363	0.8637	11.06
45.5	94,144	6,791	0.0721	0.9279	9.55
46.5	87,829	6,770	0.0771	0.9229	8.86
47.5	79,796	7,139	0.0895	0.9105	8.18
48.5	67,309	6,190	0.0920	0.9080	7.45
49.5	58,875	4,464	0.0758	0.9242	6.76
50.5	52,850	3,445	0.0652	0.9348	6.25
51.5	47,412	2,700	0.0569	0.9431	5.84
52.5	38,412	2,130	0.0555	0.9445	5.51
53.5	31,448	1,003	0.0319	0.9681	5.20
54.5	29,674	485	0.0163	0.9837	5.03
55.5	26,956	546	0.0203	0.9797	4.95
56.5	26,566	579	0.0218	0.9782	4.85
57.5	25,145	599	0.0238	0.9762	4.74
58.5	21,344	771	0.0361	0.9639	4.63
59.5	20,137	495	0.0246	0.9754	4.46
60.5	20,101	833	0.0414	0.9586	4.35
61.5	19,248	797	0.0414	0.9586	4.17
62.5	18,735	944	0.0504	0.9496	4.00
63.5	16,683	498	0.0299	0.9701	3.80
64.5	14,077	131	0.0093	0.9907	3.69
65.5	13,311	176	0.0132	0.9868	3.66
66.5	11,958	208	0.0174	0.9826	3.61
67.5	11,592	117	0.0101	0.9899	3.55
68.5	10,125	256	0.0253	0.9747	3.51
69.5	8,970	307	0.0342	0.9658	3.42
70.5	8,423	1,228	0.1458	0.8542	3.30
71.5	6,845		0.0000	1.0000	2.82
72.5	6,819	17	0.0025	0.9975	2.82
73.5	6,802	9	0.0013	0.9987	2.81
74.5	5,926		0.0000	1.0000	2.81
75.5	5,223		0.0000	1.0000	2.81
76.5	3,711		0.0000	1.0000	2.81
77.5	2,952		0.0000	1.0000	2.81
78.5	2,036		0.0000	1.0000	2.81

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

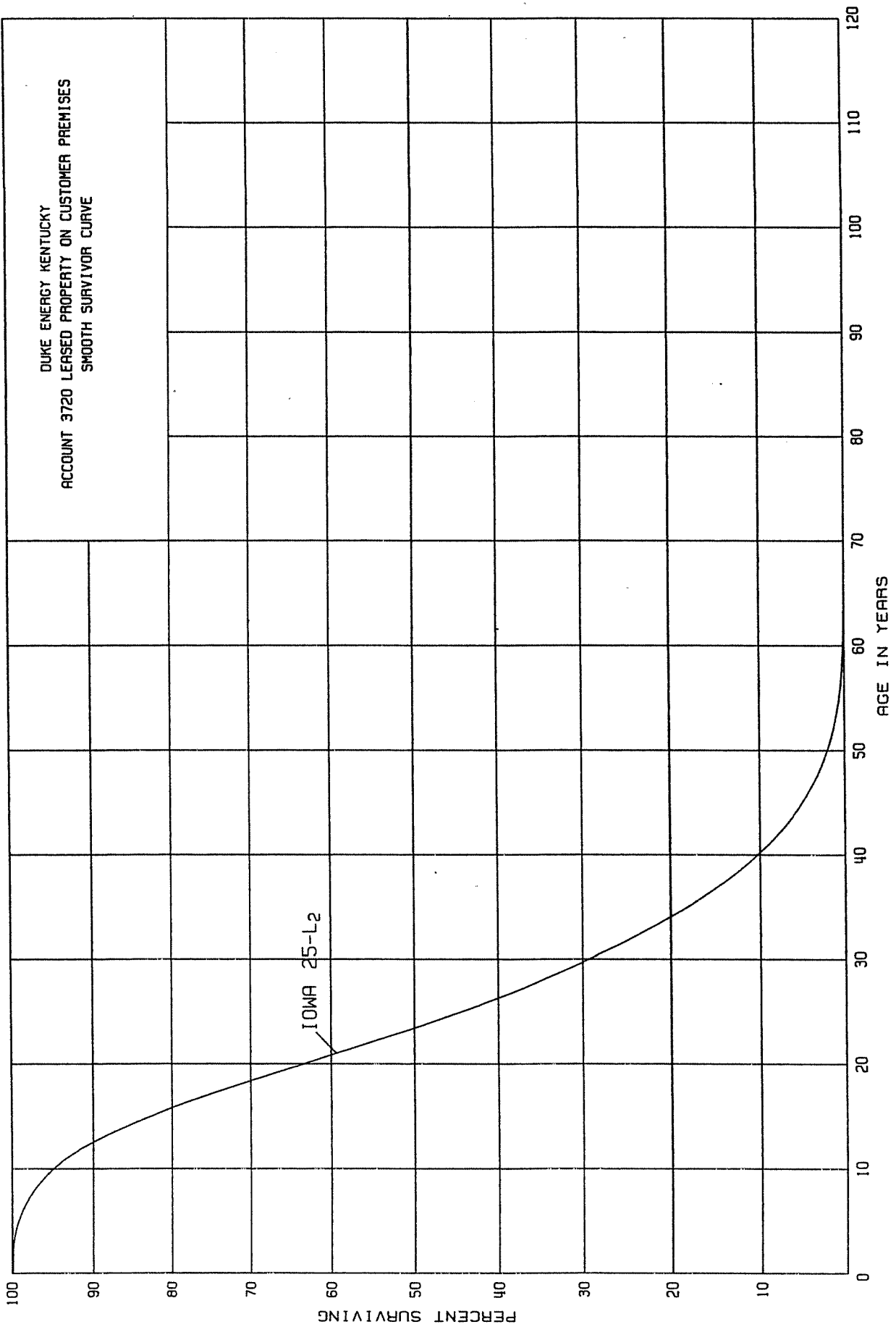
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1916-1999			EXPERIENCE BAND 1986-2005			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	1,642		0.0000	1.0000	2.81	
80.5	1,046		0.0000	1.0000	2.81	
81.5	708		0.0000	1.0000	2.81	
82.5	304		0.0000	1.0000	2.81	
83.5	158		0.0000	1.0000	2.81	
84.5	125		0.0000	1.0000	2.81	
85.5					2.81	

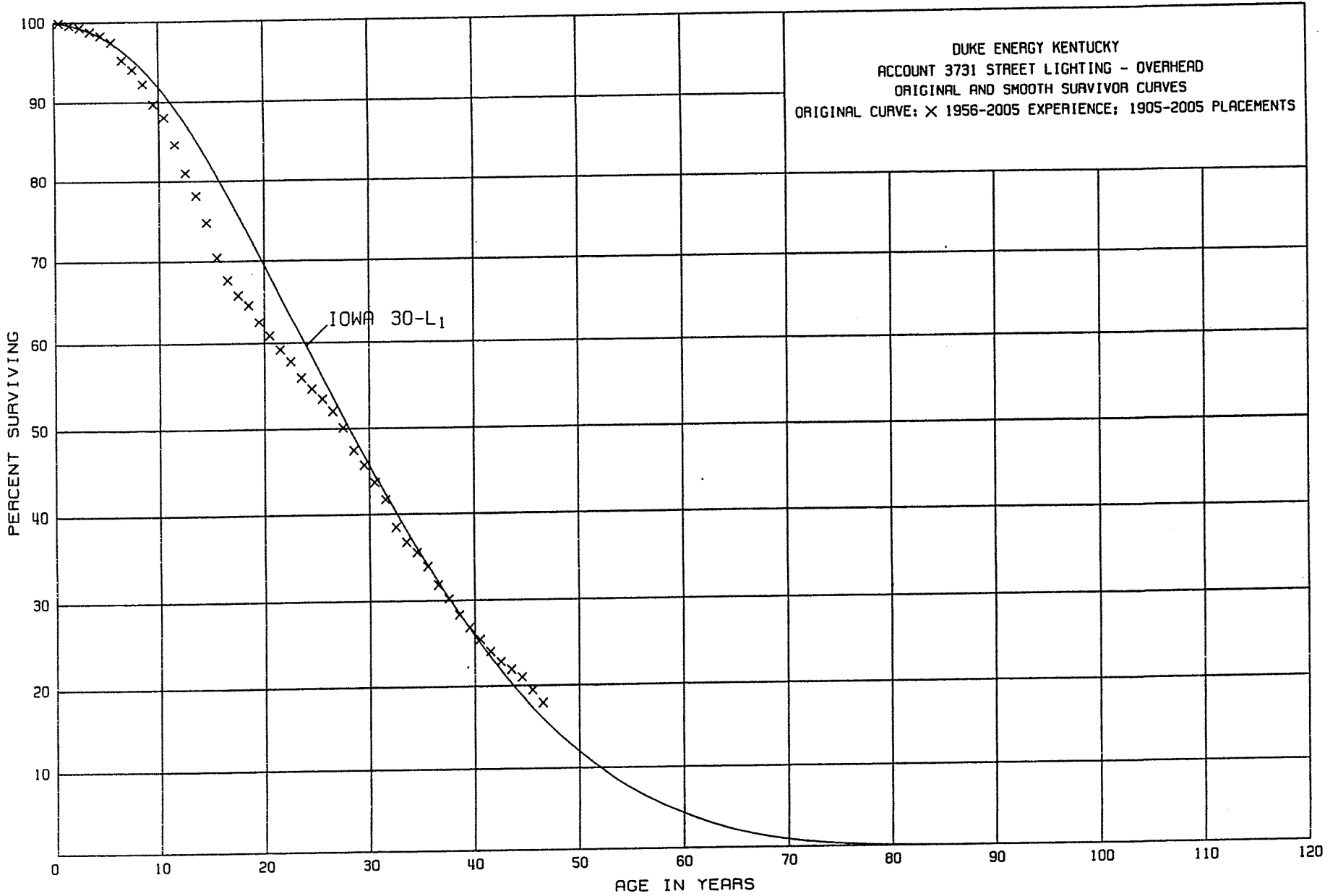


DUKE ENERGY KENTUCKY
ACCOUNT 3701 LEASED METERS
ORIGINAL LIFE TABLE

PLACEMENT BAND 1999-2005			EXPERIENCE BAND 1999-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,397,646	10,971	0.0032	0.9968	100.00
0.5	2,949,139	14,495	0.0049	0.9951	99.68
1.5	2,973,409	27,766	0.0093	0.9907	99.19
2.5	2,450,230	14,013	0.0057	0.9943	98.27
3.5	2,270,637	36,141	0.0159	0.9841	97.71
4.5	1,845,152	112,883	0.0612	0.9388	96.16
5.5	441,026	12,115	0.0275	0.9725	90.28
6.5					87.80



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DUKE ENERGY KENTUCKY

ACCOUNT 3731 STREET LIGHTING - OVERHEAD

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,285,730	3,439	0.0008	0.9992	100.00
0.5	4,001,814	12,522	0.0031	0.9969	99.92
1.5	3,758,932	13,129	0.0035	0.9965	99.61
2.5	3,765,538	19,246	0.0051	0.9949	99.26
3.5	3,778,238	19,049	0.0050	0.9950	98.75
4.5	3,757,119	28,769	0.0077	0.9923	98.26
5.5	3,635,209	84,147	0.0231	0.9769	97.50
6.5	3,402,476	42,061	0.0124	0.9876	95.25
7.5	3,243,897	60,280	0.0186	0.9814	94.07
8.5	3,093,241	88,332	0.0286	0.9714	92.32
9.5	2,936,463	56,486	0.0192	0.9808	89.68
10.5	2,791,402	105,133	0.0377	0.9623	87.96
11.5	2,595,831	110,479	0.0426	0.9574	84.64
12.5	2,395,663	87,410	0.0365	0.9635	81.03
13.5	2,270,047	97,533	0.0430	0.9570	78.07
14.5	2,164,583	124,099	0.0573	0.9427	74.71
15.5	1,991,292	78,212	0.0393	0.9607	70.43
16.5	1,844,620	47,687	0.0259	0.9741	67.66
17.5	1,811,388	34,188	0.0189	0.9811	65.91
18.5	1,756,828	55,574	0.0316	0.9684	64.66
19.5	1,666,687	44,786	0.0269	0.9731	62.62
20.5	1,564,956	45,767	0.0292	0.9708	60.94
21.5	1,500,834	33,813	0.0225	0.9775	59.16
22.5	1,451,597	48,347	0.0333	0.9667	57.83
23.5	1,393,034	32,136	0.0231	0.9769	55.90
24.5	1,343,692	28,783	0.0214	0.9786	54.61
25.5	1,274,754	34,380	0.0270	0.9730	53.44
26.5	1,201,278	44,170	0.0368	0.9632	52.00
27.5	1,147,739	62,822	0.0547	0.9453	50.09
28.5	1,077,502	37,354	0.0347	0.9653	47.35
29.5	1,031,967	45,194	0.0438	0.9562	45.71
30.5	970,694	45,182	0.0465	0.9535	43.71
31.5	903,667	68,517	0.0758	0.9242	41.68
32.5	778,322	34,395	0.0442	0.9558	38.52
33.5	691,617	23,600	0.0341	0.9659	36.82
34.5	596,990	28,595	0.0479	0.9521	35.56
35.5	503,568	30,998	0.0616	0.9384	33.86
36.5	409,441	20,728	0.0506	0.9494	31.77
37.5	373,493	23,057	0.0617	0.9383	30.16
38.5	317,035	16,727	0.0528	0.9472	28.30

DUKE ENERGY KENTUCKY

ACCOUNT 3731 STREET LIGHTING - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	247,313	13,398	0.0542	0.9458	26.81
40.5	169,264	8,867	0.0524	0.9476	25.36
41.5	138,057	7,330	0.0531	0.9469	24.03
42.5	102,543	3,728	0.0364	0.9636	22.75
43.5	68,693	2,953	0.0430	0.9570	21.92
44.5	39,560	2,859	0.0723	0.9277	20.98
45.5	26,976	2,012	0.0746	0.9254	19.46
46.5	18,929	581	0.0307	0.9693	18.01
47.5	17,170	247	0.0144	0.9856	17.46
48.5	16,384	1,015	0.0620	0.9380	17.21
49.5	13,876	1,048	0.0755	0.9245	16.14
50.5	12,865	527	0.0410	0.9590	14.92
51.5	12,165	1,117	0.0918	0.9082	14.31
52.5	10,784	273	0.0253	0.9747	13.00
53.5	10,223	593	0.0580	0.9420	12.67
54.5	9,485	395	0.0416	0.9584	11.94
55.5	9,034	181	0.0200	0.9800	11.44
56.5	8,647	102	0.0118	0.9882	11.21
57.5	8,451	78	0.0092	0.9908	11.08
58.5	7,084	19	0.0027	0.9973	10.98
59.5	6,962	204	0.0293	0.9707	10.95
60.5	6,673	60	0.0090	0.9910	10.63
61.5	6,591	28	0.0042	0.9958	10.53
62.5	6,554	435	0.0664	0.9336	10.49
63.5	6,094		0.0000	1.0000	9.79
64.5	5,698	648	0.1137	0.8863	9.79
65.5	4,936	348	0.0705	0.9295	8.68
66.5	4,561	249	0.0546	0.9454	8.07
67.5	4,142	178	0.0430	0.9570	7.63
68.5	3,964	248	0.0626	0.9374	7.30
69.5	3,693	11	0.0030	0.9970	6.84
70.5	3,682	2	0.0005	0.9995	6.82
71.5	3,681	346	0.0940	0.9060	6.82
72.5	3,335		0.0000	1.0000	6.18
73.5	3,335		0.0000	1.0000	6.18
74.5	3,335	21	0.0063	0.9937	6.18
75.5	3,314	544	0.1642	0.8358	6.14
76.5	2,770	2	0.0007	0.9993	5.13
77.5	2,768		0.0000	1.0000	5.13
78.5	2,765		0.0000	1.0000	5.13

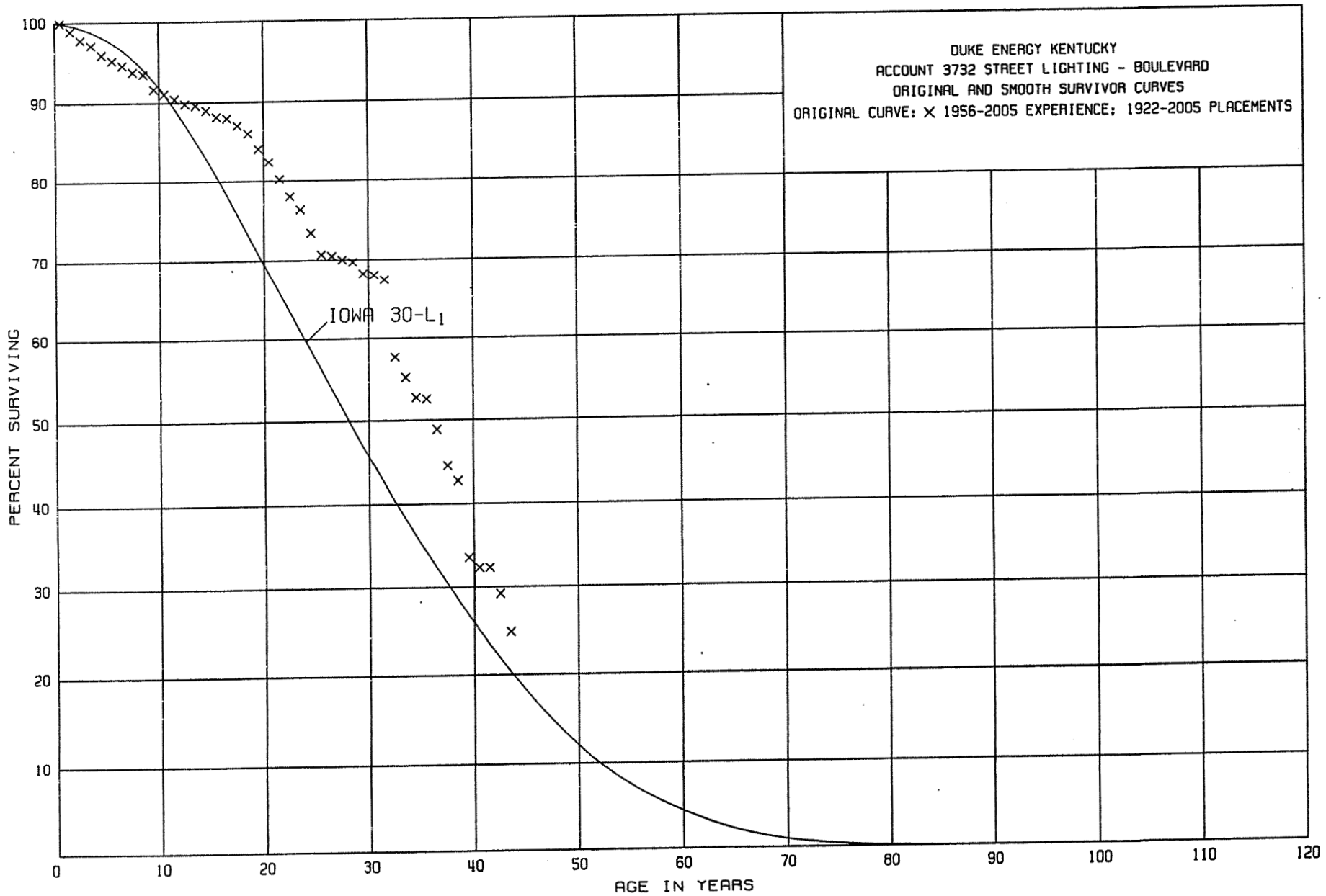
DUKE ENERGY KENTUCKY

ACCOUNT 3731 STREET LIGHTING - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,765		0.0000	1.0000	5.13
80.5	135		0.0000	1.0000	5.13
81.5	135		0.0000	1.0000	5.13
82.5	135		0.0000	1.0000	5.13
83.5	135		0.0000	1.0000	5.13
84.5	135		0.0000	1.0000	5.13
85.5	135		0.0000	1.0000	5.13
86.5	135		0.0000	1.0000	5.13
87.5	135		0.0000	1.0000	5.13
88.5	135		0.0000	1.0000	5.13
89.5	135		0.0000	1.0000	5.13
90.5	135		0.0000	1.0000	5.13
91.5	135	57	0.4222	0.5778	5.13
92.5	79		0.0000	1.0000	2.96
93.5	79		0.0000	1.0000	2.96
94.5	79		0.0000	1.0000	2.96
95.5					2.96

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DUKE ENERGY KENTUCKY

ACCOUNT 3732 STREET LIGHTING - BOULEVARD

ORIGINAL LIFE TABLE

PLACEMENT BAND 1922-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,075,755		0.0000	1.0000	100.00
0.5	3,019,958	34,689	0.0115	0.9885	100.00
1.5	2,627,597	27,550	0.0105	0.9895	98.85
2.5	2,600,597	19,154	0.0074	0.9926	97.81
3.5	2,494,331	31,523	0.0126	0.9874	97.09
4.5	2,441,775	16,195	0.0066	0.9934	95.87
5.5	2,268,117	16,344	0.0072	0.9928	95.24
6.5	1,592,691	11,963	0.0075	0.9925	94.55
7.5	1,435,703	6,095	0.0042	0.9958	93.84
8.5	1,283,389	25,279	0.0197	0.9803	93.45
9.5	1,139,954	8,035	0.0070	0.9930	91.61
10.5	996,248	6,207	0.0062	0.9938	90.97
11.5	900,268	6,337	0.0070	0.9930	90.41
12.5	815,021	1,403	0.0017	0.9983	89.78
13.5	665,697	4,579	0.0069	0.9931	89.63
14.5	616,684	5,452	0.0088	0.9912	89.01
15.5	475,389	1,025	0.0022	0.9978	88.23
16.5	382,179	4,307	0.0113	0.9887	88.04
17.5	307,837	3,495	0.0114	0.9886	87.05
18.5	244,839	5,536	0.0226	0.9774	86.06
19.5	218,308	4,401	0.0202	0.9798	84.12
20.5	174,710	4,667	0.0267	0.9733	82.42
21.5	157,167	4,291	0.0273	0.9727	80.22
22.5	151,097	3,352	0.0222	0.9778	78.03
23.5	137,901	5,340	0.0387	0.9613	76.30
24.5	129,956	4,679	0.0360	0.9640	73.35
25.5	108,226	365	0.0034	0.9966	70.71
26.5	101,598	632	0.0062	0.9938	70.47
27.5	87,766	381	0.0043	0.9957	70.03
28.5	87,076	1,943	0.0223	0.9777	69.73
29.5	100,411	226	0.0023	0.9977	68.18
30.5	95,870	825	0.0086	0.9914	68.02
31.5	76,445	11,149	0.1458	0.8542	67.44
32.5	59,410	2,639	0.0444	0.9556	57.61
33.5	55,967	2,394	0.0428	0.9572	55.05
34.5	53,574	166	0.0031	0.9969	52.69
35.5	53,007	3,653	0.0689	0.9311	52.53
36.5	49,353	4,418	0.0895	0.9105	48.91
37.5	44,935	1,816	0.0404	0.9596	44.53
38.5	43,119	9,291	0.2155	0.7845	42.73

DUKE ENERGY KENTUCKY

ACCOUNT 3732 STREET LIGHTING - BOULEVARD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1922-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	33,828	1,257	0.0372	0.9628	33.52
40.5	27,654		0.0000	1.0000	32.27
41.5	27,654	2,668	0.0965	0.9035	32.27
42.5	24,732	3,704	0.1498	0.8502	29.16
43.5	20,755	159	0.0077	0.9923	24.79
44.5	20,567		0.0000	1.0000	24.60
45.5	20,546		0.0000	1.0000	24.60
46.5	20,252	124	0.0061	0.9939	24.60
47.5	19,618		0.0000	1.0000	24.45
48.5	19,618		0.0000	1.0000	24.45
49.5	19,053	370	0.0194	0.9806	24.45
50.5	18,321		0.0000	1.0000	23.98
51.5	18,150		0.0000	1.0000	23.98
52.5	18,150		0.0000	1.0000	23.98
53.5	18,036		0.0000	1.0000	23.98
54.5	16,778	2	0.0001	0.9999	23.98
55.5	16,605		0.0000	1.0000	23.98
56.5	16,605		0.0000	1.0000	23.98
57.5	16,605		0.0000	1.0000	23.98
58.5	16,605		0.0000	1.0000	23.98
59.5	16,605		0.0000	1.0000	23.98
60.5	16,605		0.0000	1.0000	23.98
61.5	16,605		0.0000	1.0000	23.98
62.5	16,322		0.0000	1.0000	23.98
63.5	16,295		0.0000	1.0000	23.98
64.5	14,846	14	0.0009	0.9991	23.98
65.5	14,832		0.0000	1.0000	23.96
66.5	14,768		0.0000	1.0000	23.96
67.5	14,477		0.0000	1.0000	23.96
68.5	14,330	71	0.0050	0.9950	23.96
69.5	14,205	104	0.0073	0.9927	23.84
70.5	14,101		0.0000	1.0000	23.67
71.5	14,101	242	0.0172	0.9828	23.67
72.5	13,505		0.0000	1.0000	23.26
73.5	12,903		0.0000	1.0000	23.26
74.5	11,034		0.0000	1.0000	23.26
75.5	10,981	43	0.0039	0.9961	23.26
76.5	7,213		0.0000	1.0000	23.17
77.5	5,761		0.0000	1.0000	23.17
78.5	3,765	14	0.0037	0.9963	23.17

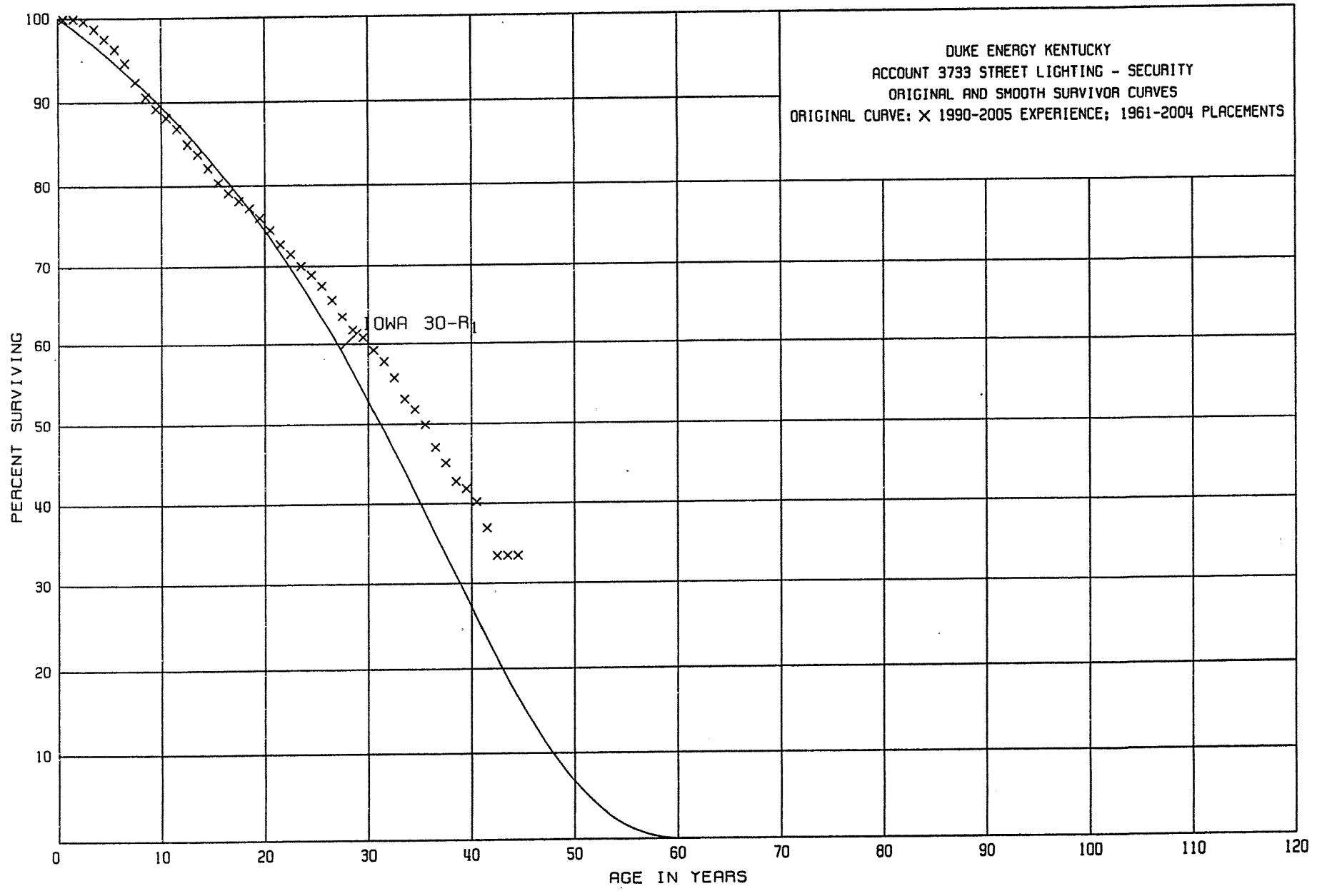
DUKE ENERGY KENTUCKY

ACCOUNT 3732 STREET LIGHTING - BOULEVARD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1922-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,751		0.0000	1.0000	23.08
80.5	3,751		0.0000	1.0000	23.08
81.5	3,751		0.0000	1.0000	23.08
82.5	269		0.0000	1.0000	23.08
83.5					23.08

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DUKE ENERGY KENTUCKY

ACCOUNT 3733 STREET LIGHTING - SECURITY

ORIGINAL LIFE TABLE

PLACEMENT BAND 1961-2004			EXPERIENCE BAND 1990-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,173,648		0.0000	1.0000	100.00
0.5	1,210,558	532	0.0004	0.9996	100.00
1.5	932,792	3,157	0.0034	0.9966	99.96
2.5	959,926	9,292	0.0097	0.9903	99.62
3.5	985,846	11,845	0.0120	0.9880	98.65
4.5	932,415	11,301	0.0121	0.9879	97.47
5.5	915,605	15,245	0.0167	0.9833	96.29
6.5	870,105	21,349	0.0245	0.9755	94.68
7.5	815,711	15,168	0.0186	0.9814	92.36
8.5	773,973	12,107	0.0156	0.9844	90.64
9.5	781,153	10,039	0.0129	0.9871	89.23
10.5	765,190	11,434	0.0149	0.9851	88.08
11.5	744,999	15,299	0.0205	0.9795	86.77
12.5	697,685	10,171	0.0146	0.9854	84.99
13.5	662,296	12,454	0.0188	0.9812	83.75
14.5	618,750	13,554	0.0219	0.9781	82.18
15.5	588,124	9,732	0.0165	0.9835	80.38
16.5	581,612	7,267	0.0125	0.9875	79.05
17.5	568,398	6,096	0.0107	0.9893	78.06
18.5	559,648	8,555	0.0153	0.9847	77.22
19.5	542,461	11,142	0.0205	0.9795	76.04
20.5	529,024	12,841	0.0243	0.9757	74.48
21.5	519,637	8,537	0.0164	0.9836	72.67
22.5	504,300	10,687	0.0212	0.9788	71.48
23.5	472,212	7,272	0.0154	0.9846	69.96
24.5	435,191	8,779	0.0202	0.9798	68.88
25.5	369,829	9,896	0.0268	0.9732	67.49
26.5	316,885	10,003	0.0316	0.9684	65.68
27.5	273,499	7,565	0.0277	0.9723	63.60
28.5	246,204	4,053	0.0165	0.9835	61.84
29.5	210,860	5,455	0.0259	0.9741	60.82
30.5	180,232	4,375	0.0243	0.9757	59.24
31.5	146,582	5,108	0.0348	0.9652	57.80
32.5	119,613	5,619	0.0470	0.9530	55.79
33.5	103,086	2,562	0.0249	0.9751	53.17
34.5	87,179	3,357	0.0385	0.9615	51.85
35.5	70,648	4,094	0.0579	0.9421	49.85
36.5	55,321	2,257	0.0408	0.9592	46.96
37.5	37,691	1,987	0.0527	0.9473	45.04
38.5	31,448	627	0.0199	0.9801	42.67

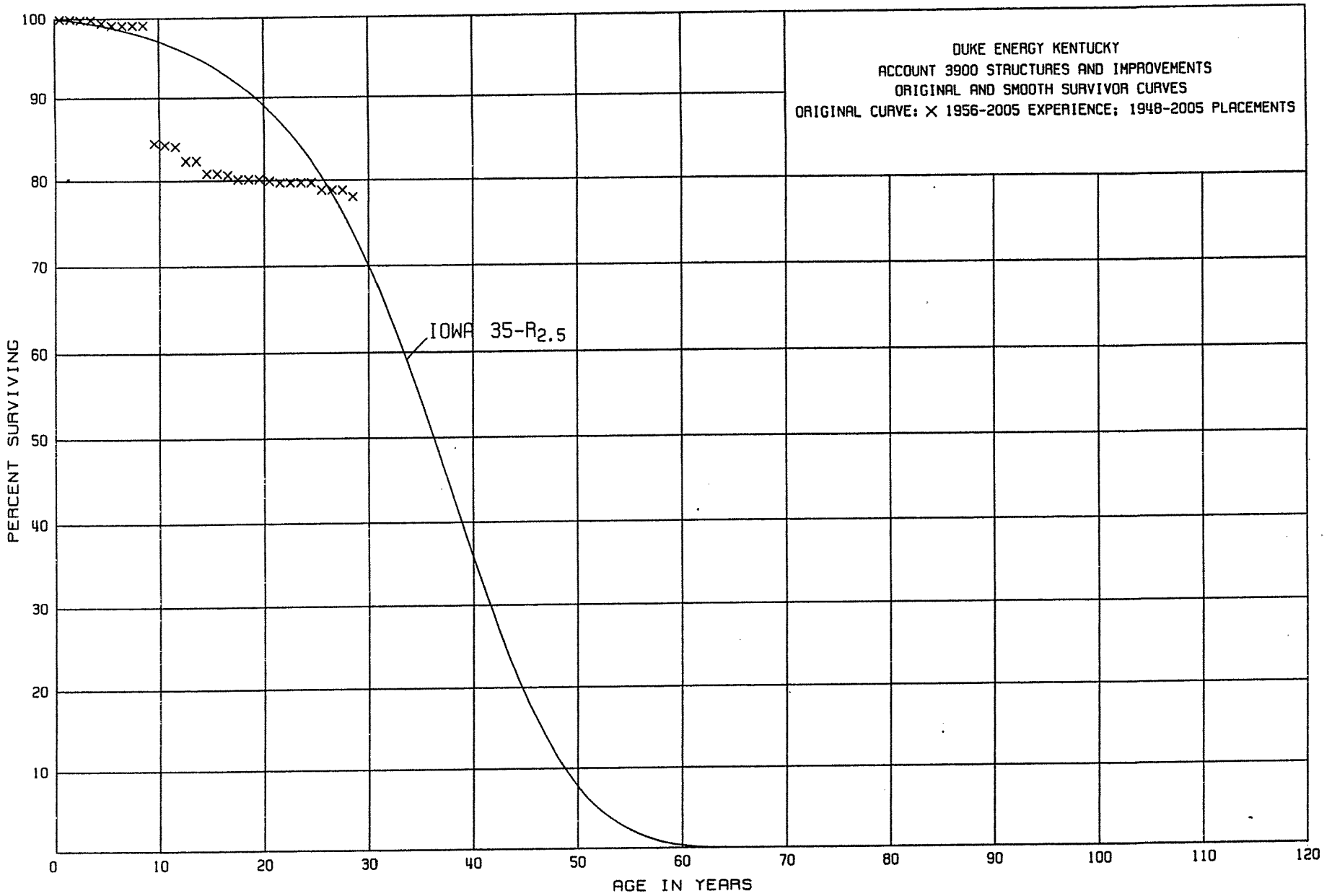
DUKE ENERGY KENTUCKY

ACCOUNT 3733 STREET LIGHTING - SECURITY

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1961-2004			EXPERIENCE BAND 1990-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	21,546	854	0.0396	0.9604	41.82
40.5	14,551	1,140	0.0783	0.9217	40.16
41.5	5,523	526	0.0952	0.9048	37.02
42.5	1,284		0.0000	1.0000	33.50
43.5	154		0.0000	1.0000	33.50
44.5					33.50

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DUKE ENERGY KENTUCKY

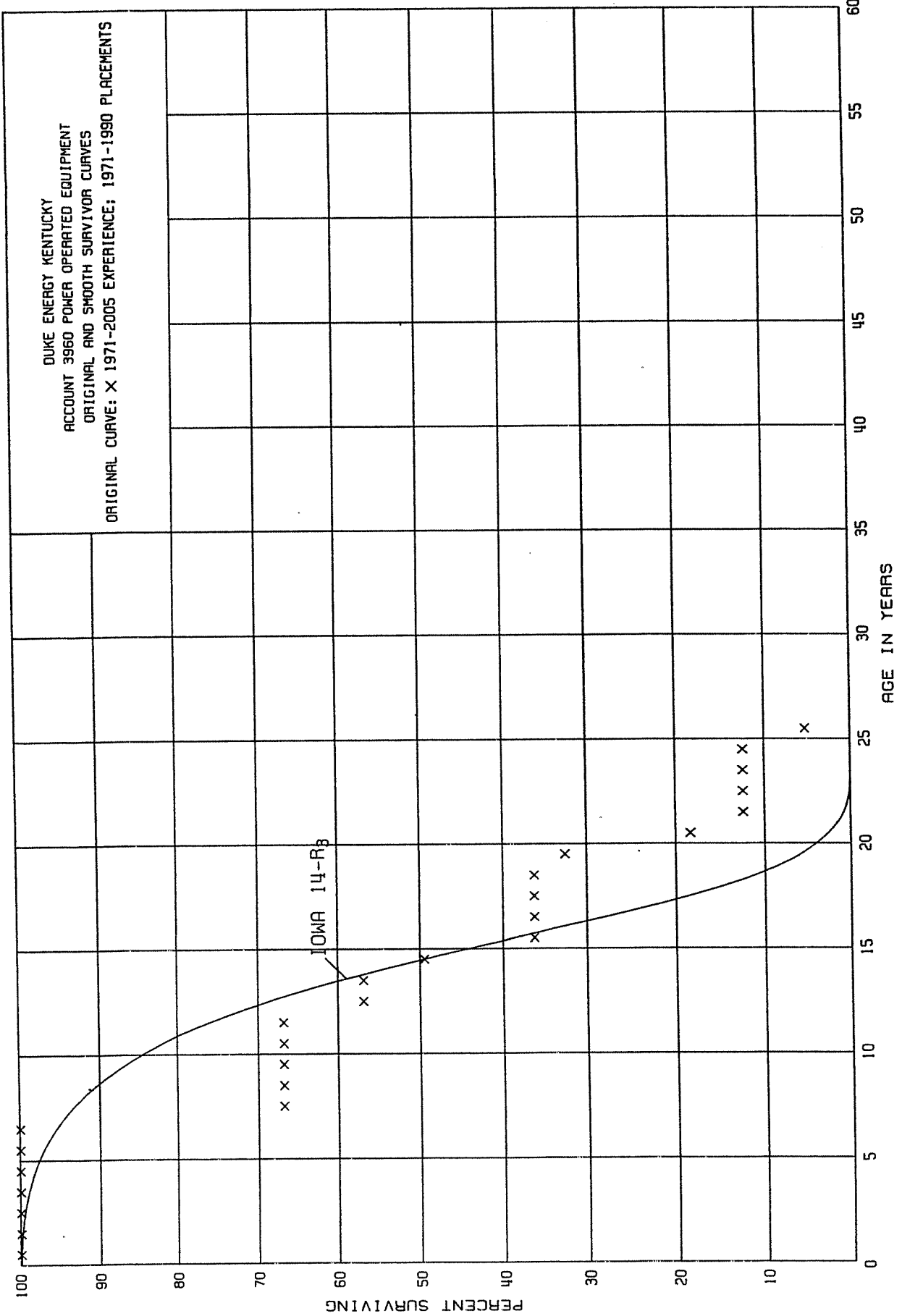
ACCOUNT 3900 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1948-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	425,014		0.0000	1.0000	100.00
0.5	409,177		0.0000	1.0000	100.00
1.5	409,375	885	0.0022	0.9978	100.00
2.5	408,538		0.0000	1.0000	99.78
3.5	414,380	1,460	0.0035	0.9965	99.78
4.5	413,248	1,349	0.0033	0.9967	99.43
5.5	359,020		0.0000	1.0000	99.10
6.5	359,020		0.0000	1.0000	99.10
7.5	377,140		0.0000	1.0000	99.10
8.5	377,140	55,847	0.1481	0.8519	99.10
9.5	321,293	916	0.0029	0.9971	84.42
10.5	320,377	759	0.0024	0.9976	84.18
11.5	319,618	6,356	0.0199	0.9801	83.98
12.5	313,262		0.0000	1.0000	82.31
13.5	313,262	5,843	0.0187	0.9813	82.31
14.5	307,419		0.0000	1.0000	80.77
15.5	307,419	588	0.0019	0.9981	80.77
16.5	306,831	2,160	0.0070	0.9930	80.62
17.5	304,670		0.0000	1.0000	80.06
18.5	304,670		0.0000	1.0000	80.06
19.5	304,670	760	0.0025	0.9975	80.06
20.5	303,911	459	0.0015	0.9985	79.86
21.5	303,451		0.0000	1.0000	79.74
22.5	303,451		0.0000	1.0000	79.74
23.5	303,451		0.0000	1.0000	79.74
24.5	303,451	3,764	0.0124	0.9876	79.74
25.5	299,687		0.0000	1.0000	78.75
26.5	299,687		0.0000	1.0000	78.75
27.5	299,687	2,935	0.0098	0.9902	78.75
28.5	293,454	280,465	0.9557	0.0443	77.98
29.5	12,989		0.0000	1.0000	3.45
30.5	12,989		0.0000	1.0000	3.45
31.5	12,989		0.0000	1.0000	3.45
32.5	12,989		0.0000	1.0000	3.45
33.5	12,989		0.0000	1.0000	3.45
34.5	12,989		0.0000	1.0000	3.45
35.5	12,989		0.0000	1.0000	3.45
36.5	12,989		0.0000	1.0000	3.45
37.5	12,989		0.0000	1.0000	3.45
38.5	12,989		0.0000	1.0000	3.45

DUKE ENERGY KENTUCKY
ACCOUNT 3900 STRUCTURES AND IMPROVEMENTS
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1948-2005			EXPERIENCE BAND 1956-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	12,989		0.0000	1.0000	3.45
40.5	12,989		0.0000	1.0000	3.45
41.5	12,989		0.0000	1.0000	3.45
42.5	12,989		0.0000	1.0000	3.45
43.5	12,989		0.0000	1.0000	3.45
44.5	12,989		0.0000	1.0000	3.45
45.5	12,989		0.0000	1.0000	3.45
46.5	12,989		0.0000	1.0000	3.45
47.5	12,989		0.0000	1.0000	3.45
48.5	12,989		0.0000	1.0000	3.45
49.5	12,989		0.0000	1.0000	3.45
50.5	12,989		0.0000	1.0000	3.45
51.5	12,989		0.0000	1.0000	3.45
52.5	12,989		0.0000	1.0000	3.45
53.5	12,989		0.0000	1.0000	3.45
54.5	12,661		0.0000	1.0000	3.45
55.5	12,661		0.0000	1.0000	3.45
56.5	12,661		0.0000	1.0000	3.45
57.5					3.45



DUKE ENERGY KENTUCKY

ACCOUNT 3960 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1971-1990			EXPERIENCE BAND 1971-2005		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	114,281		0.0000	1.0000	100.00
0.5	114,281		0.0000	1.0000	100.00
1.5	173,730		0.0000	1.0000	100.00
2.5	173,730		0.0000	1.0000	100.00
3.5	173,730		0.0000	1.0000	100.00
4.5	173,730		0.0000	1.0000	100.00
5.5	210,004		0.0000	1.0000	100.00
6.5	219,067	72,991	0.3332	0.6668	100.00
7.5	146,076		0.0000	1.0000	66.68
8.5	146,076		0.0000	1.0000	66.68
9.5	146,076		0.0000	1.0000	66.68
10.5	179,163		0.0000	1.0000	66.68
11.5	179,163	26,356	0.1471	0.8529	66.68
12.5	152,807		0.0000	1.0000	56.87
13.5	152,807	20,191	0.1321	0.8679	56.87
14.5	132,617	35,307	0.2662	0.7338	49.36
15.5	85,266		0.0000	1.0000	36.22
16.5	85,266		0.0000	1.0000	36.22
17.5	85,266		0.0000	1.0000	36.22
18.5	85,266	9,064	0.1063	0.8937	36.22
19.5	76,202	33,087	0.4342	0.5658	32.37
20.5	43,115	13,984	0.3243	0.6757	18.31
21.5	29,131		0.0000	1.0000	12.37
22.5	29,131		0.0000	1.0000	12.37
23.5	29,131		0.0000	1.0000	12.37
24.5	29,131	16,943	0.5816	0.4184	12.37
25.5	12,188		0.0000	1.0000	5.18
26.5	12,188		0.0000	1.0000	5.18
27.5	12,188		0.0000	1.0000	5.18
28.5	12,188		0.0000	1.0000	5.18
29.5	12,188	12,188	1.0000	0.0000	5.18
30.5					0.00

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NET SALVAGE STATISTICS

DUKE ENERGY KENTUCKY

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1990		204,571		204,571-
1991	10,904	93,952 862	156 1	93,796-860-
1992	44,601	33,254 75	0	33,254- 75-
1993	3,829	2,179 57	0	2,179- 57-
1994	8,622	107,169	0	107,169-
1995		46,859		46,859-
1996	20,300	22,697 112	0	22,697-112-
1997				
1998	236,952	1,816 1	0	1,816- 1-
1999				
2000				
2001				
2002	466,414	124,993 27	0	124,993- 27-
2003	360,388	117,298 33	0	117,298- 33-
2004	1,563,054	14,188 1	0	14,188- 1-
2005	67,932	23,891 35	0	23,891- 35-
TOTAL	2,782,996	792,867 28	156 0	792,711- 28-

THREE-YEAR MOVING AVERAGES

90-92	18,502	110,592 598	52 0	110,540-597-
91-93	19,778	43,128 218	52 0	43,076-218-
92-94	19,017	47,534 250	0	47,534-250-
93-95	4,150	52,069	0	52,069-
94-96	9,641	58,908 611	0	58,908-611-
95-97	6,767	23,185 343	0	23,185-343-
96-98	85,751	8,171 10	0	8,171- 10-
97-99	78,984	605 1	0	605- 1-
98-00	78,984	605 1	0	605- 1-
99-01				
00-02	155,471	41,664 27	0	41,664- 27-
01-03	275,601	80,764 29	0	80,764- 29-
02-04	796,619	85,493 11	0	85,493- 11-
03-05	663,791	51,792 8	0	51,792- 8-

FIVE-YEAR AVERAGE

01-05	491,557	56,074 11	0	56,074- 11-
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DUKE ENERGY KENTUCKY

ACCOUNT 3110 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1991	42,371		0		0		0
1992	2,324		0		0		0
1993	106,507		0		0		0
1994	69,982		0		0		0
1995	93,406		0		0		0
1996							
1997	23,706		0		0		0
1998	1,523		0		0		0
1999	30,871		0		0		0
2000							
2001							
2002							
2003	139,027		0		0		0
2004							
2005	35,327		0		0		0
TOTAL	545,044		0		0		0

THREE-YEAR MOVING AVERAGES

91-93	50,401		0		0		0
92-94	59,604		0		0		0
93-95	89,965		0		0		0
94-96	54,463		0		0		0
95-97	39,038		0		0		0
96-98	8,410		0		0		0
97-99	18,700		0		0		0
98-00	10,798		0		0		0
99-01	10,290		0		0		0
00-02							
01-03	46,342		0		0		0
02-04	46,342		0		0		0
03-05	58,118		0		0		0

FIVE-YEAR AVERAGE

01-05	34,871		0		0		0
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DUKE ENERGY KENTUCKY
ACCOUNT 3120 BOILER PLANT
SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	422,833		0	0	0	0	0
1991	1,469,830		0	0	0	0	0
1992	1,290,307		0	0	0	0	0
1993	707,064		0	0	0	0	0
1994	861,329		0	0	0	0	0
1995	2,682,145		0	0	0	0	0
1996	32,885		0	0	0	0	0
1997	161,263		0	0	0	0	0
1998	758,949		0	0	0	0	0
1999	1,804,001		0	0	0	0	0
2000							
2001							
2002							
2003	7,226,804	1,220,923	17	54,200	1	1,166,723-	16-
2004	2,486,903		0	0	0		0
2005	3,191,937		0	0	0		0
TOTAL	23,096,250	1,220,923	5	54,200	0	1,166,723-	5-

THREE-YEAR MOVING AVERAGES

90-92	1,060,990		0	0	0		0
91-93	1,155,734		0	0	0		0
92-94	952,900		0	0	0		0
93-95	1,416,846		0	0	0		0
94-96	1,192,120		0	0	0		0
95-97	958,764		0	0	0		0
96-98	317,699		0	0	0		0
97-99	908,071		0	0	0		0
98-00	854,316		0	0	0		0
99-01	601,334		0	0	0		0
00-02							
01-03	2,408,935	406,974	17	18,067	1	388,907-	16-
02-04	3,237,902	406,974	13	18,067	1	388,907-	12-
03-05	4,301,881	406,974	9	18,067	0	388,907-	9-

FIVE-YEAR AVERAGE

01-05	2,581,129	244,185	9	10,840	0	233,345-	9-
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DUKE ENERGY KENTUCKY

ACCOUNT 3140 TURBOGENERATOR UNITS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1991	847,893		0	0		0	
1992	538,297		0	0		0	
1993	102,328		0	0		0	
1994	555,226		0	0		0	
1995	66,228		0	0		0	
1996	5,992		0	0		0	
1997	229,904		0	0		0	
1998	210,493		0	0		0	
1999	40,715		0	0		0	
2000							
2001							
2002							
2003	311,366	43,075	14	0	43,075-	14-	
2004	582,032		0	0		0	
2005	850,980		0	0		0	
TOTAL	4,341,454	43,075	1	0	43,075-	1-	

THREE-YEAR MOVING AVERAGES

91-93	496,173		0	0		0
92-94	398,617		0	0		0
93-95	241,260		0	0		0
94-96	209,149		0	0		0
95-97	100,708		0	0		0
96-98	148,796		0	0		0
97-99	160,371		0	0		0
98-00	83,736		0	0		0
99-01	13,572		0	0		0
00-02						
01-03	103,789	14,358	14	0	14,358-	14-
02-04	297,799	14,358	5	0	14,358-	5-
03-05	581,459	14,358	2	0	14,358-	2-

FIVE-YEAR AVERAGE

01-05	348,876	8,615	2	0	8,615-	2-
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DUKE ENERGY KENTUCKY

ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	32,390		0		0		0
1991	71,444		0		0		0
1992	32,766		0		0		0
1993							
1994							
1995	259,537		0		0		0
1996	69,143		0		0		0
1997	68,288		0		0		0
1998							
1999							
2000							
2001							
2002							
2003	75,714		0		0		0
2004	729,582		0		0		0
2005	69,401		0		0		0
TOTAL	1,408,265		0		0		0

THREE-YEAR MOVING AVERAGES

90-92	45,533		0		0		0
91-93	34,737		0		0		0
92-94	10,922		0		0		0
93-95	86,512		0		0		0
94-96	109,560		0		0		0
95-97	132,323		0		0		0
96-98	45,810		0		0		0
97-99	22,763		0		0		0
98-00							
99-01							
00-02							
01-03	25,238		0		0		0
02-04	268,432		0		0		0
03-05	291,566		0		0		0

FIVE-YEAR AVERAGE

01-05	174,939		0		0		0
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DUKE ENERGY KENTUCKY

ACCOUNT 3160 MISCELLANEOUS POWER PLANT - EXCLUDING SHOP

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	46,577		0		0		0
1991	17,681		0		0		0
1992							
1993							
1994	19,547		0		0		0
1995	13,008		0		0		0
1996							
1997							
1998							
1999							
2000							
2001							
2002							
2003	138,740		0		0		0
2004							
2005	113,268	775	1	2,500	2	1,725	2
TOTAL	348,821	775	0	2,500	1	1,725	0

THREE-YEAR MOVING AVERAGES

90-92	21,420		0		0		0
91-93	5,894		0		0		0
92-94	6,516		0		0		0
93-95	10,852		0		0		0
94-96	10,852		0		0		0
95-97	4,336		0		0		0
96-98							
97-99							
98-00							
99-01							
00-02							
01-03	46,247		0		0		0
02-04	46,247		0		0		0
03-05	84,003	258	0	833	1	575	1

FIVE-YEAR AVERAGE

01-05	50,402	155	0	500	1	345	1
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DUKE ENERGY KENTUCKY

ACCOUNT 3530 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1996	5,552	1,770 32	0	1,770- 32-
1997				
1998				
1999	4,924	0	0	0
2000				
2001				
2002				
2003	8,271	971 12	0	971- 12-
2004	28,699	0	0	0
2005	8,525	244 3	0	244- 3-
TOTAL	55,971	2,985 5	0	2,985- 5-

THREE-YEAR MOVING AVERAGES

96-98	1,851	590 32	0	590- 32-
97-99	1,641	0	0	0
98-00	1,641	0	0	0
99-01	1,641	0	0	0
00-02				
01-03	2,757	324 12	0	324- 12-
02-04	12,323	324 3	0	324- 3-
03-05	15,165	405 3	0	405- 3-

FIVE-YEAR AVERAGE

01-05	9,099	243 3	0	243- 3-
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DUKE ENERGY KENTUCKY
ACCOUNT 3532 STATION EQUIPMENT - MAJOR
SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2002	40,579		0	0		0	
2003	683,187	13,017	2	0	13,017-	2-	
2004	60,919	63,346	104	0	63,346-	104-	
2005	70,331	3,406	5	0	3,406-	5-	
TOTAL	855,016	79,769	9	0	79,769-	9-	

THREE-YEAR MOVING AVERAGES

02-04	261,562	25,454	10	0	25,454-	10-	
03-05	271,479	26,590	10	0	26,590-	10-	

FIVE-YEAR AVERAGE

01-05	171,003	15,954	9	0	15,954-	9-	
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DUKE ENERGY KENTUCKY

ACCOUNT 3550 POLES AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	763	972	127	1,766	231	794	104
1991	14,549	4,066	28	17,670	121	13,604	94
1992	8,323	6,604	79	1,262	15	5,342-	64-
1993	27,199	4,929	18	12,384	46	7,455	27
1994	83,911	17,032	20	150,518	179	133,486	159
1995	46,396	8,076	17	8,057	17	19-	0
1996	109,925	9,135	8		0	9,135-	8-
1997	4,381	5,437	124	279	6	5,158-	118-
1998	4,211	862	20	5,114	121	4,252	101
1999	50,612	14,338	28	18,395	36	4,057	8
2000	9,767	3,084	32		0	3,084-	32-
2001	117,966	20,992	18		0	20,992-	18-
2002	13,673	6,716	49		0	6,716-	49-
2003	517	1,763	341		0	1,763-	341-
2004	12,902	5,311	41		0	5,311-	41-
2005	36,647	17,279	47	2,000	5	15,279-	42-
TOTAL	541,742	126,596	23	217,445	40	90,849	17

THREE-YEAR MOVING AVERAGES

90-92	7,878	3,880	49	6,899	88	3,019	38
91-93	16,690	5,200	31	10,439	63	5,239	31
92-94	39,811	9,521	24	54,721	137	45,200	114
93-95	52,502	10,012	19	56,986	109	46,974	89
94-96	80,077	11,414	14	52,858	66	41,444	52
95-97	53,567	7,549	14	2,779	5	4,770-	9-
96-98	39,506	5,145	13	1,798	5	3,347-	8-
97-99	19,735	6,879	35	7,929	40	1,050	5
98-00	21,530	6,095	28	7,836	36	1,741	8
99-01	59,448	12,805	22	6,132	10	6,673-	11-
00-02	47,135	10,264	22		0	10,264-	22-
01-03	44,052	9,823	22		0	9,823-	22-
02-04	9,031	4,597	51		0	4,597-	51-
03-05	16,689	8,118	49	667	4	7,451-	45-

FIVE-YEAR AVERAGE

01-05	36,341	10,412	29	400	1	10,012-	28-
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DUKE ENERGY KENTUCKY

ACCOUNT 3560 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	399	425	107	26	7	399	100-
1991	5,146	752	15	11,297	220	10,545	205
1992	6,930	5,658	82	584	8	5,074	73-
1993	10,050	915	9	385	4	530	5-
1994	74,663	15,269	20		0	15,269	20-
1995	47,175	6,437	14	7,803	17	1,366	3
1996	115,748		0		0		0
1997							
1998	50		0		0		0
1999	38,345	27,198	71-	1,288	3	28,486	74
2000							
2001	140,500	13,093	9		0	13,093	9-
2002	2,879	3,919	136		0	3,919	136-
2003		1,834				1,834	
2004	5,376	6,881	128		0	6,881	128-
2005	20,039		0	2,000	10	2,000	10
TOTAL	467,300	27,985	6	23,383	5	4,602	1-

THREE-YEAR MOVING AVERAGES

90-92	4,158	2,279	55	3,969	95	1,690	41
91-93	7,375	2,442	33	4,089	55	1,647	22
92-94	30,547	7,281	24	323	1	6,958	23-
93-95	43,963	7,540	17	2,729	6	4,811	11-
94-96	79,195	7,235	9	2,601	3	4,634	6-
95-97	54,308	2,146	4	2,601	5	455	1
96-98	38,599		0		0		0
97-99	12,798	9,066	71-	429	3	9,495	74
98-00	12,798	9,066	71-	429	3	9,495	74
99-01	59,615	4,702	8-	429	1	5,131	9
00-02	47,793	5,670	12		0	5,670	12-
01-03	47,793	6,282	13		0	6,282	13-
02-04	2,752	4,211	153		0	4,211	153-
03-05	8,472	2,905	34	667	8	2,238	26-

FIVE-YEAR AVERAGE

01-05	33,759	5,145	15	400	1	4,745	14-
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DUKE ENERGY KENTUCKY
ACCOUNT 3601 RIGHTS OF WAY
SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	5,113	150	3	0		150-	3-
1991	21,499	269	1	0		269-	1-
1992	10,192	130	1	0		130-	1-
1993	11,387	33	0	0		33-	0
1994	704	83	12	0		83-	12-
1995	6,467		0	0			0
1996							
1997							
1998							
1999	7,680	60	1	0		60-	1-
2000							
2001							
2002	110		0	0			0
2003							
2004							
2005							
TOTAL	63,152	725	1	0		725-	1-

THREE-YEAR MOVING AVERAGES

90-92	12,268	183	1	0		183-	1-
91-93	14,359	144	1	0		144-	1-
92-94	7,428	82	1	0		82-	1-
93-95	6,186	38	1	0		38-	1-
94-96	2,390	28	1	0		28-	1-
95-97	2,156		0	0			0
96-98							
97-99	2,560	20	1	0		20-	1-
98-00	2,560	20	1	0		20-	1-
99-01	2,560	20	1	0		20-	1-
00-02	37		0	0			0
01-03	37		0	0			0
02-04	37		0	0			0
03-05							

FIVE-YEAR AVERAGE

01-05	22		0	0			0
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DUKE ENERGY KENTUCKY

ACCOUNT 3610 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1992	930	2,208 237	0	2,208-237-
1993				
1994				
1995				
1996				
1997				
1998	1,925	0	0	0
1999	1,918	370- 19-	0	370 19
2000				
2001				
2002				
2003				
2004				
2005	34,703	0	0	0
TOTAL	39,476	1,838 5	0	1,838- 5-

THREE-YEAR MOVING AVERAGES

92-94	310	736 237	0	736-237-
93-95				
94-96				
95-97				
96-98	642	0	0	0
97-99	1,281	123- 10-	0	123 10
98-00	1,281	123- 10-	0	123 10
99-01	639	123- 19-	0	123 19
00-02				
01-03				
02-04				
03-05	11,568	0	0	0

FIVE-YEAR AVERAGE

01-05	6,941	0	0	0
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DUKE ENERGY KENTUCKY
ACCOUNT 3620 STATION EQUIPMENT
SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1990	35,343	23,601 67	0	23,601- 67-
1991		14,827		14,827-
1992	39,324	3,732 9	0	3,732- 9-
1993	395,717	4,265 1	0	4,265- 1-
1994	608,354	59,357 10	2,449- 0	61,806- 10-
1995	141,231	28,005 20	214 0	27,791- 20-
1996	35,982	13,491 37	16 0	13,475- 37-
1997	63,344	7,053 11	70 0	6,983- 11-
1998	686,272	3,445- 1-	0	3,445 1
1999	181,674-	7,267 4-	5,655 3-	1,612- 1
2000				
2001				
2002				
2003	134,044	50,103 37	0	50,103- 37-
2004	3,033	857 28	0	857- 28-
2005	121,086	25,083 21	0	25,083- 21-
TOTAL	2,082,056	234,196 11	3,506 0	230,690- 11-

THREE-YEAR MOVING AVERAGES

90-92	24,889	14,053 56	0	14,053- 56-
91-93	145,014	7,608 5	0	7,608- 5-
92-94	347,799	22,452 6	816- 0	23,268- 7-
93-95	381,768	30,543 8	745- 0	31,288- 8-
94-96	261,856	33,618 13	740- 0	34,358- 13-
95-97	80,186	16,183 20	100 0	16,083- 20-
96-98	261,866	5,700 2	28 0	5,672- 2-
97-99	189,314	3,625 2	1,908 1	1,717- 1-
98-00	168,199	1,274 1	1,885 1	611 0
99-01	60,558-	2,422 4-	1,885 3-	537- 1
00-02				
01-03	44,681	16,701 37	0	16,701- 37-
02-04	45,692	16,987 37	0	16,987- 37-
03-05	86,054	25,348 29	0	25,348- 29-

FIVE-YEAR AVERAGE

01-05	51,633	15,209 29	0	15,209- 29-
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DUKE ENERGY KENTUCKY
ACCOUNT 3622 STATION EQUIPMENT - MAJOR
SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
2000	24,335	0	0	0
2001				
2002				
2003				
2004	9,210	2,907 32	0	2,907- 32-
2005	35,537	0	0	0
TOTAL	69,082	2,907 4	0	2,907- 4-

THREE-YEAR MOVING AVERAGES

00-02	8,112	0	0	0
01-03				
02-04	3,070	969 32	0	969- 32-
03-05	14,916	969 6	0	969- 6-

FIVE-YEAR AVERAGE

01-05	8,949	581 6	0	581- 6-
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DUKE ENERGY KENTUCKY

ACCOUNT 3640 POLES, TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	217,732	98,829	45	151,720	70	52,891	24
1991	220,355	160,349	73	133,244	60	27,105-	12-
1992	838,996	181,086	22	373,355	45	192,269	23
1993	187,297	118,920	63	213,890	114	94,970	51
1994	383,269	194,529	51	144,301	38	50,228-	13-
1995	477,684	171,827	36	380,720	80	208,893	44
1996	174,965	58,850	34	32,929-	19-	91,779-	52-
1997	147,637	45,107-	31-	107,087	73	152,194	103
1998	207,158	27,024	13	20,768	10	6,256-	3-
1999	395,043	108,686	28	7,371	2	101,315-	26-
2000	102,198	7,376-	7-		0	7,376	7
2001	548,586	74,872	14	12,273	2	62,599-	11-
2002	101,028	5,918	6		0	5,918-	6-
2003	138,540	153,817	111		0	153,817-	111-
2004	504,478	3,253	1		0	3,253-	1-
2005	656,916	76,489	12		4 0	76,485-	12-
TOTAL	5,301,882	1,381,966	26	1,511,804	29	129,838	2

THREE-YEAR MOVING AVERAGES

90-92	425,694	146,755	34	219,440	52	72,685	17
91-93	415,549	153,452	37	240,163	58	86,711	21
92-94	469,854	164,845	35	243,849	52	79,004	17
93-95	349,417	161,759	46	246,304	70	84,545	24
94-96	345,306	141,735	41	164,031	48	22,296	6
95-97	266,762	61,857	23	151,626	57	89,769	34
96-98	176,586	13,589	8	31,642	18	18,053	10
97-99	249,946	30,201	12	45,076	18	14,875	6
98-00	234,800	42,778	18	9,380	4	33,398-	14-
99-01	348,609	58,728	17	6,548	2	52,180-	15-
00-02	250,604	24,471	10	4,091	2	20,380-	8-
01-03	262,718	78,202	30	4,091	2	74,111-	28-
02-04	248,015	54,329	22		0	54,329-	22-
03-05	433,311	77,853	18		1 0	77,852-	18-

FIVE-YEAR AVERAGE

01-05	389,910	62,870	16	2,455	1	60,415-	15-
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DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1990	303,463	136,626 45	75,581 25	61,045- 20-
1991	227,749	147,390 65	155,875 68	8,485 4
1992	313,481	219,476 70	84,048 27	135,428- 43-
1993	240,027	136,014 57	84,089 35	51,925- 22-
1994	611,884	406,780 66	170,730 28	236,050- 39-
1995	596,355	234,379 39	342,025 57	107,646 18
1996	312,145	12,935 4	18,101- 6-	31,036- 10-
1997	80,667	130,365 162	19,621 24	110,744-137-
1998	138,235	14,622 11	16,660 12	2,038 1
1999	393,713	121,417 31	2,920 1	118,497- 30-
2000	130,205	844 1	0	844- 1-
2001	729,041	196,330 27	45,423 6	150,907- 21-
2002	25,330-	55,995 221-	0	55,995-221
2003	118,377	362,994 307	0	362,994-307-
2004	836,373	35,574 4	0	35,574- 4-
2005	813,573	459,814 57	44 0	459,770- 57-
TOTAL	5,819,958	2,671,555 46	978,915 17	1,692,640- 29-

THREE-YEAR MOVING AVERAGES

90-92	281,564	167,831 60	105,168 37	62,663- 22-
91-93	260,419	167,627 64	108,004 41	59,623- 23-
92-94	388,464	254,090 65	112,956 29	141,134- 36-
93-95	482,755	259,057 54	198,948 41	60,109- 12-
94-96	506,795	218,031 43	164,885 33	53,146- 10-
95-97	329,723	125,893 38	114,515 35	11,378- 3-
96-98	177,016	52,641 30	6,060 3	46,581- 26-
97-99	204,205	88,801 43	13,067 6	75,734- 37-
98-00	220,718	45,628 21	6,527 3	39,101- 18-
99-01	417,653	106,197 25	16,114 4	90,083- 22-
00-02	277,972	84,390 30	15,141 5	69,249- 25-
01-03	274,029	205,106 75	15,141 6	189,965- 69-
02-04	309,807	151,521 49	0	151,521- 49-
03-05	589,441	286,127 49	15 0	286,112- 49-

FIVE-YEAR AVERAGE

01-05	494,407	222,141 45	9,093 2	213,048- 43-
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DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1990	2,240	6,496 290	9,926 443	3,430 153
1991	3,988	2,036 51	3,033- 76-	5,069-127-
1992	8,711	3,249 37	2,761 32	488- 6-
1993	2,058	1,169 57	0	1,169- 57-
1994	2,013	894 44	0	894- 44-
1995	1,881	1,411 75	0	1,411- 75-
1996				
1997	1,360	217- 16-	0	217 16
1998				
1999	1,518	505 33	0	505- 33-
2000				
2001				
2002	4,609	0	0	0
2003	6,541	1,563 24	0	1,563- 24-
2004	3,222	0	0	0
2005	22,393	5,165 23	0	5,165- 23-
TOTAL	60,534	22,271 37	9,654 16	12,617- 21-

THREE-YEAR MOVING AVERAGES

90-92	4,980	3,927 79	3,218 65	709- 14-
91-93	4,919	2,152 44	90- 2-	2,242- 46-
92-94	4,261	1,771 42	920 22	851- 20-
93-95	1,984	1,158 58	0	1,158- 58-
94-96	1,298	768 59	0	768- 59-
95-97	1,080	398 37	0	398- 37-
96-98	453	72- 16-	0	72 16
97-99	959	96 10	0	96- 10-
98-00	506	168 33	0	168- 33-
99-01	506	168 33	0	168- 33-
00-02	1,536	0	0	0
01-03	3,717	521 14	0	521- 14-
02-04	4,790	521 11	0	521- 11-
03-05	10,718	2,243 21	0	2,243- 21-

FIVE-YEAR AVERAGE

01-05	7,353	1,346 18	0	1,346- 18-
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DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT PCT	GROSS SALVAGE AMOUNT PCT	NET SALVAGE AMOUNT PCT
1990	87,401	30,394 35	23,927 27	6,467- 7-
1991	31,879	17,356 54	36,234 114	18,878 59
1992	42,260	14,850 35	9,879 23	4,971- 12-
1993	69,647	24,244 35	15,918 23	8,326- 12-
1994	97,300	39,946 41	35,687 37	4,259- 4-
1995	75,590	44,001 58	261,764-346-	305,765-405-
1996	34,498	3,291 10	1,099 3	2,192- 6-
1997	3,146	11,711-372-	6,457 205	18,168 577
1998	1,662	5,918 356	2,565 154	3,353-202-
1999	27,742	5,107 18	0	5,107- 18-
2000				
2001	8,202	0	0	0
2002	29,273	0	0	0
2003	50,583	20,187 40	0	20,187- 40-
2004	221,372	75- 0	0	75 0
2005	199,633	100,118 50	7 0	100,111- 50-
TOTAL	980,188	293,626 30	129,991- 13-	423,617- 43-

THREE-YEAR MOVING AVERAGES

90-92	53,847	20,867 39	23,347 43	2,480 5
91-93	47,929	18,817 39	20,677 43	1,860 4
92-94	69,736	26,346 38	20,495 29	5,851- 8-
93-95	80,846	36,064 45	70,053- 87-	106,117-131-
94-96	69,129	29,079 42	74,993-108-	104,072-151-
95-97	37,745	11,860 31	84,736-224-	96,596-256-
96-98	13,102	834- 6-	3,374 26	4,208 32
97-99	10,850	229- 2-	3,008 28	3,237 30
98-00	9,802	3,675 37	855 9	2,820- 29-
99-01	11,982	1,702 14	0	1,702- 14-
00-02	12,492	0	0	0
01-03	29,353	6,729 23	0	6,729- 23-
02-04	100,409	6,704 7	0	6,704- 7-
03-05	157,196	40,077 25	2 0	40,075- 25-

FIVE-YEAR AVERAGE

01-05	101,813	24,046 24	1 0	24,045- 24-
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DUKE ENERGY KENTUCKY

ACCOUNT 3680 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	362,018	281,670	78	218,313	60	63,357-	18-
1991	266,727	70,694	27	165,931	62	95,237	36
1992	375,952	101,792	27	115,679	31	13,887	4
1993	487,171	39,446	8	170,173	35	130,727	27
1994	574,496	167,718	29	241,011	42	73,293	13
1995	482,193	63,494	13	336,495	70	273,001	57
1996	446,033	16,438	4	148,036	33	131,598	30
1997	265,872	15,936	6	177,691	67	161,755	61
1998	215,514	3,437	2	110,476	51	107,039	50
1999	264,966	21,062	8	110,002	42	88,940	34
2000	13,975	6,880-	49-		0	6,880	49
2001	551,332	14,567	3	1,066	0	13,501-	2-
2002	334,527	2,260	1		0	2,260-	1-
2003	310,036	41,328	13		0	41,328-	13-
2004	376,438	861	0		0	861-	0
2005	563,912	73,053	13		0	73,053-	13-
TOTAL	5,891,162	906,876	15	1,794,873	30	887,997	15

THREE-YEAR MOVING AVERAGES

90-92	334,899	151,385	45	166,641	50	15,256	5
91-93	376,616	70,644	19	150,595	40	79,951	21
92-94	479,206	102,985	21	175,621	37	72,636	15
93-95	514,620	90,219	18	249,227	48	159,008	31
94-96	500,908	82,550	16	241,848	48	159,298	32
95-97	398,033	31,956	8	220,741	55	188,785	47
96-98	309,140	11,937	4	145,401	47	133,464	43
97-99	248,784	13,478	5	132,723	53	119,245	48
98-00	164,818	5,873	4	73,493	45	67,620	41
99-01	276,758	9,583	3	37,023	13	27,440	10
00-02	299,945	3,315	1	355	0	2,960-	1-
01-03	398,632	19,385	5	355	0	19,030-	5-
02-04	340,334	14,816	4		0	14,816-	4-
03-05	416,795	38,414	9		0	38,414-	9-

FIVE-YEAR AVERAGE

01-05	427,249	26,414	6	213	0	26,201-	6-
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DUKE ENERGY KENTUCKY
ACCOUNT 3692 SERVICES - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	53,435	55,343	104	12,488	23	42,855-	80-
1991	67,772	63,859	94		0	63,859-	94-
1992	52,070	46,374	89	8,328	16	38,046-	73-
1993	57,132	54,546	95	8,066	14	46,480-	81-
1994	62,625	37,267	60	11,629	19	25,638-	41-
1995	68,188	31,387	46	34,873	51	3,486	5
1996	56,475	33,400	59	2,906	5	30,494-	54-
1997	49,435	5,919	12	6,259	13	340	1
1998	72,403	41,964	58	7,514	10	34,450-	48-
1999	68,815	19,196	28		0	19,196-	28-
2000	2,737	3,885	142-		0	3,885	142
2001	77,480	13,283	17	308	0	12,975-	17-
2002	10,930		0		0		0
2003	47,881	3,299	7		0	3,299-	7-
2004	262,044		0		0		0
2005	146,306	115,846	79		0	115,846-	79-
TOTAL	1,155,728	517,798	45	92,371	8	425,427-	37-

THREE-YEAR MOVING AVERAGES

90-92	57,759	55,192	96	6,939	12	48,253-	84-
91-93	58,991	54,926	93	5,465	9	49,461-	84-
92-94	57,276	46,062	80	9,341	16	36,721-	64-
93-95	62,648	41,066	66	18,189	29	22,877-	37-
94-96	62,430	34,018	54	16,469	26	17,549-	28-
95-97	58,033	23,568	41	14,679	25	8,889-	15-
96-98	59,438	27,094	46	5,560	9	21,534-	36-
97-99	63,551	22,360	35	4,591	7	17,769-	28-
98-00	47,985	19,092	40	2,505	5	16,587-	35-
99-01	49,678	9,531	19	103	0	9,428-	19-
00-02	30,383	3,133	10	103	0	3,030-	10-
01-03	45,430	5,527	12	103	0	5,424-	12-
02-04	106,952	1,100	1		0	1,100-	1-
03-05	152,077	39,715	26		0	39,715-	26-

FIVE-YEAR AVERAGE

01-05	108,928	26,485	24	62	0	26,423-	24-
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DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	93,976	11,420	12	81,341	87	69,921	74
1991	90,291	7,855	9	89,564	99	81,709	90
1992	255,062	9,174	4	84,464	33	75,290	30
1993	329,246	8,920	3	89,303	27	80,383	24
1994	283,205	15,510	5	59,032	21	43,522	15
1995	155,278	13,244	9	49,500	32	36,256	23
1996	240,095	10,670	4	64,189	27	53,519	22
1997	239,605	19,453	8	75,142	31	55,689	23
1998	329,257	19,083	6	61,248	19	42,165	13
1999	670,128	2,766	0	11,691	2	8,925	1
2000							
2001	447,957		0		0		0
2002							
2003	387,642	104,633	27	25,649	7	78,984-	20-
2004	269,506	16	0		0	16-	0
2005	376,467		0		0		0
TOTAL	4,167,715	222,744	5	691,123	17	468,379	11

THREE-YEAR MOVING AVERAGES

90-92	146,443	9,483	6	85,123	58	75,640	52
91-93	224,866	8,649	4	87,777	39	79,128	35
92-94	289,171	11,201	4	77,600	27	66,399	23
93-95	255,909	12,558	5	65,945	26	53,387	21
94-96	226,193	13,141	6	57,574	25	44,433	20
95-97	211,659	14,455	7	62,944	30	48,489	23
96-98	269,653	16,402	6	66,860	25	50,458	19
97-99	412,997	13,767	3	49,360	12	35,593	9
98-00	333,128	7,283	2	24,313	7	17,030	5
99-01	372,695	922	0	3,897	1	2,975	1
00-02	149,319		0		0		0
01-03	278,533	34,878	13	8,550	3	26,328-	9-
02-04	219,049	34,883	16	8,550	4	26,333-	12-
03-05	344,538	34,883	10	8,550	2	26,333-	8-

FIVE-YEAR AVERAGE

01-05	296,314	20,930	7	5,130	2	15,800-	5-
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DUKE ENERGY KENTUCKY

ACCOUNT 3731 STREET LIGHTING - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	20,216	7,522	37	4,336	21	3,186-	16-
1991	9,619	6,948	72	3,286	34	3,662-	38-
1992	9,688	4,726	49	1,156	12	3,570-	37-
1993	16,190	4,106	25	1,333	8	2,773-	17-
1994	28,579	5,619	20	13,033	46	7,414	26
1995	29,964	6,883	23	46,611	156	39,728	133
1996	18,285	4,333	24	7	0	4,326-	24-
1997	5,424	1,902-	35-	108	2	2,010	37
1998	13,430	2,834	21	8	0	2,826-	21-
1999	29,130	5,860	20		0	5,860-	20-
2000	5,110	1,868-	37-		0	1,868	37
2001	512,299	6,338	1	234	0	6,104-	1-
2002	10,538	461	4		0	461-	4-
2003	14,022	105	1		0	105-	1-
2004	77,153	288	0		0	288-	0
2005	121,631	29,975	25	14	0	29,961-	25-
TOTAL	921,278	82,228	9	70,126	8	12,102-	1-

THREE-YEAR MOVING AVERAGES

90-92	13,174	6,399	49	2,926	22	3,473-	26-
91-93	11,832	5,260	44	1,925	16	3,335-	28-
92-94	18,152	4,817	27	5,174	29	357	2
93-95	24,911	5,536	22	20,326	82	14,790	59
94-96	25,609	5,612	22	19,883	78	14,271	56
95-97	17,891	3,104	17	15,575	87	12,471	70
96-98	12,379	1,755	14	41	0	1,714-	14-
97-99	15,994	2,264	14	39	0	2,225-	14-
98-00	15,890	2,275	14	3	0	2,272-	14-
99-01	182,179	3,443	2	78	0	3,365-	2-
00-02	175,982	1,644	1	78	0	1,566-	1-
01-03	178,953	2,302	1	78	0	2,224-	1-
02-04	33,904	285	1		0	285-	1-
03-05	70,935	10,123	14	5	0	10,118-	14-

FIVE-YEAR AVERAGE

01-05	147,129	7,433	5	50	0	7,383-	5-
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DUKE ENERGY KENTUCKY

ACCOUNT 3732 STREET LIGHTING - BOULEVARD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	3,523	2,720	77	6,087	173	3,367	96
1991	15,833	5,713	36	4,585	29	1,128-	7-
1992	18,138	7,473	41	11,314	62	3,841	21
1993	9,699	2,227	23	9,587	99	7,360	76
1994	6,263	3,760	60	6,179	99	2,419	39
1995	11,168	1,070	10	1,952	17	882	8
1996	15,106	4,906	32		0	4,906-	32-
1997	9,535	761-	8-		0	761	8
1998	29,706	703	2		0	703-	2-
1999	24,055	3,273	14		0	3,273-	14-
2000							
2001	10,627		0		0		0
2002	22,424		0		0		0
2003	3,503	1,182	34		0	1,182-	34-
2004	20,786		0		0		0
2005	30,122	3,362	11		0	3,362-	11-
TOTAL	230,488	35,628	15	39,704	17	4,076	2

THREE-YEAR MOVING AVERAGES

90-92	12,498	5,302	42	7,329	59	2,027	16
91-93	14,557	5,138	35	8,495	58	3,357	23
92-94	11,367	4,486	39	9,027	79	4,541	40
93-95	9,043	2,352	26	5,906	65	3,554	39
94-96	10,845	3,245	30	2,710	25	535-	5-
95-97	11,936	1,738	15	651	5	1,087-	9-
96-98	18,116	1,616	9		0	1,616-	9-
97-99	21,098	1,072	5		0	1,072-	5-
98-00	17,920	1,326	7		0	1,326-	7-
99-01	11,561	1,091	9		0	1,091-	9-
00-02	11,017		0		0		0
01-03	12,185	394	3		0	394-	3-
02-04	15,571	394	3		0	394-	3-
03-05	18,137	1,515	8		0	1,515-	8-

FIVE-YEAR AVERAGE

01-05	17,492	909	5		0	909-	5-
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DUKE ENERGY KENTUCKY

ACCOUNT 3733 STREET LIGHTING - SECURITY

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1990	50,637	8,814	17	3,300	7	5,514-	11-
1991	27,156	15,496	57	11,821	44	3,675-	14-
1992	23,087	13,123	57	5,159	22	7,964-	34-
1993	23,870	9,722	41	2,151	9	7,571-	32-
1994	28,547	10,620	37	2,667	9	7,953-	28-
1995	30,221	14,882	49	2,433	8	12,449-	41-
1996	26,883	7,686	29	37	0	7,649-	28-
1997	32,974	301-	1-	5-	0	296	1
1998	38,832	7,785	20	421	1	7,364-	19-
1999	29,017	10,110	35		0	10,110-	35-
2000	359	53-	15-		0	53	15
2001	177,694	8,915	5		0	8,915-	5-
2002	6,178		0		0		0
2003	10,245	122	1		0	122-	1-
2004	49,285	13-	0		0	13	0
2005	89,573	39,459	44	162	0	39,297-	44-
TOTAL	644,558	146,367	23	28,146	4	118,221-	18-

THREE-YEAR MOVING AVERAGES

90-92	33,627	12,478	37	6,760	20	5,718-	17-
91-93	24,704	12,781	52	6,377	26	6,404-	26-
92-94	25,168	11,155	44	3,325	13	7,830-	31-
93-95	27,546	11,742	43	2,417	9	9,325-	34-
94-96	28,550	11,063	39	1,712	6	9,351-	33-
95-97	30,026	7,422	25	822	3	6,600-	22-
96-98	32,897	5,057	15	151	0	4,906-	15-
97-99	33,608	5,865	17	139	0	5,726-	17-
98-00	22,736	5,947	26	140	1	5,807-	26-
99-01	69,023	6,324	9		0	6,324-	9-
00-02	61,410	2,954	5		0	2,954-	5-
01-03	64,706	3,012	5		0	3,012-	5-
02-04	21,902	36	0		0	36-	0
03-05	49,701	13,189	27	54	0	13,135-	26-

FIVE-YEAR AVERAGE

01-05	66,595	9,697	15	32	0	9,665-	15-
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III-163

DEPRECIATION CALCULATIONS

DUKE ENERGY KENTUCKY

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ERLANGER OPERATIONS CENTER SURVIVOR CURVE.. 15-SQUARE NET SALVAGE PERCENT.. 0						
2005	2,100,000.00	69,930	35,018	2,064,982	14.50	142,413
FLORENCE SERVICE BUILDING INTERIM SURVIVOR CURVE.. IOWA 100-R1 PROBABLE RETIREMENT YEAR.. 6-2041 NET SALVAGE PERCENT.. -10						
1991	3,508,439.32	1,225,708	1,180,710	2,678,573	31.16	85,962
1993	105,739.41	33,301	32,078	84,235	31.17	2,702
1994	6,168.50	1,834	1,767	5,018	31.05	162
1995	295,842.18	82,365	79,341	246,085	30.99	7,941
1996	30,893.08	8,006	7,712	26,270	30.82	852
1998	96,803.46	20,924	20,156	86,328	30.67	2,815
1999	122,651.10	23,678	22,809	112,107	30.54	3,671
2000	108,846.77	18,379	17,704	102,027	30.34	3,363
2001	122,581.16	17,597	16,951	117,888	29.98	3,932
2002	29,118.86	3,376	3,252	28,779	29.72	968
2004	10,980.13	608	586	11,492	28.35	405
	4,438,063.97	1,435,776	1,383,066	3,498,802		112,773
KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE INTERIM SURVIVOR CURVE.. IOWA 100-R1 PROBABLE RETIREMENT YEAR.. 6-2012 NET SALVAGE PERCENT.. -10						
1939	213.98	214	206	29	6.49	4
1947	501,493.32	496,975	478,730	72,913	6.44	11,322
1949	7,874.04	7,781	7,495	1,166	6.39	182
1950	2,833.13	2,802	2,699	417	6.23	67
1951	610.66	600	578	94	6.48	15
1953	4,989.45	4,898	4,718	770	6.32	122
1955	121.96	119	115	19	6.32	3
1956	313.02	305	294	50	6.36	8
1957	1,480.66	1,438	1,385	244	6.45	38
1958	91.02	88	85	15	6.26	2
1959	1,905.03	1,842	1,774	322	6.41	50

DUKE ENERGY KENTUCKY

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2012						
NET SALVAGE PERCENT.. -10						
1961	3,761.02	3,627	3,494	643	6.26	103
1964	1,660.34	1,584	1,526	300	6.34	47
1965	2,410.30	2,287	2,203	448	6.45	69
1966	478.18	453	436	90	6.37	14
1967	10,798.20	10,198	9,824	2,054	6.34	324
1969	4,337.05	4,058	3,909	862	6.42	134
1970	1,925.44	1,797	1,731	387	6.34	61
1972	4,634.39	4,287	4,130	968	6.34	153
1973	8,585.30	7,888	7,598	1,846	6.41	288
1974	6,637.72	6,072	5,849	1,452	6.38	228
1975	6,319.85	5,746	5,535	1,417	6.40	221
1976	337.18	305	294	77	6.34	12
1977	975.57	878	846	227	6.34	36
1978	23,626.36	21,085	20,311	5,678	6.40	887
1979	39,938.23	35,392	34,093	9,839	6.39	1,540
1980	11,560.66	10,150	9,777	2,940	6.45	456
1981	33,194.05	28,984	27,920	8,593	6.36	1,351
1982	12,516.21	10,806	10,409	3,359	6.44	522
1983	14,035.96	12,020	11,579	3,861	6.40	603
1984	42,353.87	35,860	34,544	12,045	6.43	1,873
1985	24,798.14	20,802	20,038	7,240	6.38	1,135
1986	443.45	367	354	134	6.41	21
1987	12,451.85	10,162	9,789	3,908	6.44	607
1988	593.39	477	459	194	6.42	30
1989	35,301.47	27,935	26,909	11,923	6.44	1,851
1990	3,340.07	2,597	2,502	1,172	6.43	182
1991	38,025.34	28,991	27,927	13,901	6.42	2,165
1992	58,847.35	43,869	42,258	22,474	6.42	3,501
1993	59,866.03	43,548	41,949	23,904	6.40	3,735
1994	230,910.34	162,993	157,009	96,992	6.42	15,108
1995	12,489.98	8,526	8,213	5,526	6.42	861
1996	5,225.35	3,435	3,309	2,439	6.40	381
1998	26,943.53	15,984	15,397	14,241	6.41	2,222
1999	105,835.05	58,652	56,499	59,920	6.40	9,363
2000	208,595.64	106,008	102,117	127,338	6.40	19,897
2001	104,267.18	47,380	45,641	69,053	6.39	10,806

DUKE ENERGY KENTUCKY

ACCOUNT 1900 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
KENTUCKY SERVICE BUILDING - 19TH & AUGUSTINE INTERIM SURVIVOR CURVE.. IOWA 100-R1 PROBABLE RETIREMENT YEAR.. 6-2012 NET SALVAGE PERCENT.. -10						
2002	11,191.29	4,357	4,197	8,113	6.39	1,270
2003	57,780.29	17,911	17,253	46,305	6.37	7,269
2004	11,087.97	2,331	2,245	9,952	6.35	1,567
2005	16,844.13	1,373	1,323	17,206	6.25	2,753
	1,776,849.99	1,328,237	1,279,475	675,060		105,459
MINOR STRUCTURES SURVIVOR CURVE.. IOWA 40-R1 NET SALVAGE PERCENT.. 0						
1999	5,371.46	1,107	1,066	4,305	25.04	172
	8,320,285.42	2,835,050	2,698,625	6,243,149		360,817
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					17.3	4.34

DUKE ENERGY KENTUCKY

ACCOUNT 1910 OFFICE FURNITURE AND EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUT. BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1987	538.82	498	275	264	1.50	176
1988	842.78	737	407	436	2.50	174
1989	172,316.50	142,161	78,601	93,716	3.50	26,776
1990	74,248.83	57,543	31,816	42,433	4.50	9,430
1991	70,008.65	50,756	28,063	41,946	5.50	7,627
1992	6,353.10	4,288	2,371	3,982	6.50	613
1994	3,835.01	2,205	1,219	2,616	8.50	308
2000	69,624.14	19,147	10,586	59,038	14.50	4,072
	397,767.83	277,335	153,338	244,431		49,176
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					5.0	12.36

DUKE ENERGY KENTUCKY

ACCOUNT 1930 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1994	5,562.77	3,199	17,351-	22,914	8.50	2,696
	5,562.77	3,199	17,351-	22,914		2,696
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					8.5	48.47

DUKE ENERGY KENTUCKY

ACCOUNT 1940 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1981	2,228.16	2,184	1,817	411	0.50	411
1982	24,780.37	23,294	19,381	5,399	1.50	3,599
1983	209.03	188	156	53	2.50	21
1984	3,301.79	2,840	2,363	939	3.50	268
1985	7,445.60	6,105	5,079	2,367	4.50	526
1986	3,691.35	2,879	2,395	1,296	5.50	236
1987	786.43	582	484	302	6.50	46
1988	7,153.00	5,007	4,166	2,987	7.50	398
1989	1,337.96	883	735	603	8.50	71
1990	2,813.16	1,744	1,451	1,362	9.50	143
1991	35,487.06	20,582	17,125	18,362	10.50	1,749
1992	18,669.09	10,081	8,388	10,281	11.50	894
1993	12,732.47	6,366	5,297	7,435	12.50	595
1994	8,260.17	3,800	3,162	5,098	13.50	378
1996	2,992.80	1,137	946	2,047	15.50	132
2001	4,465.70	804	669	3,797	20.50	185
2003	9,471.00	947	788	8,683	22.50	386
2004	37,038.55	2,222	1,848	35,191	23.50	1,497
2005	2,964.11	59	49	2,915	24.50	119
	185,827.80	91,704	76,299	109,528		11,654
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					9.4	6.27

DUKE ENERGY KENTUCKY

ACCOUNT 1970 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1999	39,252.18	17,008	6,193-	45,445	8.50	5,346
	39,252.18	17,008	6,193-	45,445		5,346
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					8.5	13.62

DUKE ENERGY KENTUCKY

ACCOUNT 1980 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2005	11,371.92	379	405	10,967	14.50	756
	11,371.92	379	405	10,967		756
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					14.5	6.65

DUKE ENERGY KENTUCKY

ACCOUNT 3110 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MIAMI FORT UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 100-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2020						
NET SALVAGE PERCENT.. -5						
1960	2,874,755.54	2,307,336	2,932,420	86,073	14.02	6,139
1965	2,391.12	1,861	2,365	146	14.14	10
1990	163,665.22	89,241	113,417	58,431	14.35	4,072
1996	15,804.88	6,621	8,415	8,180	14.31	572
	3,056,616.76	2,405,059	3,056,617	152,830		10,793
EAST BEND						
INTERIM SURVIVOR CURVE.. IOWA 100-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. -8						
1980	122,744.93	57,811	79,526	53,039	32.98	1,608
1981	31,975,397.89	14,638,721	20,137,212	14,396,218	33.30	432,319
1982	208,863.68	93,297	128,341	97,232	33.32	2,918
1983	99,335.76	43,213	59,444	47,839	33.36	1,434
1985	370,433.88	152,546	209,844	190,225	33.26	5,719
1986	56,946.12	22,670	31,185	30,317	33.41	907
1987	25,699.44	9,859	13,562	14,193	33.58	423
1988	7,679.70	2,845	3,914	4,380	33.52	131
1990	248,748.12	84,946	116,853	151,795	33.52	4,528
1991	7,244.23	2,360	3,246	4,578	33.58	136
1992	214,519.73	66,307	91,213	140,468	33.67	4,172
1993	106,959.72	31,189	42,904	72,612	33.80	2,148
1994	236,619.58	64,961	89,361	166,188	33.75	4,924
1999	211,667.40	37,010	50,912	177,689	33.66	5,279
2000	58,430.44	8,854	12,180	50,925	33.71	1,511
2001	319,595.60	40,695	55,980	289,183	33.67	8,589
2002	339,430.01	34,642	47,654	318,930	33.54	9,509
2003	103,526.01	7,771	10,690	101,118	33.47	3,021
2004	228,372.86	10,655	14,657	231,986	33.22	6,983
2005	136,261.37	2,222	3,057	144,105	32.61	4,419
	35,078,476.47	15,412,574	21,201,735	16,683,020		500,678
	38,135,093.23	17,817,633	24,258,352	16,835,850		511,471
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.9	1.34

DUKE ENERGY KENTUCKY

ACCOUNT 3120 BOILER PLANT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MIAMI FORT UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-S1						
PROBABLE RETIREMENT YEAR.. 6-2020						
NET SALVAGE PERCENT.. -15						
1949	185,605.96	185,720	123,657	89,790	8.44	10,639
1954	6,734.22	6,581	4,382	3,362	9.10	369
1960	7,553,022.25	7,153,769	4,763,152	3,922,824	9.75	402,341
1961	8,321.54	7,836	5,217	4,353	9.85	442
1962	27,972.49	26,169	17,424	14,744	9.97	1,479
1963	24,953.11	23,172	15,428	13,268	10.13	1,310
1964	54,736.34	50,420	33,571	29,376	10.31	2,849
1965	34,524.75	31,517	20,985	18,718	10.52	1,779
1966	70,667.78	64,202	42,747	38,521	10.50	3,669
1967	6,898.90	6,201	4,129	3,805	10.76	354
1970	17,167.29	15,069	10,033	9,709	11.01	882
1972	2,688.42	2,320	1,545	1,547	11.14	139
1973	26,469.39	22,556	15,018	15,422	11.36	1,358
1974	117,588.46	99,256	66,087	69,140	11.42	6,054
1976	66,428.41	54,766	36,465	39,928	11.65	3,427
1977	4,192.36	3,422	2,278	2,543	11.66	218
1978	10,023.92	8,052	5,361	6,167	11.87	520
1979	63,292.60	50,150	33,391	39,395	11.96	3,294
1980	29,505.80	23,104	15,383	18,549	11.95	1,552
1981	318,113.68	244,704	162,930	202,901	12.13	16,727
1982	85,250.87	64,509	42,952	55,087	12.21	4,512
1983	885,937.31	660,200	439,577	579,251	12.22	47,402
1984	28,142.98	20,529	13,669	18,695	12.40	1,508
1985	159,234.48	113,754	75,740	107,380	12.50	8,590
1986	623,293.78	436,094	290,362	426,426	12.55	33,978
1987	179,266.50	122,436	81,521	124,635	12.65	9,853
1988	65,985.14	43,959	29,269	46,614	12.71	3,668
1989	844,803.27	546,676	363,990	607,534	12.82	47,390
1990	1,679,221.25	1,053,611	701,520	1,229,584	12.91	95,243
1991	783,935.45	475,825	316,816	584,710	12.97	45,082
1992	593,862.30	346,661	230,815	452,127	13.10	34,514
1993	16,307,795.50	9,142,558	6,087,337	12,666,628	13.14	963,975
1994	109,097.10	58,289	38,810	86,652	13.25	6,540
1995	596,881.99	302,022	201,094	485,320	13.37	36,299
1996	11,801.24	5,621	3,743	9,828	13.44	731
1998	173,683.17	71,006	47,277	152,459	13.60	11,210

DUKE ENERGY KENTUCKY

ACCOUNT 3120 BOILER PLANT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MIAMI FORT UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-S1						
PROBABLE RETIREMENT YEAR.. 6-2020						
NET SALVAGE PERCENT.. -15						
1999	3,107,703.53	1,152,212	767,171	2,806,688	13.66	205,468
2000	178,462.09	58,594	39,013	166,218	13.77	12,071
2001	1,212,137.54	341,938	227,671	1,166,287	13.85	84,208
2003	6,139.34	1,070	712	6,348	14.00	453
2004	866,737.63	95,987	63,910	932,838	14.08	66,253
2005	14,495.83	570	380	16,290	14.14	1,152
	37,142,775.96	23,193,107	15,442,532	27,271,661		2,179,502

EAST BEND

INTERIM SURVIVOR CURVE.. IOWA 45-S1
PROBABLE RETIREMENT YEAR.. 6-2041
NET SALVAGE PERCENT.. -26

1980	3,312,055.42	2,383,726	2,310,356	1,862,834	19.14	97,327
1981	167,130,613.86	117,127,140	113,522,021	97,062,552	19.55	4,964,836
1982	720,458.58	492,833	477,664	430,114	19.79	21,734
1983	824,096.79	546,698	529,871	508,491	20.24	25,123
1984	1,069,838.90	689,770	668,539	679,458	20.52	33,112
1985	992,190.52	620,204	601,114	649,046	20.82	31,174
1986	616,753.01	372,779	361,305	415,804	21.15	19,660
1987	715,736.33	417,095	404,257	497,571	21.50	23,143
1988	146,366.40	81,975	79,452	104,970	21.87	4,800
1989	274,137.86	147,043	142,517	202,897	22.26	9,115
1990	1,089,480.13	559,668	542,442	830,303	22.52	36,870
1991	518,417.01	252,921	245,136	408,069	22.95	17,781
1992	2,053,679.21	950,180	920,934	1,666,702	23.26	71,655
1993	339,323.82	147,504	142,964	284,584	23.73	11,993
1994	4,655,076.12	1,895,696	1,837,347	4,028,049	24.09	167,208
1995	361,457.66	136,768	132,558	322,879	24.47	13,195
1996	287,519.69	100,169	97,086	265,189	24.86	10,667
1998	1,627,872.43	464,579	450,280	1,600,839	25.61	62,508
1999	4,876,312.46	1,226,373	1,188,626	4,955,528	26.07	190,085
2000	1,979,105.37	429,410	416,193	2,077,480	26.45	78,544
2001	1,547,057.47	278,944	270,358	1,678,934	26.95	62,298
2002	59,085,214.52	8,442,332	8,182,481	66,264,889	27.36	2,421,962

DUKE ENERGY KENTUCKY

ACCOUNT 3120 BOILER PLANT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EAST BEND						
INTERIM SURVIVOR CURVE.. IOWA 45-S1						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. -26						
2003	1,216,714.25	126,171	122,288	1,410,772	27.89	50,583
2004	3,495,278.24	221,524	214,705	4,189,346	28.35	147,772
2005	17,596,110.43	379,126	367,457	21,803,642	28.82	756,546
	276,530,866.48	138,490,628	134,227,951	214,200,942		9,329,691
	313,673,642.44	161,683,735	149,670,483	241,472,603		11,509,193
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.0	3.67

DUKE ENERGY KENTUCKY

ACCOUNT 3122 BOILER PLANT - RETROFIT PRECIPITATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MIAMI FORT UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 50-S1.5						
PROBABLE RETIREMENT YEAR.. 6-2020						
NET SALVAGE PERCENT.. -15						
1976	4,415,585.70	3,595,170	5,077,924			
1990	17,631.62	10,844	16,442	3,834	13.48	284
1993	7,268,493.90	3,981,281	6,036,477	2,322,291	13.75	168,894
1994	26,405.37	13,795	20,916	9,450	13.82	684
1995	44,537.13	22,049	33,431	17,787	13.89	1,281
	11,772,653.72	7,623,139	11,185,190	2,353,362		171,143
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.8	1.45

DUKE ENERGY KENTUCKY

ACCOUNT 3123 BOILER PLANT - CATALYST

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUT. BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
EAST BEND						
SURVIVOR CURVE.. IOWA 8-S2.5						
NET SALVAGE PERCENT.. 0						
2002	2,230,486.31	1,039,184	863,994	1,366,492	4.01	340,771
	2,230,486.31	1,039,184	863,994	1,366,492		340,771
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.0	15.28

DUKE ENERGY KENTUCKY

ACCOUNT 3140 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MIAMI FORT UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 52-R2						
PROBABLE RETIREMENT YEAR.. 6-2020						
NET SALVAGE PERCENT.. -10						
1959	20,691.86	18,416	22,761			
1960	5,928,692.19	5,252,466	6,521,561			
1962	1,543.80	1,344	1,698			
1963	8,287.72	7,168	9,116			
1964	21,574.50	18,516	23,732			
1971	3,739.77	3,023	4,114			
1973	10,864.40	8,623	11,951			
1974	23,507.78	18,409	25,859			
1976	5,247.60	4,019	5,772			
1978	25,022.84	18,698	27,525			
1982	90,336.82	63,518	99,371			
1985	48,136.09	32,024	52,950			
1986	403,690.38	263,238	438,819	5,240	13.39	391
1989	9,691.71	5,858	9,765	896	13.53	66
1991	20,984.03	11,915	19,862	3,220	13.59	237
1992	406,441.02	222,112	370,262	76,823	13.67	5,620
1993	1,777,485.19	933,624	1,556,357	398,877	13.68	29,158
1997	342,088.42	143,633	239,437	136,860	13.77	9,939
1999	1,900,779.99	670,120	1,117,094	973,764	13.78	70,665
2001	95,460.28	25,853	43,097	61,909	13.78	4,493
2004	356,992.26	38,955	64,938	327,753	13.63	24,046
	11,501,258.65	7,761,532	10,666,041	1,985,342		144,615

EAST BEND

INTERIM SURVIVOR CURVE.. IOWA 52-R2
PROBABLE RETIREMENT YEAR.. 6-2041
NET SALVAGE PERCENT.. -18

1981	30,619,479.32	18,148,594	18,236,208	17,894,778	24.28	737,017
1982	58,061.01	33,489	33,651	34,861	24.58	1,418
1983	15,183.01	8,506	8,547	9,369	24.89	376
1984	10,207.91	5,542	5,569	6,476	25.23	257
1985	20,496,632.97	10,760,363	10,812,309	13,373,718	25.58	522,819
1986	819,562.95	414,879	416,882	550,202	25.95	21,202
1987	702,252.65	343,396	345,054	483,604	26.14	18,501

DUKE ENERGY KENTUCKY

ACCOUNT 3140 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EAST BEND						
INTERIM SURVIVOR CURVE.. IOWA 52-R2						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. -18						
1989	54,725.97	24,617	24,736	39,841	26.79	1,487
1990	158,093.76	68,240	68,569	117,982	26.87	4,391
1991	198,456.18	81,494	81,887	152,291	27.17	5,605
1992	640,896.37	249,111	250,314	505,944	27.48	18,411
1993	66,699.95	24,501	24,619	54,087	27.66	1,955
1994	88,755.33	30,592	30,740	73,991	27.87	2,655
1996	96,612.68	28,706	28,845	85,158	28.23	3,017
1997	135,256.41	36,900	37,078	122,525	28.26	4,336
1999	2,355.17	517	519	2,260	28.47	79
2000	341,306.00	65,123	65,437	337,304	28.51	11,831
2001	275,414.36	44,166	44,379	280,610	28.61	9,808
2002	575,945.12	74,214	74,572	605,043	28.55	21,192
2003	430,374.74	41,135	41,334	466,508	28.36	16,450
2004	89,271.54	5,372	5,398	99,942	27.91	3,581
2005	11,113,939.41	242,617	243,789	12,870,660	26.53	485,136
	66,989,482.81	30,732,074	30,880,436	48,167,154		1,891,524
	78,490,741.46	38,493,606	41,546,477	50,152,496		2,036,139
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.6	2.59

DUKE ENERGY KENTUCKY

ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MIAMI FORT UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 55-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2020						
NET SALVAGE PERCENT.. -5						
1960	1,376,700.39	1,157,585	1,445,535			
1961	3,841.48	3,213	4,034			
1962	42,655.32	35,266	44,788			
1963	51,206.45	42,046	53,767			
1964	41,762.25	34,032	43,850			
1965	5,409.39	4,371	5,680			
1966	203,317.67	162,760	213,484			
1967	2,911.21	2,319	3,057			
1968	14,154.71	11,147	14,862			
1969	136,771.29	106,932	143,610			
1970	21,743.55	16,858	22,831			
1971	143,716.79	110,370	150,903			
1972	155,433.25	118,095	161,549	1,656	12.80	129
1973	28,928.17	21,718	29,709	666	12.95	51
1974	188,670.95	140,416	192,083	6,021	12.94	465
1975	30,546.25	22,403	30,646	1,428	13.17	108
1977	178,585.12	128,260	175,454	12,060	13.17	916
1979	56,696.70	39,600	54,171	5,361	13.34	402
1980	6,400.67	4,405	6,026	695	13.41	52
1981	53,086.67	35,920	49,137	6,604	13.52	488
1982	114,722.70	76,431	104,554	15,905	13.54	1,175
1983	55,710.84	36,461	49,877	8,619	13.60	634
1985	62,091.40	39,163	53,573	11,623	13.63	853
1989	94,807.72	54,204	74,149	25,399	13.80	1,841
1992	523,603.96	270,934	370,627	179,157	13.90	12,889
2000	109,996.58	32,466	44,412	71,084	14.07	5,052
2004	371,825.00	37,831	51,751	338,665	13.98	24,225
	4,075,296.48	2,745,206	3,594,119	684,943		49,280

EAST BEND

INTERIM SURVIVOR CURVE.. IOWA 55-R2.5

PROBABLE RETIREMENT YEAR.. 6-2041

NET SALVAGE PERCENT.. -9

1980	674,286.45	367,339	397,768	337,204	25.52	13,213
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DUKE ENERGY KENTUCKY

ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EAST BEND						
INTERIM SURVIVOR CURVE.. IOWA 55-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. -9						
1981	22,732,544.30	12,081,984	13,082,812	11,695,661	25.75	454,200
1982	258,626.65	133,171	144,202	137,701	26.25	5,246
1983	48,933.57	24,482	26,510	26,828	26.52	1,012
1984	276,234.86	134,018	145,120	155,976	26.81	5,818
1985	32,444.00	15,224	16,485	18,879	27.12	696
1986	25,758.88	11,663	12,629	15,448	27.45	563
1987	32,911.68	14,335	15,522	20,352	27.80	732
1989	61,628.68	24,720	26,768	40,407	28.34	1,426
1990	146,081.85	55,778	60,399	98,830	28.75	3,438
1992	284,827.83	98,075	106,199	204,263	29.24	6,986
1995	1,290.00	366	396	1,010	29.82	34
2001	246,118.63	34,419	37,270	230,999	30.59	7,551
2002	129,665.97	14,501	15,703	125,633	30.63	4,102
2004	87,558.37	4,495	4,867	90,572	30.35	2,984
2005	63,014.03	1,147	1,242	67,443	29.44	2,291
	25,101,925.75	13,015,717	14,093,892	13,267,206		510,292
	29,177,222.23	15,760,923	17,688,011	13,952,149		559,572
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.9	1.92

DUKE ENERGY KENTUCKY

ACCOUNT 3160 MISCELLANEOUS POWER PLANT - EXCLUDING SHOP

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MIAMI FORT UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2020						
NET SALVAGE PERCENT.. 0						
1960	27,335.91	21,768	16,414	10,922	11.64	938
1999	623,637.69	201,061	151,611	472,027	13.66	34,555
2002	67,308.15	13,643	10,287	57,021	13.77	4,141
2003	6,139.32	941	710	5,429	13.81	393
	724,421.07	237,413	179,022	545,399		40,027
EAST BEND						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. 0						
1980	393.04	203	263	130	23.76	5
1981	3,157,084.04	1,601,273	2,073,086	1,083,998	23.81	45,527
1982	235,379.13	116,160	150,386	84,993	24.12	3,524
1983	113,761.60	54,776	70,916	42,846	24.23	1,768
1984	157,554.25	73,515	95,176	62,378	24.58	2,538
1985	101,065.69	45,793	59,286	41,780	24.75	1,688
1986	113,063.57	49,612	64,230	48,834	24.94	1,958
1987	121,651.98	51,544	66,731	54,921	25.17	2,182
1988	81,696.88	33,455	43,312	38,385	25.24	1,521
1989	160,311.26	62,954	81,503	78,808	25.52	3,088
1990	228,918.32	86,234	111,643	117,275	25.65	4,572
1991	420,109.15	150,483	194,823	225,286	25.98	8,672
1992	177,920.77	60,529	78,364	99,557	26.18	3,803
1993	49,356.38	15,917	20,607	28,749	26.26	1,095
1994	217,002.50	65,643	84,985	132,018	26.52	4,978
1995	7,368.14	2,081	2,694	4,674	26.67	175
1996	6,611.10	1,727	2,236	4,375	26.86	163
1997	108,562.36	25,936	33,578	74,984	27.09	2,768
1999	643,219.54	123,370	159,721	483,499	27.40	17,646
2000	678,961.65	112,776	146,005	532,957	27.61	19,303
2001	250,932.55	35,005	45,319	205,614	27.76	7,407
2002	349,288.96	38,876	50,331	298,958	27.95	10,696
2003	85,621.43	7,004	9,068	76,553	28.08	2,726
2004	493,449.63	24,969	32,326	461,124	28.17	16,369

DUKE ENERGY KENTUCKY

ACCOUNT 3160 MISCELLANEOUS POWER PLANT - EXCLUDING SHOP

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EAST BEND						
INTERIM SURVIVOR CURVE.. IOWA 55-S0.5						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. 0						
2005	536,756.28	9,340	12,092	524,664	28.24	18,579
	8,496,040.20	2,849,175	3,688,681	4,807,360		182,751
	9,220,461.27	3,086,588	3,867,703	5,352,759		222,778
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.0	2.42

DUKE ENERGY KENTUCKY

ACCOUNT 3401 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 40-SQUARE						
NET SALVAGE PERCENT.. 0						
1992	651,684.00	219,943	25,416	626,268	26.50	23,633
	651,684.00	219,943	25,416	626,268		23,633
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.5	3.63

DUKE ENERGY KENTUCKY

ACCOUNT 3410 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODSDALE						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -4						
1992	33,657,923.15	11,813,931	16,458,251	18,545,989	26.50	699,849
1994	32,271.08	10,156	14,149	19,413	26.50	733
1995	35,588.08	10,504	14,633	22,379	26.50	844
	33,725,782.31	11,834,591	16,487,033	18,587,781		701,426
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.5	2.08

DUKE ENERGY KENTUCKY

ACCOUNT 3420 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODSDALE						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -4						
1992	15,244,459.90	5,350,805	8,690,239	7,163,999	26.50	270,340
1995	65,305.28	19,275	31,304	36,613	26.50	1,382
1996	83,697.19	22,971	37,307	49,738	26.50	1,877
1999	58,466.30	11,979	19,455	41,350	26.50	1,560
2001	55,587.31	8,394	13,633	44,178	26.50	1,667
	15,507,515.98	5,413,424	8,791,938	7,335,878		276,826
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT...					26.5	1.79

DUKE ENERGY KENTUCKY

ACCOUNT 3430 PRIME MOVERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODSDALE						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -9						
2005	173,729.17	3,503		189,365	26.50	7,146
	173,729.17	3,503		189,365		7,146
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.5	4.11

DUKE ENERGY KENTUCKY

ACCOUNT 3440 GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODSDALE						
INTERIM SURVIVOR CURVE.. IOWA 70-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -6						
1992	154,605,236.67	57,751,859	79,226,390	84,655,161	24.81	3,412,139
1995	44,071.41	13,833	18,977	27,739	24.96	1,111
1996	75,066.53	21,922	30,074	49,497	24.98	1,981
1999	289,576.93	63,263	86,787	220,165	25.04	8,793
2000	2,221,406.76	423,609	581,124	1,773,567	25.08	70,716
2001	18,630,154.18	3,013,539	4,134,097	15,613,866	25.00	624,555
2003	440,433.99	42,624	58,473	408,387	24.90	16,401
2004	34,919.11	2,117	2,904	34,110	24.75	1,378
2005	12,619,726.77	270,214	370,691	13,006,219	24.25	536,339
	188,960,592.35	61,602,980	84,509,517	115,788,711		4,673,413
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.8	2.47

DUKE ENERGY KENTUCKY

ACCOUNT 3450 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODSDALE						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. 0						
1992	16,760,975.18	6,042,332	9,575,761	7,185,214	23.95	300,009
1996	25,435.08	7,033	11,146	14,289	24.86	575
1999	20,480.15	4,180	6,624	13,856	25.35	547
2000	11,123.51	1,977	3,133	7,991	25.46	314
2001	6,287.18	939	1,488	4,799	25.62	187
2002	42,708.77	5,112	8,102	34,607	25.74	1,344
	16,867,009.87	6,061,573	9,606,254	7,260,756		302,976
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					24.0	1.80

DUKE ENERGY KENTUCKY

ACCOUNT 3460 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WOODSDALE						
INTERIM SURVIVOR CURVE.. IOWA 40-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. 0						
1978	328.88	215	329			
1980	79.20	49	79			
1983	295.41	168	274	21	17.02	1
1985	46.01	25	41	5	17.81	
1990	3,122.67	1,370	2,236	887	19.83	45
1991	7,518.94	3,140	5,126	2,393	20.22	118
1992	2,477,256.61	983,223	1,604,977	872,280	20.51	42,529
1993	34,393.68	12,898	21,054	13,340	20.83	640
1994	100,409.10	35,334	57,678	42,731	21.18	2,018
1995	4,756.58	1,563	2,551	2,206	21.45	103
1996	2,435.08	743	1,213	1,222	21.65	56
1997	2,276.78	637	1,040	1,237	21.89	57
1998	10,992.46	2,787	4,549	6,443	22.09	292
1999	442,879.67	99,914	163,096	279,784	22.32	12,535
2000	157,982.70	31,107	50,778	107,205	22.43	4,780
2001	399,874.50	66,419	108,421	291,454	22.60	12,896
2002	7,379.04	987	1,611	5,768	22.68	254
2003	36,807.12	3,655	5,966	30,841	22.69	1,359
2005	12,445.64	278	454	11,992	21.97	546
	3,701,280.07	1,244,512	2,031,473	1,669,809		78,229
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.3	2.11

DUKE ENERGY KENTUCKY

ACCOUNT 3501 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
NET SALVAGE PERCENT.. 0						
1950	1,695.10	1,355	1,431	264	13.94	19
1956	2,703.51	1,994	2,106	598	17.61	34
1957	363.17	262	277	86	18.61	5
1958	79,809.09	56,864	60,064	19,745	19.17	1,030
1959	1,962.52	1,378	1,456	507	19.72	26
1960	2,355.33	1,618	1,709	646	20.72	31
1961	50,047.85	33,852	35,757	14,291	21.29	671
1962	235.12	156	165	70	21.86	3
1963	22,089.15	14,365	15,173	6,916	22.86	303
1965	75,275.56	46,949	49,591	25,685	24.44	1,051
1966	3,845.27	2,354	2,486	1,359	25.01	54
1967	86,314.17	51,840	54,758	31,556	25.60	1,233
1968	4,755.68	2,782	2,939	1,817	26.60	68
1969	1,091.55	626	661	431	27.19	16
1970	46.30	26	27	19	28.19	1
1971	8,895.38	4,849	5,122	3,773	28.79	131
1972	25,173.18	13,324	14,074	11,099	29.79	373
1973	34,776.92	17,858	18,863	15,914	30.79	517
1974	26,321.38	13,184	13,926	12,395	31.39	395
1975	1,578.60	766	809	770	32.39	24
1976	14,597.75	6,848	7,233	7,365	33.39	221
1977	275.20	125	132	143	34.00	4
1981	85,664.62	33,795	35,697	49,968	37.61	1,329
1983	346,750.92	125,628	132,699	214,052	39.61	5,404
1988	18,297.90	5,187	5,479	12,819	44.23	290
1989	7,057.21	1,886	1,992	5,065	45.23	112
1992	3,991.58	879	929	3,063	47.85	64
	905,970.01	440,750	465,555	440,416		13,409
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.8	1.48

DUKE ENERGY KENTUCKY

ACCOUNT 3520 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -5						
1955	76,299.16	64,332	80,114			
1958	55,517.96	45,137	58,294			
1960	71,981.46	57,086	75,581			
1965	1,230.56	900	1,292			
1967	2,611.13	1,837	2,742			
1968	1,911.98	1,318	1,971	37	19.64	2
1971	2,028.33	1,308	1,956	174	21.68	8
1976	147,482.17	84,056	125,701	29,155	24.85	1,173
1993	21,996.24	5,774	8,635	14,461	37.50	386
	381,058.99	261,748	356,286	43,827		1,569
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					27.9	0.41

DUKE ENERGY KENTUCKY

ACCOUNT 3530 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -5						
1943	10,864.35	9,839	11,408			
1951	9,867.28	8,414	10,361			
1955	45,327.09	37,013	47,593			
1956	1,858.83	1,507	1,952			
1958	297,121.68	235,637	311,978			
1960	81,578.93	63,138	85,658			
1961	2,479.97	1,889	2,604			
1965	196,895.08	142,340	199,159	7,581	18.32	414
1966	2,975.55	2,110	2,952	172	18.98	9
1967	329.35	230	322	24	19.30	1
1968	3,984.66	2,746	3,842	342	19.64	17
1971	48,032.41	31,320	43,822	6,612	21.06	314
1973	92,881.71	58,008	81,163	16,363	22.14	739
1974	407.00	249	348	79	22.55	4
1975	2,654.12	1,590	2,225	562	22.97	24
1976	247,232.24	143,971	201,441	58,153	23.69	2,455
1978	1,810.00	1,003	1,403	498	24.58	20
1979	4,385.57	2,367	3,312	1,293	25.05	52
1982	42,063.83	20,759	29,045	15,122	26.50	571
1983	299,131.92	142,753	199,737	114,352	27.00	4,235
1985	68,625.24	30,429	42,576	29,481	28.04	1,051
1986	16,638.72	7,121	9,964	7,507	28.34	265
1991	144,506.44	48,842	68,338	83,394	30.55	2,730
1992	879,383.99	280,515	392,489	530,864	30.94	17,158
1995	509,123.85	131,934	184,599	349,981	32.05	10,920
1996	3,899.18	930	1,301	2,793	32.34	86
1998	103,784.59	20,356	28,482	80,492	32.66	2,465
1999	17,967.95	3,115	4,358	14,508	32.87	441
2000	732,748.98	110,022	153,940	615,446	32.96	18,673
2002	750,412.30	76,429	106,938	680,995	32.60	20,889
2003	1,775,524.55	135,162	189,115	1,675,186	31.98	52,382
2005	561,057.28	10,486	14,672	574,438	27.59	20,821
	6,955,554.64	1,762,224	2,437,097	4,866,238		156,736

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 31.0 2.25

DUKE ENERGY KENTUCKY

ACCOUNT 3532 STATION EQUIPMENT - MAJOR

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT.. -10						
1943	10,864.44	11,055	10,918	1,033	5.07	204
1950	10,834.19	10,650	10,518	1,400	6.61	212
1951	4,300.72	4,203	4,151	580	6.85	85
1954	222,862.54	213,378	210,735	34,414	7.67	4,487
1955	25,011.82	23,760	23,466	4,047	7.98	507
1958	280,975.06	259,868	256,649	52,424	8.99	5,831
1965	65,041.15	55,347	54,662	16,883	11.85	1,425
1971	4,093.09	3,153	3,114	1,388	14.76	94
1973	11,683.92	8,605	8,498	4,354	16.04	271
1976	40,615.59	27,941	27,595	17,082	17.67	967
1978	26,247.29	17,150	16,938	11,934	18.80	635
1983	111,783.06	62,255	61,484	61,477	21.94	2,802
1985	122,679.77	63,358	62,573	72,375	23.17	3,124
1992	34,444.03	12,378	12,225	25,663	27.82	922
2000	264,762.57	41,822	41,304	249,935	32.81	7,618
2001	125,472.82	16,397	16,194	121,826	33.38	3,650
2002	780,656.67	80,548	79,550	779,172	33.81	23,046
2003	1,011,825.94	76,018	75,076	1,037,933	34.13	30,411
2005	219,078.16	3,591	3,547	237,439	33.17	7,158
	3,373,232.83	991,477	979,197	2,731,359		93,449
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.2	2.77

DUKE ENERGY KENTUCKY

ACCOUNT 3535 STATION EQUIPMENT - ELECTRONIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-R2						
NET SALVAGE PERCENT.. 0						
2005	13,820.02	640	221	13,599	10.30	1,320
	13,820.02	640	221	13,599		1,320
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.3	9.55

DUKE ENERGY KENTUCKY

ACCOUNT 3550 POLES AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -25						
1946	81.46	86	102			
1949	193.00	199	241			
1955	2,180.49	2,120	2,726			
1956	1,238.68	1,196	1,548			
1958	67,092.06	63,343	83,865			
1959	11,550.29	10,742	14,438			
1960	7,826.26	7,211	9,783			
1961	77,825.31	70,568	97,282			
1962	631.47	567	788		1 17.10	
1963	15,151.60	13,443	18,681	259	17.38	15
1964	170,552.40	148,636	206,550	6,641	18.02	369
1965	40,984.48	35,272	49,015	2,216	18.32	121
1966	14,348.03	12,115	16,835	1,100	18.98	58
1967	9,118.76	7,593	10,551	847	19.30	44
1968	176.81	145	201	20	19.64	1
1969	22,002.98	17,668	24,552	2,952	20.32	145
1970	7,159.30	5,655	7,858	1,091	20.68	53
1971	113,873.92	88,395	122,837	19,505	21.06	926
1972	24,646.48	18,682	25,961	4,847	21.75	223
1973	154,276.84	114,705	159,398	33,448	22.14	1,511
1974	232,566.58	169,425	235,439	55,269	22.55	2,451
1975	33,014.91	23,540	32,712	8,557	22.97	373
1976	94,359.10	65,414	90,902	27,047	23.69	1,142
1977	12,076.46	8,174	11,359	3,737	24.13	155
1978	3,298.60	2,177	3,025	1,098	24.58	45
1979	24,488.04	15,737	21,869	8,741	25.05	349
1980	24,042.59	15,021	20,874	9,179	25.52	360
1981	215,841.26	130,881	181,877	87,925	26.01	3,380
1982	9,765.49	5,737	7,972	4,235	26.50	160
1983	477,020.41	271,007	376,601	219,675	27.00	8,136
1984	14,001.85	7,677	10,668	6,834	27.52	248
1985	67,183.13	35,464	49,282	34,697	28.04	1,237
1986	9,513.26	4,847	6,736	5,156	28.34	182
1987	36,501.96	17,813	24,754	20,873	28.89	722
1988	402,748.00	188,536	261,996	241,439	29.23	8,260
1989	43,294.59	19,288	26,803	27,315	29.80	917
1990	65,711.96	27,887	38,753	43,387	30.16	1,439
1991	80,641.24	32,448	45,091	55,711	30.55	1,824

DUKE ENERGY KENTUCKY

ACCOUNT 3550 POLES AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -25						
1992	262,594.96	99,720	138,574	189,670	30.94	6,130
1993	110,191.12	39,256	54,551	83,188	31.36	2,653
1994	84,121.18	27,939	38,825	66,326	31.79	2,086
1995	277,939.65	85,744	119,153	228,272	32.05	7,122
1996	64,410.50	18,285	25,409	55,104	32.34	1,704
1997	112,298.61	29,113	40,456	99,917	32.48	3,076
1998	54,040.10	12,618	17,534	50,016	32.66	1,531
1999	264,767.33	54,641	75,931	255,028	32.87	7,759
2000	45,668.98	8,163	11,344	45,742	32.96	1,388
2001	12,580.44	1,897	2,636	13,090	32.81	399
2002	53,642.78	6,504	9,038	58,015	32.60	1,780
2003	252,687.56	22,900	31,823	284,036	31.98	8,882
2004	645,817.89	37,457	52,052	755,220	30.86	24,472
2005	287,114.69	6,388	8,877	350,016	27.59	12,686
	5,114,855.84	2,110,039	2,926,128	3,467,442		116,514
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.8	2.28

DUKE ENERGY KENTUCKY

ACCOUNT 3560 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-R0.5						
NET SALVAGE PERCENT.. -10						
1925	307.67	324	338			
1949	1,310.59	1,181	1,424	18	12.46	1
1955	3,182.79	2,723	3,284	217	14.44	15
1956	3,684.69	3,130	3,774	279	14.60	19
1957	86.66	73	88	7	15.19	
1958	114,465.05	95,101	114,683	11,229	15.39	730
1959	7,412.90	6,067	7,316	838	16.00	52
1960	17,926.87	14,535	17,528	2,192	16.23	135
1961	81,926.57	65,769	79,311	10,808	16.48	656
1962	869.46	687	828	128	17.10	7
1963	11,583.92	9,044	10,906	1,836	17.38	106
1964	251,553.44	194,084	234,048	42,661	17.67	2,414
1965	73,094.62	55,688	67,155	13,249	17.98	737
1966	20,937.30	15,739	18,980	4,051	18.30	221
1967	10,641.66	7,842	9,457	2,249	18.97	119
1968	92.30	67	81	21	19.32	1
1969	33,817.05	24,168	29,144	8,055	19.68	409
1970	1,112.08	782	943	280	20.06	14
1971	79,645.39	55,317	66,707	20,903	20.14	1,038
1972	11,833.77	8,068	9,729	3,288	20.55	160
1973	134,406.22	89,861	108,364	39,483	20.97	1,883
1974	170,925.87	111,946	134,997	53,021	21.41	2,476
1975	21,709.96	13,985	16,865	7,016	21.58	325
1976	102,768.68	64,696	78,017	35,029	22.05	1,589
1977	22,993.08	14,128	17,037	8,255	22.52	367
1979	6,782.65	3,994	4,816	2,645	23.00	115
1980	11,092.10	6,347	7,654	4,547	23.52	193
1981	232,307.42	129,609	156,297	99,241	23.81	4,168
1983	602,300.46	317,551	382,937	279,594	24.45	11,435
1985	37,338.98	18,524	22,338	18,735	24.95	751
1986	3,490.00	1,677	2,022	1,817	25.14	72
1987	601.57	279	336	326	25.36	13
1988	484,055.31	216,179	260,692	271,769	25.60	10,616
1990	66,664.42	27,279	32,896	40,435	26.17	1,545
1991	60,592.60	23,681	28,557	38,095	26.31	1,448
1992	406,902.35	151,689	182,923	264,670	26.34	10,048
1993	51,461.41	18,114	21,844	34,764	26.56	1,309
1994	6,562.40	2,184	2,634	4,585	26.52	173

DUKE ENERGY KENTUCKY

ACCOUNT 3560 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-R0.5						
NET SALVAGE PERCENT.. -10						
1995	228,571.74	71,280	85,957	165,472	26.54	6,235
1996	53,984.93	15,630	18,848	40,535	26.60	1,524
1997	13,937.07	3,727	4,494	10,837	26.47	409
1998	2,371.95	577	696	1,913	26.40	72
1999	213,956.53	46,976	56,649	178,703	26.07	6,855
2000	73,286.39	14,188	17,110	63,505	25.75	2,466
2001	34,984.27	5,819	7,017	31,466	25.26	1,246
2002	48,509.13	6,649	8,018	45,342	24.59	1,844
2003	228,703.26	24,151	29,124	222,450	23.54	9,450
2004	256,398.85	18,107	21,836	260,203	21.86	11,903
2005	60,364.07	1,793	2,162	64,238	18.02	3,565
	4,363,508.45	1,981,009	2,388,861	2,411,000		100,929
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					23.9	2.31

DUKE ENERGY KENTUCKY

ACCOUNT 3601 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. 0						
1937	21,090.83	17,626	21,091			
1938	4,555.53	3,751	4,556			
1939	566.88	464	567			
1940	3,030.65	2,461	3,031			
1941	1,573.96	1,269	1,574			
1942	5,164.10	4,132	5,164			
1943	4,897.52	3,888	4,898			
1944	462.34	361	462			
1945	330.67	256	331			
1946	781.58	600	782			
1947	1,799.58	1,369	1,800			
1948	3,349.38	2,504	3,349			
1949	8,676.40	6,422	8,676			
1950	1,737.77	1,273	1,738			
1951	8,346.55	6,050	8,347			
1952	12,726.87	9,056	12,727			
1953	2,603.56	1,832	2,604			
1954	9,502.50	6,607	9,503			
1955	4,760.79	3,270	4,761			
1956	14,044.62	9,455	14,045			
1957	13,905.05	9,240	13,905			
1958	14,105.17	9,246	14,105			
1959	11,597.81	7,442	11,505	93	25.96	4
1960	17,228.28	10,897	16,846	382	26.44	14
1961	35,962.20	22,404	34,634	1,328	26.93	49
1962	30,065.96	18,310	28,306	1,760	27.93	63
1963	23,589.95	14,137	21,854	1,736	28.42	61
1964	21,297.85	12,551	19,403	1,895	28.92	66
1965	47,056.95	27,062	41,835	5,222	29.92	175
1966	28,568.21	16,138	24,948	3,620	30.43	119
1967	37,661.09	20,879	32,277	5,384	30.94	174
1968	34,610.71	18,690	28,893	5,718	31.94	179
1969	31,018.91	16,418	25,381	5,638	32.46	174
1970	47,115.95	24,420	37,751	9,365	32.99	284
1971	45,736.43	23,037	35,613	10,123	33.99	298
1972	67,572.03	33,279	51,446	16,126	34.52	467
1973	78,177.44	37,603	58,131	20,046	35.07	572
1974	140,806.04	65,644	101,479	39,327	36.07	1,090

DUKE ENERGY KENTUCKY

ACCOUNT 3601 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. 0						
1975	61,888.66	28,128	43,483	18,406	36.61	503
1976	75,551.33	33,212	51,343	24,208	37.61	644
1977	52,602.82	22,488	34,764	17,839	38.17	467
1978	62,310.29	25,877	40,003	22,307	38.72	576
1979	71,128.25	28,466	44,006	27,122	39.72	683
1980	120,456.92	46,689	72,177	48,280	40.29	1,198
1981	123,971.39	46,167	71,370	52,601	41.29	1,274
1982	114,830.29	41,293	63,835	50,995	41.86	1,218
1983	238,309.31	82,050	126,842	111,467	42.86	2,601
1984	140,617.91	46,559	71,976	68,642	43.44	1,580
1985	222,229.32	70,624	109,178	113,051	44.01	2,569
1986	226,881.50	68,586	106,028	120,854	45.01	2,685
1987	374,182.90	107,989	166,941	207,242	45.60	4,545
1988	162,262.39	44,298	68,480	93,782	46.60	2,012
1989	273,358.16	70,827	109,492	163,866	47.19	3,472
1990	238,355.78	58,016	89,687	148,669	48.19	3,085
1991	284,100.23	65,087	100,618	183,482	48.79	3,761
1992	206,935.37	44,139	68,235	138,700	49.79	2,786
1993	166,625.11	33,125	51,208	115,417	50.39	2,290
1994	142,883.92	26,133	40,399	102,485	51.39	1,994
1995	178,950.56	30,064	46,477	132,474	52.00	2,548
1996	66,778.64	10,150	15,691	51,088	53.00	964
2000	18,278.20	1,640	2,535	15,743	55.85	282
	4,459,567.36	1,501,650	2,303,086	2,156,483		47,526
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					45.4	1.07

DUKE ENERGY KENTUCKY

ACCOUNT 3610 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -5						
1902	910.57	956	956			
1925	10,862.54	11,018	11,406			
1927	8,081.48	8,127	8,486			
1928	5,001.83	5,007	5,252			
1929	46,882.35	46,696	49,226			
1939	28,191.50	26,970	29,601			
1940	474.74	454	498			
1942	1,572.45	1,478	1,651			
1943	1,679.12	1,576	1,763			
1946	490.00	450	515			
1950	271.99	241	286			
1953	11,763.77	10,182	12,352			
1954	786.00	672	825			
1955	713.14	601	749			
1958	2,968.75	2,414	3,109	8	13.85	1
1962	3,727.51	2,860	3,683	231	16.02	14
1964	2,439.86	1,807	2,327	235	17.32	14
1967	2,237.85	1,574	2,027	323	18.97	17
1969	6,838.47	4,613	5,941	1,239	20.32	61
1974	94,229.24	56,723	73,053	25,888	23.45	1,104
1975	92.16	54	70	27	24.14	1
1998	31,740.60	5,099	6,567	26,761	41.52	645
2004	47,302.82	1,574	2,027	47,641	45.89	1,038
	309,258.74	191,146	222,370	102,353		2,895
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					35.4	0.94

DUKE ENERGY KENTUCKY

ACCOUNT 3620 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 46-R2						
NET SALVAGE PERCENT.. -10						
1926	51,524.91	55,425	39,644	17,033	1.80	9,463
1927	34,803.08	37,567	26,870	11,413	1.50	7,609
1938	85,766.25	87,880	62,858	31,485	4.96	6,348
1939	848.95	869	622	312	4.93	63
1941	1,922.64	1,951	1,395	720	5.43	133
1942	1,512.88	1,522	1,089	575	5.94	97
1944	15,645.08	15,559	11,129	6,081	6.52	933
1945	631.85	627	448	247	6.61	37
1948	603.78	588	421	243	7.44	33
1949	20,994.42	20,226	14,467	8,627	8.01	1,077
1950	10,362.48	9,933	7,105	4,294	8.19	524
1951	220.66	210	150	93	8.39	11
1952	23,745.09	22,358	15,992	10,128	9.00	1,125
1953	5,828.88	5,453	3,900	2,512	9.23	272
1954	26,947.20	25,036	17,907	11,735	9.48	1,238
1955	162,251.86	149,617	107,016	71,461	9.74	7,337
1956	32,873.15	29,894	21,382	14,778	10.38	1,424
1957	66,283.33	59,766	42,749	30,163	10.67	2,827
1958	167,819.32	149,952	107,256	77,345	10.98	7,044
1959	21,866.52	19,351	13,841	10,212	11.30	904
1960	115,032.85	100,761	72,071	54,465	11.64	4,679
1961	24,589.06	21,184	15,152	11,896	12.32	966
1962	9,506.51	8,097	5,792	4,665	12.68	368
1963	4,722.85	3,974	2,842	2,353	13.06	180
1964	193,550.60	160,808	115,021	97,885	13.45	7,278
1965	25,456.37	20,867	14,926	13,076	13.85	944
1966	112,725.73	91,102	65,162	58,836	14.26	4,126
1967	53,025.86	41,996	30,038	28,290	14.97	1,890
1968	4,356.39	3,397	2,430	2,362	15.41	153
1969	147,384.51	113,032	80,848	81,275	15.85	5,128
1970	48,432.15	36,504	26,110	27,165	16.31	1,666
1971	378,133.35	279,849	200,167	215,780	16.78	12,859
1972	54,331.30	39,445	28,214	31,550	17.26	1,828
1973	147,225.73	104,748	74,923	87,025	17.75	4,903
1974	270,407.71	188,344	134,717	162,731	18.25	8,917
1975	1,028.00	700	501	630	18.76	34
1976	1,234,721.38	821,435	587,546	770,648	19.28	39,971
1977	584,507.29	377,481	270,000	372,958	20.04	18,611

DUKE ENERGY KENTUCKY

ACCOUNT 3620 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 46-R2						
NET SALVAGE PERCENT.. -10						
1979	160,022.48	97,958	70,066	105,959	21.12	5,017
1980	453,172.83	269,484	192,753	305,737	21.67	14,109
1981	140,928.37	81,665	58,412	96,609	22.01	4,389
1982	358,020.07	200,849	143,661	250,161	22.58	11,079
1983	586,116.38	317,722	227,257	417,471	23.16	18,026
1984	328,448.27	171,686	122,802	238,491	23.75	10,042
1985	16,349.19	8,222	5,881	12,103	24.34	497
1986	10,310.76	4,977	3,560	7,782	24.94	312
1987	128,174.63	59,217	42,356	98,636	25.55	3,861
1988	861,428.99	381,398	272,802	674,770	25.98	25,973
1990	66,704.67	26,731	19,120	54,255	27.05	2,006
1991	1,497,099.19	566,008	404,848	1,241,961	27.69	44,852
1992	783,850.70	279,364	199,820	662,416	28.17	23,515
1993	1,006,212.19	334,817	239,484	867,349	28.82	30,095
1994	148,493.10	46,030	32,924	130,418	29.31	4,450
1995	748,295.91	214,342	153,312	669,814	29.82	22,462
1996	216,481.19	56,794	40,623	197,506	30.34	6,510
1997	299,051.19	71,318	51,011	277,945	30.71	9,051
1998	21,561.09	4,589	3,282	20,435	31.26	654
1999	16,242.57	3,043	2,177	15,690	31.67	495
2000	20,779.09	3,358	2,402	20,455	31.95	640
2001	1,625,081.15	218,801	156,501	1,631,088	32.26	50,561
2002	950,093.37	101,688	72,734	972,369	32.47	29,947
2003	1,218,821.91	95,860	68,566	1,272,138	32.47	39,179
2004	1,274,941.73	62,689	44,839	1,357,597	32.06	42,346
2005	1,735,915.04	31,125	22,263	1,887,244	30.17	62,554
	18,814,186.03	6,817,243	4,876,157	15,819,446		625,622
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					25.3	3.33

DUKE ENERGY KENTUCKY

ACCOUNT 3622 STATION EQUIPMENT - MAJOR

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT'.. -10						
1950	1,150.67	1,131	741	525	6.61	79
1955	101,678.49	96,590	63,308	48,538	7.98	6,082
1958	14,414.37	13,332	8,738	7,118	8.99	792
1959	366.12	335	220	183	9.36	20
1960	40,318.83	36,527	23,941	20,410	9.75	2,093
1962	55,641.28	49,258	32,285	28,920	10.55	2,741
1963	26,873.25	23,495	15,399	14,162	10.97	1,291
1964	121,289.95	104,654	68,593	64,826	11.41	5,682
1966	270,347.76	226,724	148,602	148,781	12.31	12,086
1967	15,812.04	13,059	8,559	8,834	12.78	691
1969	98,484.53	78,693	51,578	56,755	13.75	4,128
1970	9,366.59	7,352	4,819	5,484	14.25	385
1971	201,755.78	155,441	101,881	120,050	14.76	8,133
1972	58,972.24	44,552	29,201	35,668	15.28	2,334
1973	37,552.07	27,655	18,126	23,181	16.04	1,445
1974	275,340.86	198,444	130,066	172,809	16.58	10,423
1976	608,954.39	418,924	274,575	395,275	17.67	22,370
1977	406,263.50	272,558	178,642	268,248	18.23	14,715
1979	199,177.39	126,571	82,958	136,137	19.37	7,028
1980	374,456.65	230,047	150,779	261,123	20.16	12,953
1981	249,701.25	148,735	97,485	177,186	20.75	8,539
1982	353,461.57	203,774	133,559	255,249	21.34	11,961
1983	698,320.67	388,916	254,907	513,246	21.94	23,393
1984	411,606.16	220,995	144,847	307,920	22.55	13,655
1986	41,970.00	20,706	13,571	32,596	23.98	1,359
1987	154,115.58	72,761	47,690	121,837	24.60	4,953
1988	83,800.96	37,748	24,741	67,440	25.24	2,672
1989	101,133.92	43,320	28,393	82,854	25.87	3,203
1990	34,368.83	13,947	9,141	28,665	26.52	1,081
1991	1,100,145.56	421,136	276,025	934,135	27.17	34,381
1992	377,796.58	135,769	88,987	326,589	27.82	11,739
1993	939,635.95	315,248	206,623	826,977	28.48	29,037
1995	202,678.25	58,055	38,051	184,895	29.82	6,200
2000	1,228,111.88	193,993	127,149	1,223,774	32.81	37,299
2001	2,876,703.98	375,928	246,394	2,917,980	33.38	87,417
2002	611,210.84	63,065	41,334	630,998	33.81	18,663
2003	627,863.84	47,171	30,917	659,733	34.13	19,330
2004	948,700.00	43,830	28,728	1,014,842	34.21	29,665

DUKE ENERGY KENTUCKY

ACCOUNT 3622 STATION EQUIPMENT - MAJOR

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT.. -10						
2005	1,106,126.92	18,129	11,882	1,204,858	33.17	36,324
	15,065,669.50	4,948,568	3,243,435	13,328,801		496,342
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.9	3.29

DUKE ENERGY KENTUCKY

ACCOUNT 3635 STATION EQUIPMENT - ELECTRONIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-R2						
NET SALVAGE PERCENT.. 0						
2004	16,657.34	2,084	127	16,530	10.49	1,576
2005	89,349.07	4,137	253	89,096	10.30	8,650
	106,006.41	6,221	380	105,626		10,226
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.3	9.65

DUKE ENERGY KENTUCKY

ACCOUNT 3640 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-R0.5						
NET SALVAGE PERCENT.. -15						
1915	130.75	150	150			
1917	52.03	60	60			
1918	44.50	51	51			
1919	130.99	150	147	4	0.45	4
1920	113.90	129	126	5	1.45	3
1921	42.18	48	47	2	1.71	1
1922	93.61	105	103	5	1.97	3
1923	42.79	48	47	2	2.25	1
1924	182.60	202	198	12	3.25	4
1925	3,267.61	3,600	3,525	233	3.53	66
1926	2,947.91	3,234	3,166	224	3.83	58
1927	2,672.28	2,919	2,858	215	4.14	52
1928	4,572.76	4,972	4,868	391	4.47	87
1929	4,011.90	4,306	4,216	398	5.47	73
1930	4,872.05	5,203	5,094	509	5.80	88
1931	13,347.72	14,180	13,884	1,466	6.15	238
1932	8,797.83	9,296	9,102	1,016	6.50	156
1933	13,048.59	13,708	13,422	1,584	6.87	231
1934	13,402.53	13,996	13,704	1,709	7.24	236
1935	12,207.87	12,669	12,404	1,635	7.63	214
1936	3,340.35	3,444	3,372	469	8.02	58
1937	12,359.93	12,657	12,393	1,821	8.42	216
1938	10,905.92	11,175	10,942	1,600	8.26	194
1939	15,567.47	15,835	15,504	2,399	8.68	276
1940	19,361.41	19,543	19,135	3,131	9.13	343
1941	15,664.67	15,687	15,359	2,655	9.57	277
1942	21,393.86	21,247	20,803	3,800	10.03	379
1943	5,707.55	5,620	5,503	1,061	10.49	101
1944	8,440.56	8,298	8,125	1,582	10.44	152
1945	12,953.16	12,617	12,353	2,543	10.93	233
1946	14,659.73	14,144	13,848	3,011	11.42	264
1947	35,919.99	34,558	33,836	7,472	11.43	654
1948	25,970.39	24,729	24,212	5,654	11.94	474
1949	43,507.02	40,992	40,135	9,898	12.46	794
1950	59,839.96	56,147	54,974	13,842	12.52	1,106
1951	59,300.33	55,006	53,857	14,338	13.07	1,097
1952	85,871.75	79,249	77,593	21,160	13.17	1,607
1953	81,994.15	74,756	73,194	21,099	13.72	1,538

DUKE ENERGY KENTUCKY

ACCOUNT 3640 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-R0.5						
NET SALVAGE PERCENT.. -15						
1954	86,576.41	77,938	76,310	23,253	14.29	1,627
1955	111,587.78	99,799	97,714	30,612	14.44	2,120
1956	97,788.56	86,839	85,025	27,432	14.60	1,879
1957	117,915.05	103,261	101,103	34,499	15.19	2,271
1958	118,351.72	102,800	100,652	35,452	15.39	2,304
1959	124,376.36	106,416	104,192	38,841	16.00	2,428
1960	111,712.32	94,695	92,716	35,753	16.23	2,203
1961	198,376.07	166,491	163,012	65,120	16.48	3,951
1962	174,620.04	144,144	141,132	59,681	17.10	3,490
1963	184,707.80	150,771	147,621	64,793	17.38	3,728
1964	202,448.92	163,297	159,885	72,931	17.67	4,127
1965	206,581.71	164,540	161,102	76,467	17.98	4,253
1966	177,292.30	139,336	136,425	67,461	18.30	3,686
1967	172,856.67	133,166	130,384	68,401	18.97	3,606
1968	217,160.30	164,825	161,381	88,353	19.32	4,573
1969	230,916.74	172,531	168,926	96,628	19.68	4,910
1970	276,705.54	203,337	199,088	119,123	20.06	5,938
1971	285,940.66	207,624	203,286	125,546	20.14	6,234
1972	375,229.07	267,452	261,864	169,649	20.55	8,255
1973	501,462.61	350,507	343,183	233,499	20.97	11,135
1974	418,993.01	286,889	280,895	200,947	21.41	9,386
1975	377,102.52	253,956	248,650	185,018	21.58	8,574
1976	402,519.13	264,916	259,381	203,516	22.05	9,230
1977	498,787.18	320,416	313,721	259,884	22.52	11,540
1978	503,901.35	317,153	310,526	268,961	22.75	11,822
1979	653,501.39	402,292	393,886	357,641	23.00	15,550
1980	983,499.54	588,359	576,065	554,959	23.52	23,595
1981	840,859.02	490,456	480,208	486,780	23.81	20,444
1982	747,852.02	424,425	415,557	444,473	24.12	18,428
1983	750,258.56	413,539	404,898	457,899	24.45	18,728
1984	713,243.92	382,720	374,723	445,508	24.58	18,125
1985	806,856.02	418,476	409,732	518,152	24.95	20,768
1986	856,294.57	430,134	421,147	563,592	25.14	22,418
1987	1,198,162.17	581,193	569,049	808,837	25.36	31,894
1988	838,491.37	391,492	383,312	580,953	25.60	22,693
1989	1,909,108.56	854,918	837,055	1,358,420	25.87	52,509
1990	1,117,600.58	478,110	468,120	817,121	26.17	31,224
1991	1,547,973.88	632,494	619,278	1,160,892	26.31	44,124

DUKE ENERGY KENTUCKY

ACCOUNT 3640 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-R0.5						
NET SALVAGE PERCENT.. -15						
1992	1,854,833.75	722,894	707,789	1,425,270	26.34	54,110
1993	1,938,986.23	713,547	698,638	1,531,196	26.56	57,650
1994	2,051,824.89	713,779	698,865	1,660,734	26.52	62,622
1995	1,857,514.90	605,596	592,942	1,543,200	26.54	58,146
1996	1,525,791.24	461,826	452,176	1,302,484	26.60	48,966
1997	1,330,307.88	371,908	364,137	1,165,717	26.47	44,039
1998	1,593,396.55	405,511	397,038	1,435,368	26.40	54,370
1999	1,565,896.63	359,436	351,926	1,448,855	26.07	55,576
2000	1,180,998.70	239,034	234,040	1,124,109	25.75	43,655
2001	851,515.09	148,061	144,967	834,275	25.26	33,028
2002	620,242.78	88,875	87,018	626,261	24.59	25,468
2003	1,191,631.82	131,556	128,807	1,241,570	23.54	52,743
2004	1,271,184.98	93,852	91,891	1,369,972	21.86	62,670
2005	4,438,391.10	137,812	134,933	4,969,217	18.02	275,761
	43,026,868.56	16,820,124	16,468,681	33,012,220		1,413,852
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					23.3	3.29

DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-R1						
NET SALVAGE PERCENT.. -30						
1925	173,350.82	217,694	225,356			
1926	3.62	5	5			
1927	29.85	37	39			
1932	172.94	212	225			
1938	19,699.53	23,338	25,609			
1939	9,998.45	11,842	12,998			
1940	520.63	612	677			
1941	11,962.95	13,944	15,552			
1942	10,411.29	12,119	13,535			
1943	5,859.84	6,761	7,618			
1944	831.05	950	1,080			
1945	4,649.06	5,302	6,044			
1946	12,452.35	14,063	16,188			
1947	29,647.19	33,369	38,541			
1948	16,863.28	18,783	21,922			
1949	36,243.64	40,200	47,117			
1950	90,651.21	99,415	117,847			
1951	56,941.07	62,128	74,023			
1952	109,701.16	118,268	142,612			
1953	44,647.36	47,844	58,042			
1954	105,711.10	111,822	137,424			
1955	91,443.66	96,052	118,185	692	12.00	58
1956	90,329.27	94,166	115,865	1,563	12.23	128
1957	94,917.36	97,554	120,033	3,360	12.85	261
1958	105,019.10	107,008	131,666	4,859	13.10	371
1959	79,800.16	80,565	99,130	4,610	13.38	345
1960	105,204.74	104,544	128,634	8,132	14.02	580
1961	212,746.56	209,226	257,438	19,133	14.32	1,336
1962	193,570.19	188,278	231,663	19,978	14.64	1,365
1963	218,679.54	210,228	258,671	25,612	14.97	1,711
1964	313,474.20	297,650	366,237	41,279	15.32	2,694
1965	285,846.48	266,400	327,786	43,814	15.99	2,740
1966	316,834.89	291,244	358,355	53,530	16.36	3,272
1967	241,448.65	218,745	269,150	44,733	16.75	2,671
1968	267,390.40	238,563	293,535	54,073	17.14	3,155
1969	237,937.49	208,883	257,016	52,303	17.55	2,980
1970	483,886.02	417,628	513,862	115,190	17.97	6,410
1971	495,716.36	420,234	517,068	127,363	18.41	6,918

DUKE ENERGY KENTUCKY

ACCOUNT 3650 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 44-R1						
NET SALVAGE PERCENT.. -30						
1972	433,086.36	360,272	443,289	119,723	18.85	6,351
1973	756,011.65	619,665	762,454	220,361	19.05	11,568
1974	632,430.81	507,602	624,568	197,592	19.52	10,123
1975	480,744.58	377,418	464,386	160,582	20.01	8,025
1976	407,486.61	312,542	384,561	145,172	20.50	7,082
1977	369,560.72	277,976	342,030	138,399	20.76	6,667
1978	357,828.75	262,267	322,701	142,476	21.28	6,695
1979	745,762.84	534,384	657,522	311,970	21.58	14,456
1980	967,937.61	673,830	829,100	429,219	22.12	19,404
1981	592,556.13	402,032	494,672	275,651	22.45	12,278
1982	750,583.08	493,051	606,665	369,093	23.01	16,041
1983	1,115,400.94	711,235	875,125	574,896	23.37	24,600
1984	780,413.84	482,108	593,200	421,338	23.75	17,741
1985	1,149,170.36	686,009	844,086	649,835	24.14	26,919
1986	1,077,910.82	620,348	763,294	637,990	24.55	25,987
1987	1,410,523.57	780,231	960,019	873,662	24.98	34,974
1988	935,765.80	498,155	612,945	603,551	25.24	23,912
1989	2,653,191.04	1,348,962	1,659,803	1,789,345	25.69	69,651
1990	1,450,509.56	704,483	866,817	1,018,845	25.99	39,201
1991	2,320,790.34	1,071,950	1,318,959	1,698,068	26.31	64,541
1992	2,308,905.61	1,013,032	1,246,464	1,755,113	26.50	66,231
1993	2,138,429.43	882,637	1,086,023	1,693,935	26.87	63,042
1994	3,587,179.46	1,389,207	1,709,321	2,954,012	27.11	108,964
1995	2,184,676.47	790,394	972,524	1,867,555	27.23	68,584
1996	1,426,633.93	477,566	587,611	1,267,013	27.40	46,241
1997	1,010,196.61	310,322	381,829	931,427	27.47	33,907
1998	2,188,083.93	608,156	748,293	2,096,216	27.59	75,977
1999	2,158,325.10	536,193	659,748	2,146,075	27.51	78,011
2000	7,131,014.70	1,549,997	1,907,162	7,363,157	27.39	268,826
2001	2,420,863.89	447,521	550,643	2,596,480	27.15	95,635
2002	459,061.40	69,167	85,105	511,675	26.71	19,157
2003	5,162,589.13	589,258	725,041	5,986,325	25.99	230,332
2004	4,529,100.30	337,373	415,114	5,472,716	24.68	221,747
2005	825,612.71	24,686	30,374	1,042,923	21.29	48,987
	61,492,931.54	25,135,705	30,858,196	49,082,614		1,908,852

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 25.7 3.10

DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUT. BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. -20						
1911	468.83	542	502	61	3.54	17
1916	941.43	1,072	992	138	4.84	29
1920	196.51	220	204	32	6.24	5
1923	7,158.02	7,937	7,347	1,243	6.79	183
1924	115.92	128	118	21	6.99	3
1926	846.23	928	859	156	7.45	21
1927	2,173.69	2,375	2,198	410	7.71	53
1928	226.28	246	228	44	7.97	6
1929	8,875.74	9,615	8,900	1,751	8.25	212
1930	272.21	293	271	56	8.53	7
1931	13,618.29	14,610	13,524	2,818	8.83	319
1932	3,079.34	3,287	3,043	652	9.14	71
1933	230.35	244	226	50	9.47	5
1934	42.92	45	42	10	9.80	1
1935	1,936.76	2,032	1,881	443	10.15	44
1937	117.42	122	113	28	10.87	3
1938	27,594.07	28,388	26,278	6,835	11.24	608
1939	0.83	1	1			
1940	52,417.10	53,151	49,200	13,701	12.02	1,140
1941	10,127.65	10,190	9,432	2,721	12.42	219
1942	2,326.92	2,323	2,150	642	12.83	50
1943	2,278.35	2,256	2,088	646	13.26	49
1944	264.60	260	241	77	13.68	6
1945	1,052.59	1,024	948	315	14.13	22
1946	0.60	1	1			
1947	2,521.40	2,407	2,228	798	15.03	53
1948	134.05	127	118	43	15.49	3
1949	13,364.28	12,504	11,574	4,463	15.96	280
1950	19,951.37	18,471	17,098	6,844	16.44	416
1951	5,433.23	4,939	4,572	1,948	17.44	112
1952	12,386.86	11,133	10,305	4,559	17.93	254
1953	3,460.09	3,074	2,845	1,307	18.42	71
1954	3,989.85	3,501	3,241	1,547	18.92	82
1955	24,731.41	21,433	19,840	9,838	19.43	506
1956	9,016.65	7,712	7,139	3,681	19.94	185
1957	6,541.17	5,520	5,110	2,739	20.46	134
1958	9,744.88	8,110	7,507	4,187	20.99	199
1959	3,734.23	3,042	2,816	1,665	21.99	76

DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. -20						
1960	1,183.92	950	879	542	22.52	24
1961	19,244.64	15,209	14,078	9,016	23.07	391
1962	11,849.49	9,217	8,532	5,687	23.61	241
1963	82,709.00	63,272	58,568	40,683	24.17	1,683
1964	5,674.77	4,239	3,924	2,886	25.17	115
1965	14,252.63	10,460	9,682	7,421	25.72	289
1966	1,027.05	740	685	547	26.29	21
1967	8,660.72	6,122	5,667	4,726	26.86	176
1968	140.90	98	91	78	27.44	3
1969	23,234.24	15,672	14,507	13,374	28.44	470
1970	38,208.34	25,231	23,355	22,495	29.01	775
1971	89,172.89	57,591	53,310	53,697	29.60	1,814
1972	22,501.41	14,203	13,147	13,855	30.19	459
1973	123,986.03	75,924	70,280	78,503	31.19	2,517
1974	78,642.75	46,969	43,477	50,894	31.79	1,601
1975	209,974.38	122,205	113,120	138,849	32.39	4,287
1976	187,168.23	105,361	97,528	127,074	33.39	3,806
1977	33,988.77	18,599	17,216	23,571	34.00	693
1978	6,321.98	3,359	3,109	4,477	34.61	129
1979	4,510.27	2,324	2,151	3,261	35.23	93
1980	130,443.06	64,663	59,856	96,676	36.23	2,668
1982	39,976.66	18,488	17,114	30,858	37.48	823
1983	17,891.42	7,922	7,333	14,137	38.48	367
1984	101,438.20	43,188	39,977	81,749	39.10	2,091
1985	6,009.67	2,440	2,259	4,953	40.10	124
1986	53,542.62	20,798	19,252	44,999	40.74	1,105
1987	17,292.55	6,412	5,935	14,816	41.38	358
1988	130,373.95	45,730	42,330	114,119	42.38	2,693
1989	179,330.25	59,652	55,217	159,979	43.02	3,719
1990	168,192.63	52,880	48,949	152,882	43.67	3,501
1991	59,346.28	17,455	16,157	55,059	44.67	1,233
1992	626,412.39	172,514	159,689	592,006	45.32	13,063
1993	841,199.65	214,506	198,559	810,881	46.32	17,506
1994	1,070,352.00	252,646	233,864	1,050,558	46.98	22,362
1995	837,278.27	181,455	167,965	836,769	47.64	17,564
1996	805,397.28	157,922	146,182	820,295	48.64	16,865
1997	904,711.88	159,700	147,827	937,827	49.30	19,023
1998	840,017.70	130,841	121,114	886,907	50.30	17,632

DUKE ENERGY KENTUCKY

ACCOUNT 3660 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. -20						
1999	1,880,462.41	255,216	236,242	2,020,313	50.97	39,637
2000	457,854.73	52,910	48,977	500,449	51.64	9,691
2001	256,185.62	24,348	22,538	284,885	52.32	5,445
2002	164,210.99	12,217	11,309	185,744	52.99	3,505
2003	3,053,324.98	163,048	150,926	3,513,064	53.68	65,445
2004	205,318.11	6,628	6,135	240,247	54.36	4,420
2005	292,289.79	3,192	2,955	347,793	54.45	6,387
	14,352,677.62	2,967,779	2,747,147	14,476,070		302,258
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					47.9	2.11

DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R2						
NET SALVAGE PERCENT.. -40						
1916	158.74	209	131	91	5.73	16
1922	24.56	32	20	14	7.41	2
1923	1,485.08	1,904	1,196	883	7.59	116
1926	383.74	487	306	231	8.22	28
1927	209.93	263	165	129	9.22	14
1929	3,048.62	3,787	2,379	1,889	9.71	195
1931	1,203.83	1,482	931	754	10.25	74
1932	326.06	399	251	205	10.53	19
1933	323.33	394	248	205	10.83	19
1935	191.08	230	145	123	11.47	11
1937	363.99	433	272	238	12.15	20
1938	18,451.63	21,797	13,695	12,137	12.50	971
1939	1,064.84	1,249	785	706	12.87	55
1940	78,261.53	91,148	57,269	52,297	13.24	3,950
1941	1,120.79	1,295	814	755	13.63	55
1942	433.38	497	312	295	14.02	21
1943	293.95	337	212	200	13.83	14
1945	1,254.83	1,414	888	869	14.68	59
1947	3,279.19	3,626	2,278	2,313	15.57	149
1949	11,935.87	12,935	8,127	8,583	16.49	520
1950	32,301.62	34,636	21,762	23,460	16.96	1,383
1951	6,116.23	6,487	4,076	4,487	17.44	257
1952	2,572.74	2,698	1,695	1,907	17.93	106
1953	2,368.38	2,455	1,542	1,774	18.42	96
1954	6,026.61	6,170	3,877	4,560	18.92	241
1955	97,062.73	98,138	61,661	74,227	19.43	3,820
1956	20,192.57	20,151	12,661	15,609	19.94	783
1957	9,142.62	9,063	5,694	7,106	19.99	355
1958	3,915.79	3,828	2,405	3,077	20.52	150
1959	17,787.89	17,138	10,768	14,135	21.07	671
1960	11,687.56	11,094	6,970	9,393	21.61	435
1961	15,417.37	14,408	9,053	12,531	22.17	565
1962	8,125.85	7,473	4,695	6,681	22.72	294
1963	72,574.92	65,637	41,240	60,365	23.29	2,592
1964	37,145.50	33,022	20,748	31,256	23.86	1,310
1965	28,112.37	24,547	15,423	23,934	24.44	979
1966	14,155.16	12,211	7,672	12,145	24.60	494
1967	19,254.92	16,295	10,238	16,719	25.19	664

DUKE ENERGY KENTUCKY

ACCOUNT 3670 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R2						
NET SALVAGE PERCENT.. -40						
1968	15,830.48	13,131	8,250	13,913	25.79	539
1969	26,382.63	21,437	13,469	23,467	26.39	889
1970	87,297.16	69,419	43,617	78,599	27.00	2,911
1971	102,379.00	79,620	50,026	93,305	27.61	3,379
1972	100,130.58	76,554	48,100	92,083	27.85	3,306
1973	409,226.48	305,365	191,864	381,053	28.48	13,380
1974	264,099.46	192,190	120,755	248,984	29.10	8,556
1975	201,764.88	143,015	89,858	192,613	29.74	6,477
1976	588,377.55	405,851	255,000	568,729	30.38	18,721
1977	509,652.98	343,700	215,950	497,564	30.67	16,223
1978	271,867.61	177,937	111,799	268,816	31.32	8,583
1979	658,744.03	417,960	262,608	659,634	31.98	20,626
1980	475,227.44	293,538	184,433	480,885	32.30	14,888
1981	297,592.76	177,609	111,593	305,037	32.97	9,252
1982	273,062.84	157,235	98,792	283,496	33.64	8,427
1983	451,106.41	251,546	158,049	473,500	33.99	13,931
1984	728,064.71	390,083	245,093	774,198	34.68	22,324
1985	566,126.11	290,876	182,760	609,817	35.36	17,246
1986	642,403.65	317,476	199,473	699,892	35.75	19,577
1987	1,292,042.86	609,043	382,667	1,426,193	36.45	39,127
1988	1,015,505.86	457,790	287,634	1,134,074	36.85	30,775
1989	1,351,474.63	577,647	362,941	1,529,123	37.55	40,722
1990	1,267,847.10	514,568	323,308	1,451,678	37.97	38,232
1991	1,090,068.75	418,303	262,824	1,263,272	38.41	32,889
1992	1,099,623.53	397,030	249,458	1,290,015	38.85	33,205
1993	1,697,749.30	570,444	358,415	2,018,434	39.58	50,996
1994	1,105,961.20	345,436	217,041	1,331,305	40.05	33,241
1995	757,463.98	218,241	137,123	923,327	40.52	22,787
1996	736,074.72	194,868	122,437	908,068	40.75	22,284
1997	1,155,811.72	276,540	173,752	1,444,384	41.25	35,015
1998	752,597.17	160,469	100,824	952,812	41.76	22,816
1999	2,332,975.14	437,340	274,785	2,991,380	42.04	71,156
2000	2,788,829.35	449,002	282,112	3,622,249	42.34	85,551
2001	2,203,731.32	295,873	185,900	2,899,324	42.45	68,300
2002	604,940.16	64,620	40,601	806,315	42.37	19,030
2003	2,607,747.97	204,447	128,456	3,522,391	42.14	83,588
2004	1,185,750.97	57,770	36,297	1,623,754	41.60	39,033
2005	988,231.94	17,571	11,040	1,372,485	38.87	35,310
	33,231,540.23	10,920,913	6,861,708	39,662,451		1,034,795

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 38.3 3.11

DUKE ENERGY KENTUCKY

ACCOUNT 3680 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R1						
NET SALVAGE PERCENT.. -5						
1910	932.69	979	979			
1916	93.05	98	98			
1917	39.05	41	41			
1920	387.87	407	407			
1921	117.96	124	124			
1922	653.58	686	686			
1923	244.19	256	256			
1925	2,170.35	2,279	2,279			
1926	325.14	341	341			
1927	389.30	409	409			
1928	180.65	190	190			
1929	179.48	188	188			
1930	186.18	195	195			
1932	374.42	393	393			
1933	182.90	192	192			
1935	66.95	70	70			
1936	1,652.51	1,735	1,735			
1937	2,257.56	2,355	2,370			
1938	183.82	190	193			
1939	266.81	276	280			
1940	2,828.52	2,899	2,970			
1941	2,149.43	2,198	2,257			
1942	330.40	335	347			
1943	17.54	18	18			
1944	24.27	24	25			
1945	615.10	613	646			
1946	521.06	518	547			
1947	2,478.89	2,452	2,603			
1948	1,945.33	1,915	2,043			
1949	3,941.75	3,859	4,139			
1950	8,751.97	8,518	9,190			
1951	18,959.57	18,337	19,908			
1952	12,474.90	11,984	13,099			
1953	8,030.26	7,659	8,390	42	5.30	8
1954	28,895.71	27,346	29,956	384	5.64	68
1955	46,548.13	43,690	47,861	1,015	5.99	169
1956	66,557.72	61,926	67,838	2,048	6.36	322
1957	14,488.42	13,355	14,630	583	6.75	86

DUKE ENERGY KENTUCKY

ACCOUNT 3680 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R1						
NET SALVAGE PERCENT.. -5						
1958	37,341.83	34,084	37,338	1,871	7.14	262
1959	52,094.11	47,309	51,825	2,874	7.26	396
1960	46,383.71	41,660	45,637	3,066	7.69	399
1961	65,254.65	57,931	63,461	5,056	8.13	622
1962	53,738.11	47,374	51,896	4,529	8.31	545
1963	71,197.50	61,959	67,874	6,883	8.78	784
1964	161,092.00	138,988	152,256	16,891	9.01	1,875
1965	124,121.53	105,565	115,642	14,686	9.50	1,546
1966	198,589.01	167,211	183,173	25,345	9.76	2,597
1967	161,678.84	133,994	146,785	22,978	10.28	2,235
1968	241,755.05	197,997	216,898	36,945	10.58	3,492
1969	319,484.25	258,370	283,034	52,424	10.89	4,814
1970	461,053.01	367,775	402,883	81,223	11.23	7,233
1971	492,529.02	385,384	422,173	94,982	11.80	8,049
1972	534,233.55	411,566	450,855	110,090	12.16	9,053
1973	633,041.53	479,576	525,357	139,337	12.55	11,103
1974	733,809.88	546,131	598,266	172,234	12.94	13,310
1975	454,405.92	331,794	363,468	113,658	13.36	8,507
1976	350,419.38	250,751	274,688	93,252	13.79	6,762
1977	533,719.72	375,360	411,193	149,213	14.05	10,620
1978	683,541.99	469,747	514,590	203,129	14.52	13,990
1979	664,246.96	445,467	487,992	209,467	14.99	13,974
1980	752,035.26	493,365	540,463	249,174	15.31	16,275
1981	911,211.17	581,335	636,830	319,942	15.82	20,224
1982	678,441.87	421,862	462,134	250,230	16.18	15,465
1983	1,149,050.75	692,292	758,379	448,124	16.71	26,818
1984	1,060,514.44	620,131	679,330	434,210	17.11	25,378
1985	1,152,209.36	652,335	714,608	495,212	17.52	28,266
1986	1,149,453.60	628,447	688,440	518,486	17.95	28,885
1987	1,343,609.66	709,910	777,679	633,111	18.26	34,672
1988	2,179,631.71	1,105,400	1,210,924	1,077,689	18.73	57,538
1989	2,149,949.49	1,046,778	1,146,705	1,110,742	19.09	58,184
1990	2,041,792.41	950,383	1,041,108	1,102,774	19.47	56,640
1991	2,059,221.98	912,441	999,544	1,162,639	19.86	58,542
1992	1,628,276.19	683,192	748,411	961,279	20.28	47,400
1993	2,110,388.53	836,505	916,359	1,299,549	20.61	63,054
1994	2,632,767.22	982,470	1,076,259	1,688,147	20.86	80,927
1995	1,564,244.68	544,967	596,991	1,045,466	21.15	49,431

DUKE ENERGY KENTUCKY

ACCOUNT 3680 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R1						
NET SALVAGE PERCENT.. -5						
1996	1,473,686.50	474,888	520,222	1,027,149	21.46	47,863
1997	2,239,115.87	663,472	726,808	1,624,264	21.62	75,128
1998	1,886,441.44	506,679	555,047	1,425,717	21.82	65,340
1999	1,819,251.39	437,057	478,779	1,431,435	21.91	65,332
2000	2,418,755.21	509,970	558,653	1,981,040	21.90	90,458
2001	977,793.61	175,563	192,323	834,360	21.82	38,238
2002	710,491.92	104,219	114,168	631,849	21.56	29,307
2003	2,593,420.23	288,648	316,203	2,406,888	21.08	114,179
2004	2,067,481.29	150,874	165,276	2,005,579	20.10	99,780
2005	959,955.88	28,323	31,027	976,927	17.32	56,405
	49,013,366.64	20,776,549	22,757,847	28,706,187		1,472,550
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					19.5	3.00

DUKE ENERGY KENTUCKY

ACCOUNT 3682 LINE TRANSFORMERS - CUSTOMER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -5						
1937	1.04	1	1			
1938	220.28	205	231			
1940	0.01					
1941	2,262.43	2,069	2,376			
1942	10.94	10	11			
1945	1,858.51	1,653	1,951			
1946	749.42	665	787			
1947	2,310.31	2,029	2,426			
1948	401.17	349	421			
1949	3,857.31	3,341	4,050			
1950	416.26	357	437			
1951	5,955.07	5,078	6,253			
1952	49.28	42	52			
1953	1,452.54	1,217	1,525			
1955	581.76	475	611			
1956	28,511.62	23,118	29,937			
1957	2,433.12	1,945	2,555			
1958	213.84	170	225			
1959	2,698.35	2,108	2,833			
1961	5,229.50	3,983	5,491			
1962	3,983.11	3,002	4,182			
1963	14,251.40	10,621	14,964			
1964	4,392.70	3,216	4,612			
1965	5,116.30	3,699	5,372			
1966	6,770.22	4,802	7,109			
1967	2,140.86	1,497	2,248			
1968	26,876.44	18,521	28,220			
1969	25,290.78	17,059	26,555			
1970	4,780.28	3,172	5,019			
1971	21,630.59	14,104	22,712			
1972	5,021.96	3,198	5,273			
1973	5,633.21	3,518	5,915			
1974	2,241.30	1,372	2,353			
1975	5,212.61	3,122	5,473			
1976	23,132.60	13,471	24,066	223	23.69	9
1977	7,355.35	4,182	7,471	252	24.13	10
1978	16,190.89	8,976	16,036	964	24.58	39
1984	5,955.63	2,743	4,901	1,352	27.52	49

DUKE ENERGY KENTUCKY

ACCOUNT 3682 LINE TRANSFORMERS - CUSTOMER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -5						
1986	6,576.87	2,815	5,029	1,877	28.34	66
1989	1,093.01	409	731	417	29.80	14
1990	20,801.65	7,415	13,247	8,595	30.16	285
	273,660.52	179,729	273,661	13,680		472
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.0	0.17

DUKE ENERGY KENTUCKY

ACCOUNT 3691 SERVICES - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2						
NET SALVAGE PERCENT.. -30						
1937	2,102.97	2,416	2,411	323	9.02	36
1938	285.12	325	324	47	9.42	5
1940	41.87	47	47	7	10.26	1
1941	61.27	69	69	11	10.13	1
1942	79.40	88	88	15	10.57	1
1943	40.05	44	44	8	11.03	1
1944	7.99	9	9	1	11.49	
1945	55.14	60	60	12	11.96	1
1946	113.01	122	122	25	11.93	2
1947	1.37	1	1	1	12.42	
1948	33.10	35	35	8	12.92	1
1949	711.04	747	745	179	13.43	13
1950	2,722.18	2,848	2,842	697	13.46	52
1951	963.92	997	995	258	13.99	18
1952	161.36	165	165	45	14.52	3
1953	2,097.44	2,119	2,114	613	15.07	41
1954	2.40	2	2	1	15.17	
1955	5,689.00	5,640	5,628	1,768	15.72	112
1956	5,252.42	5,137	5,126	1,702	16.29	104
1957	1,742.85	1,692	1,688	578	16.44	35
1958	4,390.81	4,203	4,194	1,514	17.01	89
1959	2,216.13	2,090	2,085	796	17.60	45
1960	1,748.05	1,623	1,619	653	18.19	36
1961	4,994.94	4,595	4,585	1,908	18.39	104
1962	4,051.53	3,666	3,658	1,609	19.00	85
1963	9,823.23	8,739	8,720	4,050	19.61	207
1964	7,489.85	6,587	6,572	3,165	19.85	159
1965	5,003.84	4,321	4,312	2,193	20.48	107
1966	10,815.41	9,164	9,144	4,916	21.10	233
1967	8,596.12	7,185	7,169	4,006	21.38	187
1968	6,368.32	5,216	5,205	3,074	22.02	140
1969	16,508.14	13,239	13,210	8,251	22.67	364
1970	11,077.59	8,743	8,724	5,677	22.98	247
1971	3,470.46	2,677	2,671	1,841	23.64	78
1972	627.60	473	472	344	24.30	14
1973	775.11	573	572	436	24.64	18
1975	485.11	342	341	290	25.68	11
1976	528.32	363	362	325	26.36	12

DUKE ENERGY KENTUCKY

ACCOUNT 3691 SERVICES - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2						
NET SALVAGE PERCENT.. -30						
1977	870.14	584	583	548	26.75	20
1987	2,059.61	971	969	1,708	32.52	53
1996	15.63	4	4	16	37.01	
1999	1,418.83	267	266	1,578	38.34	41
2000	21.17	3	3	25	38.55	1
2002	59,412.87	6,380	6,366	70,871	38.87	1,823
2003	329,996.10	25,954	25,896	403,099	38.82	10,384
2004	197.07	10	10	246	38.18	6
	515,125.88	140,535	140,227	529,438		14,891
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					35.6	2.89

DUKE ENERGY KENTUCKY

ACCOUNT 3692 SERVICES - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R1						
NET SALVAGE PERCENT.. -60						
1910	26.86	43	43			
1925	26,353.75	40,053	42,166			
1930	8.26	12	13			
1931	32.47	48	52			
1936	8.26	12	13			
1938	659.09	940	1,055			
1939	1,425.57	2,017	2,281			
1940	1,507.78	2,133	2,412			
1941	1,698.38	2,384	2,717			
1942	861.63	1,199	1,379			
1943	1,155.34	1,594	1,849			
1944	1,143.44	1,575	1,830			
1945	1,214.82	1,658	1,944			
1946	2,572.17	3,477	4,115			
1947	3,750.86	5,021	6,001			
1948	5,405.90	7,212	8,649			
1949	6,318.27	8,339	10,109			
1950	7,720.95	10,147	12,354			
1951	7,107.37	9,235	11,372			
1952	10,262.99	13,178	16,421			
1953	11,544.15	14,740	18,471			
1954	15,556.57	19,614	24,891			
1955	19,915.36	24,944	31,865			
1956	33,934.54	41,927	54,295			
1957	32,917.32	40,359	52,668			
1958	39,162.67	47,327	62,597	63	15.39	4
1959	45,693.21	54,737	72,398	711	15.61	46
1960	54,360.24	64,510	85,324	1,652	15.85	104
1961	57,344.13	66,960	88,564	3,187	16.48	193
1962	53,636.14	61,969	81,963	3,855	16.74	230
1963	53,568.03	60,836	80,464	5,245	17.38	302
1964	55,039.46	61,767	81,696	6,367	17.67	360
1965	62,151.65	68,874	91,096	8,347	17.98	464
1966	68,226.46	74,602	98,672	10,490	18.30	573
1967	81,591.43	87,453	115,669	14,877	18.97	784
1968	70,255.63	74,190	98,127	14,282	19.32	739
1969	92,075.30	95,714	126,596	20,724	19.68	1,053
1970	93,127.25	95,213	125,933	23,071	20.06	1,150

DUKE ENERGY KENTUCKY

ACCOUNT 3692 SERVICES - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R1						
NET SALVAGE PERCENT.. -60						
1971	118,247.86	118,797	157,126	32,071	20.45	1,568
1972	123,970.60	122,265	161,713	36,640	20.85	1,757
1973	117,094.26	113,254	149,795	37,556	21.26	1,767
1974	168,597.84	159,750	211,292	58,465	21.69	2,695
1975	166,977.99	154,822	204,774	62,391	22.13	2,819
1976	162,586.83	147,343	194,882	65,257	22.58	2,890
1977	178,568.85	157,969	208,937	76,773	23.05	3,331
1978	213,318.89	183,966	243,322	97,988	23.52	4,166
1979	211,554.71	177,604	234,907	103,581	24.01	4,314
1980	214,710.38	176,097	232,914	110,623	24.25	4,562
1981	261,820.12	208,367	275,595	143,317	24.76	5,788
1982	230,115.05	178,238	235,746	132,438	25.04	5,289
1983	229,634.76	171,951	227,430	139,986	25.58	5,472
1984	321,446.06	233,344	308,631	205,683	25.89	7,944
1985	267,030.86	187,434	247,909	179,340	26.23	6,837
1986	301,034.98	202,873	268,329	213,327	26.80	7,960
1987	311,026.89	202,541	267,890	229,753	26.95	8,525
1988	278,540.57	173,943	230,065	215,600	27.34	7,886
1989	266,526.43	159,020	210,327	216,115	27.75	7,788
1990	252,844.95	144,223	190,756	213,796	27.98	7,641
1991	242,844.33	131,291	173,651	214,900	28.42	7,562
1992	315,336.44	162,108	214,411	290,127	28.52	10,173
1993	317,732.10	153,782	203,399	304,972	28.82	10,582
1994	297,196.29	135,094	178,681	296,833	28.98	10,243
1995	319,818.42	135,398	179,083	332,626	29.18	11,399
1996	450,936.88	176,190	233,037	488,462	29.41	16,609
1997	307,603.47	110,442	146,076	346,090	29.38	11,780
1998	267,863.57	87,131	115,243	313,339	29.40	10,658
1999	235,023.36	68,213	90,222	285,815	29.34	9,741
2000	546,620.65	138,536	183,234	691,359	29.22	23,660
2001	15,226.00	3,279	4,337	20,025	28.94	692
2003	1,504,782.16	199,835	264,310	2,143,341	27.62	77,601
2004	19,268.48	1,671	2,210	28,620	26.20	1,092
2005	2,213.92	77	102	3,440	22.59	152
	10,257,448.65	6,042,861	7,968,400	8,443,520		308,945

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 27.3 3.01

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-S0						
NET SALVAGE PERCENT.. 0						
1920	124.77	125	125			
1921	33.06	33	33			
1922	145.86	146	146			
1923	404.07	404	404			
1924	338.11	338	338			
1925	596.06	596	596			
1926	394.33	394	394			
1927	915.90	916	916			
1928	759.22	759	759			
1929	1,512.09	1,512	1,512			
1930	702.69	703	703			
1931	867.01	867	867			
1933	25.93	26	26			
1934	349.75	350	350			
1935	240.77	241	241			
1936	899.50	900	900			
1937	1,349.45	1,349	1,349			
1938	159.03	159	159			
1939	1,186.84	1,187	1,187			
1940	758.81	759	759			
1941	2,157.74	2,158	2,158			
1942	1,272.97	1,273	1,273			
1943	204.25	204	204			
1944	439.19	439	439			
1945	256.17	256	256			
1946	828.15	828	828			
1947	4,290.12	4,290	4,290			
1948	3,088.88	3,089	3,089			
1949	2,015.56	2,016	2,016			
1950	3,206.34	3,206	3,206			
1951	1,774.26	1,760	829	945	0.45	945
1952	4,860.60	4,785	2,253	2,608	0.85	2,608
1953	6,461.15	6,309	2,970	3,491	1.26	2,771
1954	2,816.70	2,727	1,284	1,533	1.69	907
1955	3,225.24	3,111	1,465	1,760	1.85	951
1956	4,946.00	4,725	2,224	2,722	2.31	1,178
1957	8,501.59	8,041	3,785	4,717	2.78	1,697
1958	3,930.27	3,696	1,740	2,190	3.01	728

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-S0						
NET SALVAGE PERCENT.. 0						
1959	4,669.18	4,342	2,044	2,625	3.50	750
1960	3,612.55	3,337	1,571	2,042	3.76	543
1962	3,887.76	3,518	1,656	2,232	4.58	487
1963	3,742.67	3,356	1,580	2,163	4.89	442
1964	30,070.47	26,706	12,572	17,498	5.23	3,346
1965	55,984.72	49,205	23,163	32,822	5.58	5,882
1966	61,320.18	53,287	25,085	36,235	5.95	6,090
1967	50,715.93	43,545	20,499	30,217	6.34	4,766
1968	52,557.39	44,742	21,063	31,494	6.55	4,808
1969	57,221.42	48,037	22,614	34,607	6.98	4,958
1970	69,864.38	58,036	27,321	42,543	7.24	5,876
1971	70,977.15	58,038	27,322	43,655	7.69	5,677
1972	76,610.49	61,855	29,119	47,491	7.99	5,944
1973	87,269.29	69,493	32,714	54,555	8.31	6,565
1974	97,650.12	76,597	36,058	61,592	8.66	7,112
1975	81,422.09	62,833	29,579	51,843	9.02	5,748
1976	106,830.92	80,999	38,131	68,700	9.41	7,301
1977	161,318.28	120,456	56,705	104,613	9.67	10,818
1978	146,376.72	107,075	50,406	95,971	10.09	9,511
1979	210,878.33	151,453	71,297	139,581	10.40	13,421
1980	142,558.47	100,333	47,232	95,326	10.73	8,884
1981	160,589.37	110,566	52,049	108,540	11.09	9,787
1982	189,212.91	127,624	60,080	129,133	11.34	11,387
1983	164,299.16	107,945	50,816	113,483	11.75	9,658
1984	180,243.80	115,482	54,364	125,880	12.06	10,438
1985	202,659.48	126,723	59,655	143,004	12.29	11,636
1986	352,513.55	213,799	100,647	251,867	12.65	19,910
1987	351,586.25	206,838	97,370	254,216	12.95	19,631
1988	425,720.72	242,150	113,993	311,728	13.27	23,491
1989	510,143.27	279,456	131,555	378,588	13.62	27,796
1990	533,993.01	281,414	132,477	401,516	13.91	28,865
1991	499,189.16	251,891	118,579	380,610	14.24	26,728
1992	723,090.70	348,530	164,072	559,019	14.51	38,526
1993	593,522.17	272,308	128,190	465,332	14.75	31,548
1994	521,312.07	225,415	106,115	415,197	15.10	27,496
1995	384,982.50	156,457	73,653	311,330	15.34	20,295
1996	432,444.84	163,507	76,972	355,473	15.63	22,743
1997	1,365,535.28	475,889	224,027	1,141,508	15.89	71,838

DUKE ENERGY KENTUCKY

ACCOUNT 3700 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-S0						
NET SALVAGE PERCENT.. 0						
1998	889,040.03	282,092	132,796	756,244	16.14	46,855
	10,121,655.21	5,280,006	2,501,214	7,620,439		589,342
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.9	5.82

DUKE ENERGY KENTUCKY

ACCOUNT 3701 LEASED METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-S0						
NET SALVAGE PERCENT.. 0						
1999	431,402.14	122,820	39,630	391,772	16.33	23,991
2000	1,233,672.53	307,431	99,197	1,134,476	16.57	68,466
2001	375,477.66	79,414	25,624	349,854	16.78	20,849
2002	218,587.78	37,422	12,075	206,513	16.95	12,184
2003	490,225.13	62,651	20,215	470,010	17.07	27,534
2004	376,863.92	30,300	9,776	367,088	17.16	21,392
2005	432,256.42	12,319	3,975	428,281	17.07	25,090
	3,558,485.58	652,357	210,492	3,347,994		199,506
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.8	5.61

DUKE ENERGY KENTUCKY

ACCOUNT 3720 LEASED PROPERTY ON CUSTOMER PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-L2						
NET SALVAGE PERCENT.. 0						
1969	9,647.36	8,240	9,648		1-	
	9,647.36	8,240	9,648		1-	
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

DUKE ENERGY KENTUCKY

ACCOUNT 3731 STREET LIGHTING - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-L1						
NET SALVAGE PERCENT.. -5						
1910	78.85	83	83			
1925	2,629.87	2,667	2,761			
1927	3.09	3	3			
1938	170.68	167	179			
1939	25.99	25	27			
1940	114.48	112	120			
1941	396.39	384	416			
1942	25.06	24	26			
1943	9.58	9	10			
1944	22.00	21	23			
1945	75.74	72	80			
1946	102.29	97	107			
1947	1,289.01	1,219	1,353			
1948	93.66	88	98			
1949	205.66	193	216			
1950	56.23	52	59			
1951	144.66	134	152			
1952	288.06	267	302			
1953	264.52	244	278			
1954	173.29	158	182			
1955	423.29	386	444			
1956	1,492.48	1,350	1,567			
1957	539.30	483	566			
1958	1,178.70	1,052	1,238			
1959	6,034.62	5,362	6,336			
1960	10,439.41	9,177	10,961			
1961	26,180.39	22,877	27,489			
1962	30,122.41	26,141	31,629			
1963	28,184.27	24,276	29,593			
1964	22,339.09	19,079	23,456			
1965	64,665.72	54,727	67,899			
1966	53,040.31	44,437	55,692			
1967	33,569.93	27,956	35,248			
1968	16,988.78	13,982	17,838			
1969	65,083.70	53,133	68,338			
1970	64,957.48	52,300	68,205			
1971	71,049.31	56,623	74,602			
1972	52,514.55	41,377	55,140			

DUKE ENERGY KENTUCKY

ACCOUNT 3731 STREET LIGHTING - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-L1						
NET SALVAGE PERCENT.. -5						
1973	56,937.34	44,300	59,784			
1974	22,157.01	17,076	23,265			
1975	26,021.80	19,752	27,323			
1976	12,464.48	9,343	13,088			
1977	17,483.38	12,870	18,358			
1978	23,599.92	17,106	24,780			
1979	52,570.86	37,447	55,199			
1980	54,272.06	38,072	56,986			
1981	28,336.45	19,536	29,753			
1982	18,612.07	12,584	19,543			
1983	15,692.78	10,381	16,477			
1984	18,628.96	12,028	19,560			
1985	57,188.16	36,071	60,048			
1986	37,558.64	23,070	39,437			
1987	20,372.17	12,188	21,391			
1988	29,377.06	17,058	30,846			
1989	74,464.78	41,932	78,188			
1990	51,012.52	27,730	53,563			
1991	17,850.27	9,323	18,743			
1992	56,515.66	28,282	59,341			
1993	98,402.18	46,888	103,322			
1994	97,141.78	43,870	101,999			
1995	94,177.04	39,871	98,886			
1996	76,907.14	30,306	80,752			
1997	104,686.88	37,934	109,921			
1998	133,863.19	43,966	140,556			
1999	181,712.55	53,214	190,798			
2000	123,327.31	31,415	129,494			
2001	37,092.62	7,941	34,773	4,174	17.57	238
2004	260,883.03	20,380	89,242	184,685	18.66	9,897
2005	300,040.15	8,317	36,420	278,622	18.44	15,110
	2,754,323.09	1,270,988	2,424,552	467,481		25,245

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 18.5 0.92

DUKE ENERGY KENTUCKY

ACCOUNT 3732 STREET LIGHTING - BOULEVARD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-L1						
NET SALVAGE PERCENT.. -5						
1922	269.37	276	283			
1923	3,481.73	3,559	3,656			
1927	1,995.79	2,023	2,096			
1928	1,451.94	1,465	1,525			
1929	3,724.55	3,740	3,911			
1930	53.15	54	56			
1931	1,868.53	1,871	1,962			
1932	602.71	605	633			
1933	354.16	353	372			
1936	53.64	53	56			
1937	147.76	146	155			
1938	290.84	284	305			
1939	63.35	62	67			
1941	1,449.08	1,403	1,522			
1942	26.87	26	28			
1943	283.50	274	298			
1950	171.43	160	180			
1951	1,257.21	1,165	1,320			
1952	114.34	106	120			
1953	0.10					
1954	171.18	156	180			
1955	361.21	329	379			
1956	565.62	512	594			
1958	509.17	455	535			
1959	293.96	261	309			
1960	21.46	19	23			
1961	28.82	25	30			
1962	273.08	237	287			
1963	253.93	219	267			
1965	4,917.77	4,162	5,164			
1970	400.52	322	400	21	10.80	2
1972	1,582.16	1,247	1,548	113	11.14	10
1973	13,625.05	10,601	13,159	1,147	11.36	101
1974	18,600.26	14,335	17,794	1,736	11.42	152
1975	4,518.21	3,430	4,258	486	11.69	42
1976	7,316.02	5,484	6,807	875	11.82	74
1977	7,718.76	5,682	7,053	1,052	12.15	87
1978	14,756.10	10,695	13,276	2,218	12.34	180

DUKE ENERGY KENTUCKY

ACCOUNT 3732 STREET LIGHTING - BOULEVARD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-L1						
NET SALVAGE PERCENT.. -5						
1979	13,586.91	9,678	12,013	2,253	12.56	179
1980	17,167.79	12,043	14,949	3,077	12.67	243
1981	12,793.42	8,820	10,948	2,485	12.81	194
1982	10,784.55	7,291	9,050	2,274	13.00	175
1983	2,407.97	1,593	1,977	551	13.21	42
1984	12,877.16	8,314	10,320	3,201	13.47	238
1985	39,197.01	24,723	30,689	10,468	13.63	768
1986	21,062.90	12,938	16,060	6,056	13.83	438
1987	59,651.27	35,689	44,301	18,333	13.97	1,312
1988	71,225.22	41,357	51,337	23,449	14.15	1,657
1989	93,024.23	52,383	65,023	32,652	14.27	2,288
1990	136,060.17	73,960	91,807	51,056	14.44	3,536
1991	48,811.58	25,493	31,645	19,607	14.65	1,338
1992	148,022.20	74,075	91,950	63,473	14.83	4,280
1993	79,715.20	37,983	47,148	36,553	15.05	2,429
1994	89,847.31	40,575	50,366	43,974	15.24	2,885
1995	136,089.88	57,615	71,518	71,376	15.54	4,593
1996	118,232.06	46,591	57,834	66,310	15.82	4,192
1997	146,298.90	53,012	65,804	87,810	16.13	5,444
1998	145,025.04	47,632	59,126	93,150	16.48	5,652
1999	659,082.83	193,009	239,582	452,455	16.81	26,916
2000	158,102.55	40,273	49,991	116,017	17.17	6,757
2001	22,698.41	4,860	6,033	17,800	17.57	1,013
2002	88,031.26	15,076	18,714	73,719	17.96	4,105
2004	375,977.82	29,371	36,458	358,319	18.66	19,203
2005	41,177.06	1,141	1,416	41,820	18.44	2,268
	2,840,524.03	1,031,291	1,276,667	1,705,886		102,793

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 16.6 3.62

DUKE ENERGY KENTUCKY

ACCOUNT 3733 STREET LIGHTING - CUSTOMER POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R1						
NET SALVAGE PERCENT.. -15						
1961	154.30	160	177			
1962	1,130.18	1,165	1,300			
1963	3,711.72	3,792	4,268			
1964	7,888.06	7,981	9,071			
1965	6,141.21	6,150	7,062			
1966	9,274.31	9,184	10,665			
1967	4,255.15	4,164	4,893			
1968	15,373.11	14,850	17,679			
1969	11,233.09	10,750	12,918			
1970	13,173.53	12,424	15,150			
1971	13,344.99	12,389	15,347			
1972	10,907.70	10,001	12,544			
1973	21,861.44	19,773	25,141			
1974	29,274.81	25,983	33,666			
1975	25,173.30	21,987	28,949			
1976	31,290.23	26,858	35,984			
1977	20,117.20	16,946	23,135			
1978	34,645.42	28,599	39,842			
1979	49,082.40	39,641	56,445			
1980	67,107.43	52,941	77,174			
1981	38,197.08	29,383	43,927			
1982	33,349.14	25,055	38,352			
1983	13,003.52	9,488	14,954			
1984	17,684.63	12,550	20,337			
1985	19,807.39	13,635	22,778			
1986	25,612.84	17,060	29,455			
1987	20,979.74	13,480	24,127			
1988	19,736.47	12,195	22,697			
1989	24,956.83	14,824	28,700			
1990	54,964.54	31,257	63,209			
1991	65,827.12	35,678	75,701			
1992	65,575.98	33,800	72,399	3,013	16.62	181
1993	56,984.25	27,772	59,487	6,045	17.00	356
1994	53,003.97	24,254	51,952	9,003	17.40	517
1995	65,981.59	28,288	60,593	15,286	17.67	865
1996	61,027.26	24,269	51,984	18,197	17.97	1,013
1997	75,052.46	27,369	58,624	27,686	18.31	1,512
1998	76,649.03	25,457	54,528	33,618	18.47	1,820

DUKE ENERGY KENTUCKY

ACCOUNT 3733 STREET LIGHTING - CUSTOMER POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R1						
NET SALVAGE PERCENT.. -15						
1999	43,648.62	12,956	27,752	22,444	18.69	1,201
2000	30,256.02	7,884	16,887	17,907	18.77	954
2001	72,039.44	16,031	34,338	48,507	18.76	2,586
2002	1,431.90	261	559	1,088	18.62	58
2004	307,182.74	27,943	59,854	293,406	17.47	16,795
	1,618,092.14	796,627	1,364,604	496,200		27,858
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					17.8	1.72

DUKE ENERGY KENTUCKY

ACCOUNT 3900 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2.5						
NET SALVAGE PERCENT.. -5						
1948	12,661.26	12,842	13,294			
1951	328.00	328	344			
1977	3,297.18	2,516	3,462			
2005	15,837.07	314	1,890	14,739	25.96	568
	32,123.51	16,000	18,990	14,739		568
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					25.9	1.77

DUKE ENERGY KENTUCKY

ACCOUNT 3910 OFFICE FURNITURE AND EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1983	2,083.23	2,083	2,083			
1984	4,548.67	4,549	4,549			
1985	3,651.76	3,652	3,652			
1986	627.87	612	242	386	0.50	386
1987	7,867.00	7,277	2,876	4,991	1.50	3,327
1988	2,129.86	1,864	737	1,393	2.50	557
1989	7,569.06	6,244	2,467	5,102	3.50	1,458
1990	2,860.87	2,217	876	1,985	4.50	441
1991	2,307.87	1,673	661	1,647	5.50	299
1994	2,373.23	1,365	540	1,833	8.50	216
	36,019.42	31,536	18,683	17,337		6,684
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					2.6	18.56

DUKE ENERGY KENTUCKY

ACCOUNT 3921 TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1984	7,037.59	7,038	7,038			
1988	2,336.11	2,336	2,336			
1999	15,736.15	6,818	5,706	10,030	8.50	1,180
2000	34,996.19	12,833	10,740	24,256	9.50	2,553
2001	21,763.00	6,529	5,465	16,298	10.50	1,552
2003	14,278.00	2,380	1,992	12,286	12.50	983
2005	3,452.00	115	96	3,356	14.50	231
	99,599.04	38,049	33,373	66,226		6,499
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.2	6.53

DUKE ENERGY KENTUCKY

ACCOUNT 3940 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1974	17,986.74	17,987	17,987			
1975	8,470.45	8,470	8,470			
1976	10,799.45	10,799	10,799			
1977	5,749.78	5,750	5,750			
1978	7,803.25	7,803	7,803			
1979	14,789.00	14,789	14,789			
1980	15,416.06	15,416	15,416			
1981	19,418.38	19,030	16,968	2,450	0.50	2,450
1982	8,046.77	7,564	6,744	1,303	1.50	869
1983	7,841.08	7,057	6,292	1,549	2.50	620
1984	3,264.57	2,808	2,504	761	3.50	217
1985	27,593.52	22,627	20,175	7,419	4.50	1,649
1986	974.23	760	678	296	5.50	54
1987	6,795.37	5,029	4,484	2,311	6.50	356
1988	4,887.07	3,421	3,050	1,837	7.50	245
1989	575.48	380	339	236	8.50	28
1990	12,411.22	7,695	6,861	5,550	9.50	584
1991	17,639.41	10,231	9,122	8,517	10.50	811
1992	13,497.88	7,289	6,499	6,999	11.50	609
1993	6,803.40	3,402	3,033	3,770	12.50	302
1994	7,835.20	3,604	3,214	4,621	13.50	342
1995	1,139.71	479	427	713	14.50	49
1997	8,825.49	3,001	2,676	6,149	16.50	373
1998	19,114.86	5,734	5,113	14,002	17.50	800
1999	1,668.70	434	387	1,282	18.50	69
2000	109,708.96	24,136	21,521	88,188	19.50	4,522
2001	51,974.41	9,355	8,341	43,633	20.50	2,128
2002	37,932.62	5,311	4,736	33,197	21.50	1,544
2003	4,809.80	481	429	4,381	22.50	195
2005	12,822.34	256	228	12,594	24.50	514
	466,595.20	231,098	214,835	251,758		19,330
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.0	4.14

DUKE ENERGY KENTUCKY

ACCOUNT 3960 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-R3						
NET SALVAGE PERCENT.. 0						
1990	12,044.52	10,641	12,045			
	12,044.52	10,641	12,045			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

DUKE ENERGY KENTUCKY

ACCOUNT 3970 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2005

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1993	84,462.76	70,383	69,833	14,630	2.50	5,852
	84,462.76	70,383	69,833	14,630		5,852
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					2.5	6.93

**DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(t)**

807 KAR 5:001, SECTION 10(9)(t)

Description of Filing Requirement:

A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. That list shall include each software, program or model; what the software, program or model was used for; a brief description of the software, program or model; the specifications for the computer hardware and the operating system required to run the program.

Response:

- Microsoft Excel 2003. This application was used to prepare the spreadsheet documents utilized in this filing.
- Microsoft Word 2003. This application was the word processor used to prepare this filing.
- Microsoft Access 2003. This application is used in database management for the Company's internal accounting tools.
- Hyperion. This application suite was used to create the budget data and forecast data used in the development of the base and forecasted test year.
- Planning, Budgeting & Reporting Tool (PBR). This application was used to access accounting data used in the preparation of this filing.
- Microsoft Windows 2000 Professional operating system.
- Microsoft SQL Server. This application was used for in house computer modeling.
- PowerPlant and PowerTax are used to maintain records of fixed assets include book and tax depreciation and associated deferred taxes. The vendor is PowerPlan Consultants.
- nMarket. This application is used for the billing of charges from MISO. The Vendor of the program is Structure Group.

Sponsoring Witness: William Don Wathen, Jr.

**DUKE ENERGY KENTUCKY
CASE NO. 2006-00172
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(u)**

807 KAR 5:001, SECTION 10(9)(u)

Description of Filing Requirement:

If the utility had any amounts charged or allocated to it by an affiliate or general or home office during the base period or during the previous three (3) calendar years, the utility shall file:

1. A detailed description of the method and amounts allocated or charged to that utility by the affiliate or general or home office for each allocation;
2. The method and amounts allocated during the base period and the method and estimated amounts to be allocated during the forecasted test period;
3. An explanation of how the allocator for both the base period and the forecasted period test period were determined ; and
4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable.

Response:

See attached.

Sponsoring Witness: Carol E. Shrum

DUKE ENERGY KENTUCKY

Basis for Allocating Cinergy Services, Inc.'s Costs Between Affiliates
For Those Items Which Cannot Be Charged Direct

Cinergy Services Inc. (Services), a wholly-owned subsidiary service company of Cinergy Corp. and an affiliate of Duke Energy Kentucky, was created to provide a variety of administrative, management and support services to both utility and non-utility affiliates under the terms of the Utility Service Agreement and the Non-Utility Service Agreement, as amended, dated March 1994 and February 1997, respectively.

Under the provisions of these agreements, Services may provide the following services to utility and non-utility affiliates: Information Systems, Meters and Transportation, Electric System Maintenance, Marketing and Customer Relations, Electric Transmission and Distribution Engineering and Construction, Power Engineering and Construction, Human Resources, Materials Management, Facilities, Accounting, Power Planning, Public Affairs, Legal, Rates, Finance, Right of Way, Internal Auditing, Environmental Affairs, Fuels, Investor Relations, Planning and Executive.

The above mentioned service agreements provide the basis for how costs for services will be assigned, distributed or allocated between companies. To the extent costs are allocated, these agreements specify the appropriate allocation methodologies (factors) for each of the above mentioned services. The allocation methodologies (factors) in these agreements include:

Utility Service Agreement

Sales Ratio
Electric Peak Load Ratio
Number of Customers Ratio
Number of Employees Ratio
Construction Expenditures Ratio
Circuit Miles of Electric Distribution Lines Ratio
Number of Central Processing Unit Seconds Ratio

Non-Utility Service Agreement

Revenues Ratio
Number of Customers Ratio
Number of Employees Ratio
Construction Expenditures Ratio
Number of Central Processing Unit Seconds Ratio
Direct Cost Ratio

The Service Agreements require all allocation methodologies to be reviewed and updated periodically (not less than annually). Pursuant to an SEC request, the Internal Auditing department conducts an independent review of all Service Company bills monthly.

Amounts assigned to Duke Energy Kentucky from Services during the years ended December 31, 2005, 2004, 2003, the base period, and forecasted test period are provided by method of assignment in the attached schedule.

In April 2006, the merger between Cinergy Corp. and Duke Energy was consummated. Effective with that merger, Cinergy Services Inc. was renamed to Duke Energy Shared Services, Inc. Also effective with the merger, new Utility Service and Non-Utility Service Agreements were approved. These agreements included certain new allocation factors. These new cost allocation processes are not expected to have a material effect on Duke Energy Kentucky allocated amounts. The base period and forecasted test period data reflected herein is based upon the budgeting process and cost allocation methods used by Duke Energy Kentucky prior to the merger.

Duke Energy Kentucky

Analysis of Amounts Assigned to Duke Energy Kentucky from Cinergy Services, Inc.
 Summarized by Allocation Basis
For the Years Ended December 31, 2003, 2004 and 2005, Base Period, and Forecasted Test Period

<u>Allocation Basis</u>	<u>Years Ended</u> <u>December 31,</u>			<u>Base Period (1)</u>	<u>Forecasted Test</u> <u>Period (2)</u>
	<u>2003</u>	<u>2004</u>	<u>2005</u>		
Circuit Miles	\$ 1,080	\$ 755	\$ 163	\$ -	\$ -
Construction	\$ 1,390,648	\$ 1,025,001	\$ 649,348	\$ 396,523	\$ 329,787
CPU Seconds	\$ 540,064	\$ 605,326	\$ 109,429	\$ 21,612	\$ 17,975
Customers	\$ 3,544,182	\$ 3,562,990	\$ 3,735,205	\$ 4,326,072	\$ 3,597,979
Direct	\$ 6,455,877	\$ 5,150,019	\$ 7,392,711	\$ 10,952,132	\$ 9,108,850
Employees	\$ 2,842,829	\$ 2,999,254	\$ 5,103,991	\$ 6,514,836	\$ 5,418,366
Employees, Customers, and Construction	\$ 675,574	\$ 865,652	\$ 647,537	\$ 692,539	\$ 575,982
Indirect	\$ 1,238,466	\$ 1,474,754	\$ 1,407,336	\$ 3,295,118	\$ 2,740,539
Revenues and Sales	\$ 864,591	\$ 1,432,492	\$ 2,465,467	\$ 612,311	\$ 509,257
Revenues, Sales and Construction	\$ 2,404,908	\$ 2,708,685	\$ 8,294,821	\$ 16,296,505	\$ 13,553,747
Sales	\$ 2,084,882	\$ 1,471,508	\$ 861,237	\$ 606,529	\$ 504,448
Peakload	\$ -	\$ -	\$ 32,753	\$ 364,480	\$ 303,136
Grand Total	\$ 22,043,101	\$ 21,296,436	\$ 30,699,998	\$ 44,078,657	\$ 36,660,066

(1) Base period represents September 2005 - February 2006 Actual and March 2006 - August 2006 Budget

(2) Forecasted test period represents January 2007 - December 2007 Budget

Note: Amounts reflect all costs (operations, maintenance and construction) assigned to Duke Energy Kentucky.

THE UNION LIGHT, HEAT AND POWER COMPANY

Basis for Allocating Charges Between The Cincinnati Gas & Electric Company
And The Union Light, Heat and Power Company for Those Items Which Cannot Be Charged Direct

Certain of CG&E departments provide services to CG&E and ULH&P. To the extent that the charges from those departments cannot be direct charged to a particular company, they are allocated. The bases for such allocations are determined by a review of the work activities performed by each department. The costs associated with each activity are distributed to the appropriate company based on a quantitative measure related to the work being performed. The primary quantitative measures utilized prior to April 2005 include:

1. Number of Retail Gas and Electric Customers.
2. Number of Retail Gas Customers.
3. Number of Retail Electric Customers.
4. Number of Retail Gas and Electric Meters.
5. Number of Retail Gas Meters.
6. Number of Retail Electric Meters.

Various departments of CG&E provide services to CG&E and ULH&P. Whenever possible, the costs of these services are charged direct to the company for which the services were performed. In some cases, however, there is no reasonable basis for direct charging an expense to either CG&E or ULH&P, so the expense must be allocated between the two companies. Examples of such expenses are the Marketing Department's expense for preparing bill inserts for both CG&E and ULH&P customers and the Customer Services Department's expense for credit and collection activity provided to both CG&E and ULH&P. These are activities that benefit both CG&E and ULH&P, but cannot be directly charged to either, so the cost of these activities is allocated between the companies.

Most costs can be directly charged, such that the need to allocate costs only arises for a small percentage of ULH&P's total costs. When costs must be allocated, the company utilizes cost causation principles, matching each item of expense with an activity that most reasonably applies to the function nature of the expense being allocated. The amounts allocated by CG&E to ULH&P during the years ended December 31, 2005, 2004 and 2003 are provided by allocation code in the attached Schedule FR9(u)2(a) of 4. For budgeting purposes, these costs have been direct charged.

The allocation codes provided in the attached Schedule FR9(u)2(a) of 4 that were utilized prior to April 2005 were based on fixed percentage distributions between CG&E and ULH&P. The "C" in the location code designates the portion of the costs allocated to CG&E, with the remainder allocated to ULH&P. For example, allocation code "C50" indicates that the costs were allocated 50% to CG&E and 50% to ULH&P; allocation code "C76" indicates that the costs were allocated 76% to CG&E and 24% to ULH&P, etc.

Beginning in April 2005, with the implementation of a new Finance and Accounting system, an increased emphasis was placed on charging direct to the appropriate affiliate company whenever feasible. This resulted in a reduction in the number of allocation bases available for use to only include the following three methods:

1. Number of Retail Gas and Electric Customers (CCU)
2. Number of Gas Meters (MCU)
3. Total Gas Sales (SCU)

Each department is responsible for periodically reviewing the activities it performs and for determining an appropriate mechanism for allocating its common costs, based on the nature of the work being performed. In so doing, the goal is to select the quantitative measure that most closely relates to the nature of the work performed, such that the quantitative measure used to allocate common costs is reasonable.

For the majority of costs, CG&E department general managers select the Number of Retail Gas and Electric Customers as the method for allocating common costs, which as of December 31, 2005 was split approximately 83% - CG&E and 17% ULH&P.

The Union Light, Heat and Power Company

Analysis of Amounts Assigned to ULH&P from CG&E
 For the Years Ended December 31, 2003, 2004, 2005, Base Period, and Forecasted Test Period

Allocation Code (1)	Years Ended December 31,					Forecasted Test Period (4)
	2003	2004	2005	Base Period (3)		
C50	\$ 1,421	\$ 181	\$ 55	\$ -	\$ -	
C80	\$ 182,794	\$ 137,881	\$ 55,905	\$ -	\$ -	
C84	\$ 651,781	\$ 884,821	\$ 183,284	\$ -	\$ -	
C85	\$ 12	\$ -	\$ -	\$ -	\$ -	
C87	\$ 153,048	\$ 169,928	\$ 37,108	\$ -	\$ -	
C88	\$ 5,378	\$ 1,197	\$ 55	\$ -	\$ -	
C90	\$ 17,186	\$ 17,150	\$ 295	\$ -	\$ -	
C94	\$ -	\$ -	\$ 3	\$ -	\$ -	
CCU (2)	\$ -	\$ -	\$ 1,265,145	\$ 911,429	\$ -	
MCU (2)	\$ -	\$ -	\$ 318,808	\$ 206,439	\$ -	
SCU (2)	\$ -	\$ -	\$ 472	\$ 160	\$ -	
Total	\$ 1,011,620	\$ 1,211,159	\$ 1,861,130	\$ 1,118,028	\$ -	

(1) Allocation Code represents a fixed percentage split between CG&E and ULH&P. For example, "C84" would allocate the common cost between CG&E and ULH&P in the following proportions: CG&E 84%, ULH&P 16%. Amounts presented represent amounts allocated to ULH&P.

(2) Effective in April 2005, use of the fixed percentage allocation codes was discontinued. These codes were replaced by CCU, MCU and SCU codes which allocate between CG&E and ULH&P based on number of gas & electric customers, number of gas mains and total gas sales, respectively.

(3) Base period represents September 2005 - February 2006 Actual and March 2006 - August 2006 Budget. Budget period amounts have been directly charged to ULH&P.

(4) Forecasted test period represents January 2007 - December 2007 Budget. Budget period amounts have been directly charged to ULH&P.

DUKE ENERGY KENTUCKY**Basis for Allocating Administrative and General Charges Between Gas and Electric Expense
For Those Items Which Cannot Be Charged Direct**

To the extent that Duke Energy Kentucky's A&G costs cannot be directly charged to gas and/or electric expense, they are allocated using the results of an annual study. The annual study consists of a general review of the activities performed by each department charging A&G accounts. Departmental costs are then distributed based on quantitative measures associated with the activity performed. The allocation methods utilized during the year ended December 31, 2005 are as follows:

1. Labor Dollars Charged by Operating Department.
2. Number of Retail Customers.
3. Number of General Ledger Journal Entry Transaction Lines.
4. Number of Accounts Payable Transaction Lines.
5. Inventory Levels by Operating Department.
6. Number of Miscellaneous Accounts Receivable Journal Entry Transaction Lines.
7. Revenue Dollars.

The amount of A&G costs allocated between gas and electric during the years ended December 31, 2005, 2004, 2003, the base period, and forecasted test period are provided by A&G account number in the attached Schedule FR9-u-2(a) of 3.

The annual study referred to above is completed during the fourth quarter of each calendar year. The study includes a review of the departments charging A&G accounts during the year. The review consists of a survey questionnaire and / or interview and focuses on the services provided for the current year and significant changes forecasted for the upcoming year. The focus of the study is to determine what administrative functions provide support to the company's gas and electric operations and how these administrative functions benefit gas and electric operations. The study also contains a review of the seven categories of statistical data listed above, which is used to allocate A&G costs between gas and electric expense. These statistics are computed using various company sources (i.e., accounting and payroll systems, etc.) and represent the gas/electric splits for the current year.

Under cost causation principles, the functional activities of each department are matched with the allocation method that most closely relates to the nature of the work performed. Departments are assigned a gas / electric percentage (%) split allocation for their departments' predominant activity. In April 2005, effective with the implementation of the new Finance & Accounting system, Cinergy combined certain of its cost allocation processes into one process. Cinergy's combined cost allocation process, as it relates to Duke Energy Kentucky's electric operation, primarily reflects the combination of the old gas and electric cost allocation process and the Cinergy Services or new DESS cost allocation process. The results of these two independent studies have been linked, resulting in a combined allocation percentage for each specific transaction.

Duke Energy Kentucky

Administrative and General Charges Allocated between Gas and Electric Expense Accounts
For the Years Ended December 31, 2003, 2004, 2005, Base Period and Forecasted Test Period

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	12/31/2003			12/31/2004			12/31/2005 (3)			Base Period (1) (3)			Forecasted Test Period (2) (3)		
		Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total	Electric	Gas	Total
920000	A&G Salaries	\$2,606,325		\$ 2,606,325	\$3,153,752		\$ 3,153,752	2,441,205		\$ 2,441,205	\$ 7,226,751		\$ 7,226,751	\$ 8,524,059		\$ 8,524,059
920090	A&G Salaries	710,946		710,946	785,557		785,557	970,375		970,375	1,966,547		1,966,547	2,646,281		2,646,281
921000	A&G Expense	542,503		542,503	779,234		779,234	1,053,282		1,053,282	1,052,644		1,052,644	1,894,369		1,894,369
923000	Outside Services	24,184		24,184	24,742		24,742	13,691		13,691	294,000		294,000	-		-
924000	Property Insurance	148,509		148,509	92,343		92,343	454,147		454,147	675,880		675,880	680,060		680,060
925000	Injuries and Damages	149,100		149,100	87,556		87,556	497,147		497,147	(106,010)		(106,010)	-		-
926000	Employee Pensions and Benefits	(349,766)		(349,766)	(315,262)		(315,262)	34,208		34,208	14,498		14,498	16,851		16,851
926090	Employee Pensions and Benefits	(105,639)		(105,639)	101,963		101,963	30,252		30,252	9,458		9,458	10,406		10,406
930000	General Advertising Expense	80,982		80,982	25,283		25,283	208,774		208,774	408,864		408,864	602,873		602,873
930090	General Advertising Expense	275,887		275,887	25,283		25,283	267,669		267,669	408,864		408,864	602,873		602,873
930200	General Miscellaneous Expense	276,903		276,903	953,975		953,975	1,151,658		1,151,658	1,660,873		1,660,873	1,680,071		1,680,071
930290	General Miscellaneous Expense	1,038,644		1,038,644	940,946		940,946	940,946		940,946	1,660,873		1,660,873	1,680,071		1,680,071
931000	Rents	974,465		974,465	310,340		310,340	131,591		131,591	313,398		313,398	498,372		498,372
931090	Rents	227,756		227,756	310,340		310,340	131,591		131,591	313,398		313,398	498,372		498,372
935000	Maintenance of General Plant	218,229		218,229	238,813		238,813	238,813		238,813	386,023		386,023	364,706		364,706
935090	Maintenance of General Plant	218,229		218,229	238,813		238,813	238,813		238,813	386,023		386,023	364,706		364,706
		\$5,305,970	\$ 5,397,405	\$10,703,375	\$5,911,927	\$5,461,427	\$11,373,354	\$ 6,952,102	\$ 7,741,679	\$14,693,781	\$13,507,445	\$ 5,521,113	\$19,028,558	\$16,542,936	\$ 4,123,309	\$20,666,245

(1) Base Period represents September 2005 - February 2006 Actual and March 2006 - August 2006 Budget.

(2) Forecasted test period represents January 2007 - December 2007 Budget.

(3) Effective in 2005 with the new Finance and Accounting system implementation, Duke Energy Kentucky's chart of accounts has been modified to combine the gas and electric specific accounts.

DUKE ENERGY KENTUCKY**Basis for Allocating Administrative and General Charges Between Capital and Expense
For Those Items Which Cannot Be Charged Direct**

To the extent that Duke Energy Kentucky's Administrative and General (A&G) costs cannot be direct charged to construction activities, they are allocated using the results of an annual study. The annual study consists of a general review of the activities performed by each department charging A&G accounts. Once it is determined that an A&G departmental activity is in support of construction and cannot be charged direct, those applicable costs are then distributed based on quantitative measures associated with the activity performed. The allocation methods utilized during the year ended December 31, 2005 are as follows:

1. Number of General Ledger Journal Entry Transaction Lines
2. Number of Accounts Payable Transaction Lines
3. Number of Miscellaneous Accounts Receivable Journal Entry Transaction Lines
4. Study of the Fixed Assets Department's Activities Performed in Support of Capital
5. Study of the Legal Department's Activities Performed in Support of Capital
6. Labor Dollars Charged by Operating Department

The amount of the A&G costs capitalized for Duke Energy Kentucky during the years ended December 31, 2005, 2004 and 2003, were \$620,399, \$588,208, \$864,691, respectively.

Under cost causation principles, each department providing support to the capital program is matched with the allocation method that most reasonably applies to the functional nature of the A&G costs being capitalized. Based upon the allocation method, each department is provided with an A&G capital/expense percentage (%) split. A monthly journal entry is created to allocate costs identified to support capital.

The annual study referred to above is completed during the fourth quarter of each calendar year. The study includes a review of the departments charging A&G accounts during the year. The review consists of a survey questionnaire and/or interview and focuses on the services provided for the current year and significant changes forecasted for future periods. The focus of the study is to determine what administrative functions provide support to the company's construction program. The study also contains a review of the six categories of statistical information listed above, which is used to apportion A&G costs between expense and capital accounts. These statistics are computed using various company sources (i.e., accounting and payroll systems, etc.) and represent the O&M/capital splits for the current year.

Examples of A&G departments supporting the company's capital program include: Accounts Payable, Fixed Asset Accounting, and Purchasing.