Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

271549

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
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.	Robert M. Parsons, 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.	Robert M. Parsons, Jr.
1	25	807 KAR 5:001 Section 10 (8)(f)	Reconciliation of rate base and capital used to determine revenue requirements.	Robert M. Parsons, 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.	Gary J. Hebbeler
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.	Stephen R. Lee
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.	Stephen R. Lee
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.	Julia S. Janson
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; 2. Estimated completion date; 3. Total estimated cost of construction by year	Gary J. Hebbeler

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

271549

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

Duke Energy Kentucky
Case No. 2009-00202
Forecasted Test Period Filing Requirements
Table of Contents

STANDARD FILING REQUIREMENT SCHEDULES

KENTUCKY PUBLIC SERVICE COMMISSION

GAS CASE NO. 2009-00202

DATE: July 1, 2009

GENERAL APPLICATION FOR CHANGE IN
GAS RATES BEFORE KENTUCKY PUBLIC
SERVICE COMMISSION

NAME: DUKE ENERGY KENTUCKY
ADDRESS: 1697-A MONMOUTH STREET
NEWPORT, KENTUCKY 41071

MAILING
ADDRESS: P. O. BOX 960
CINCINNATI, OHIO 45201

TELEPHONE: AREA CODE 513 NUMBER 419-5908

COMPANY OFFICIAL TO BE CONTACTED
PERTAINING TO RATE CASE MATTERS William Don Wathen Jr.

FILING DATE: July 1, 2009

ATTORNEYS FOR APPLICANT:

NAME: Rocco D'Ascenzo

ADDRESS: P. O. Box 960
Cincinnati, Ohio 45202
TELEPHONE: (513) 419-1852

* * * FOR COMMISSION USE ONLY * * *

DATE RECEIVED BY COMMISSION ________________

DOCKET NUMBER ASSIGNED ____________________

RECEIVED BY ________________________________

DATE ACCEPTED ______________________________

ACCEPTED BY ________________________________

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT
OF GAS RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2009-00202

FILING REQUIREMENTS

VOLUME 2

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(l)

---

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

Description of Filing Requirement:

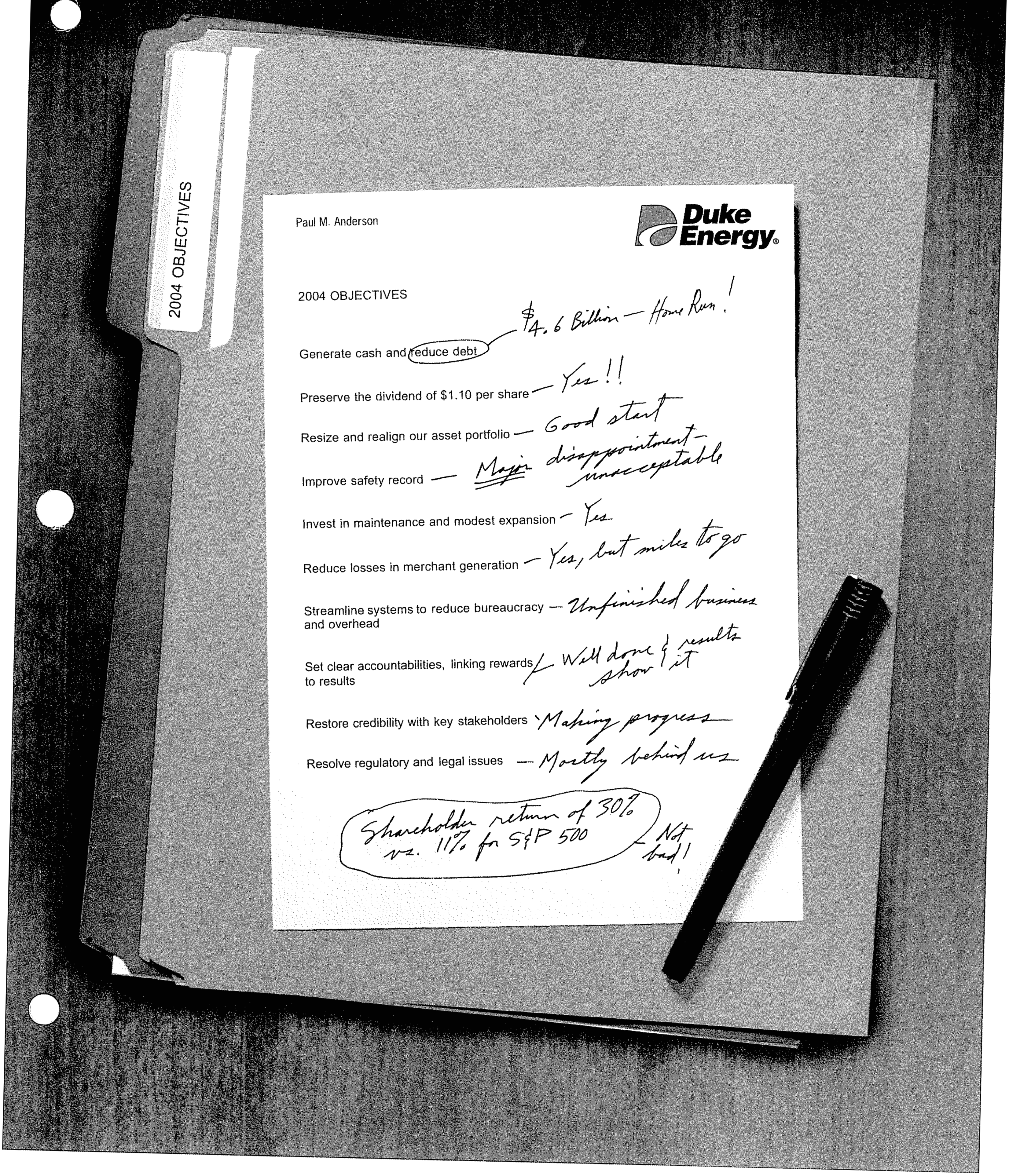
Annual report to shareholders, or members, and statistical supplements covering the most recent five (5) years from the utility's application filing date.

Response:

Attached are the 2004- 2008 Annual Reports to Shareholders for Duke Energy Corporation.

Sponsoring Witness: Brenda R. Melendez

Duke Energy 2004 Summary Annual Report



Paul M. Anderson

Duke Energy

2004 OBJECTIVES

Generate cash and reduce debt — $4.6 Billion — Home Run!

Preserve the dividend of $1.10 per share — Yes!!

Resize and realign our asset portfolio — Good start

Improve safety record — Major disappointment — unacceptable

Invest in maintenance and modest expansion — Yes

Reduce losses in merchant generation — Yes, but miles to go

Streamline systems to reduce bureaucracy and overhead — Unfinished business

Set clear accountabilities, linking rewards to results — Well done & results show it

Restore credibility with key stakeholders — Making progress

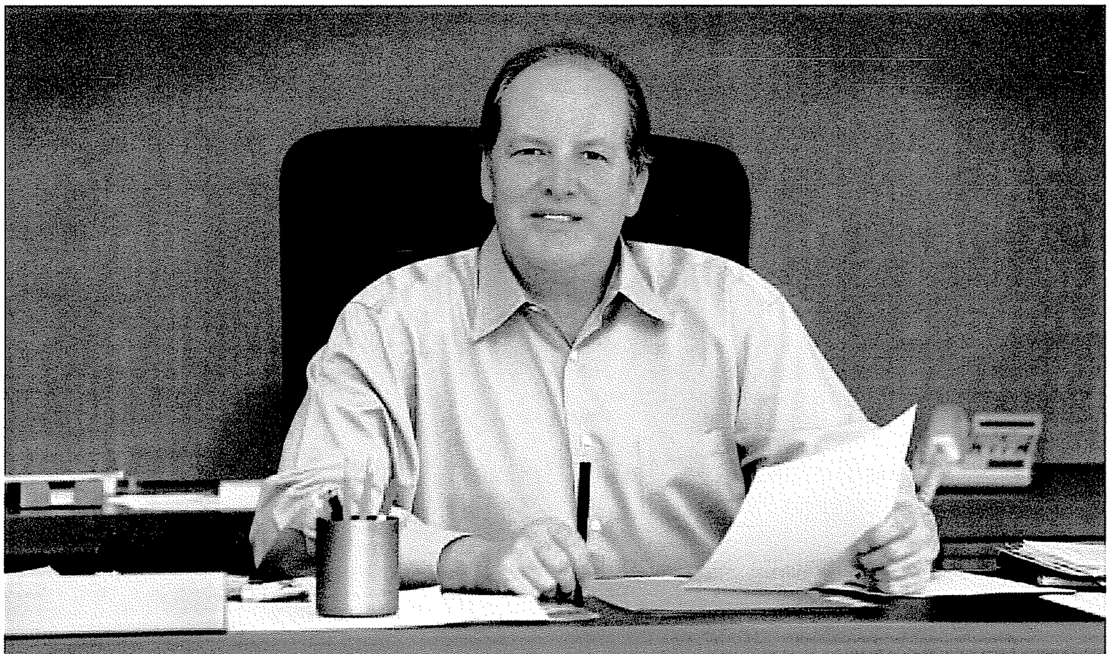
Resolve regulatory and legal issues — Mostly behind us

Shareholder return of 30% vs. 11% for S&P 500 — Not bad!

IN THIS REPORT

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This document contains forward-looking information which is subject to risks and uncertainties that could cause actual results to be different than those contemplated, including, but not limited to: changes in state, federal or international regulatory environments; commercial, industrial and residential growth in the company's service territory; the weather and other natural phenomena; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; general economic conditions; changes in environmental and other laws and regulations to which Duke Energy and its subsidiaries are subject, or other external factors over which Duke Energy has no control; the results of financing efforts; the effect of accounting pronouncements; growth in opportunities for Duke Energy's business units; and other risks described in the company's 2004 SEC Form 10-K and other Securities and Exchange Commission filings. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Paul M. Anderson, *Chairman of the Board and Chief Executive Officer*

Dear Fellow Shareholder,

My letter to you last year focused on the challenges our company faced as we sought to redefine our position in an industry which was itself emerging from a painful restructuring. At that time, we were long on promises and resolve, but rather short on results. We had assessed our situation, implemented some organizational changes, articulated an investment proposition and developed a charter for the company.

The charter listed five imperatives which formed the basis for a number of specific objectives for 2004. Assessing our performance against those objectives gives me a sense of accomplishment – even cautious pride – which is tempered by deep disappointment over where we have failed. We also have some unfinished business to address.

Our Accomplishments

In January 2004, we detailed a financial plan for our investors. At that time, many in the financial community were skeptical as to our ability to achieve that plan, but we ended up significantly exceeding each of our commitments. We maintained the dividend of $1.10 per share, beat our ongoing basic earnings-per-share goal of $1.20 by 18 cents, reduced debt by $4.6 billion (lowering debt as a percent of total capital to 51 percent from 58 percent), maintained liquidity well over $1 billion and voluntarily contributed more than $500 million to our U.S. pension plan and nuclear decommissioning funds.

We were also able to significantly reduce DENA's (Duke Energy North America's) mark-to-market exposure and close out a number of legal and regulatory uncertainties that the company was facing. As a result, our credit rating stabilized, and the market also responded positively, as our share price rose by 25 percent to close the year at $25.33. We delivered a total return to shareholders of 30 percent for 2004 – outpacing the S&P 500's 11 percent.

Much of our financial plan was achieved by aggressively realigning our portfolio. We realized over $3.1 billion of proceeds from the sale of assets, such as our merchant plants in the southeast United States, our asset portfolios in the Asia-Pacific region and Europe, and two of our three deferred plants. (The sale of the third plant is expected to close in March 2005.)

(In millions, except per-share amounts)	**2004**	2003[b]	2002	2001	2000
	Years Ended December 31				
Statement of Operations					
Operating revenues	**$ 22,503**	$ 22,080	$ 15,860	$ 17,889	$ 15,800
Operating expenses	**19,456**	22,818	13,258	14,311	12,775
Gains on sales of investments in commercial and multi-family real estate	**192**	84	106	106	75
(Losses) gains on sales of other assets, net	**(225)**	(199)	32	238	214
Operating income (loss)	**3,014**	(853)	2,740	3,922	3,314
Other income and expenses, net	**302**	584	379	311	707
Interest expense	**1,349**	1,380	1,097	760	887
Minority interest expense	**195**	61	116	326	302
Earnings (loss) from continuing operations before income taxes	**1,772**	(1,710)	1,906	3,147	2,832
Income tax expense (benefit) from continuing operations	**540**	(707)	611	1,149	1,032
Income (loss) from continuing operations	**1,232**	(1,003)	1,295	1,998	1,800
Income (loss) from discontinued operations, net of tax	**258**	(158)	(261)	(4)	(24)
Income (loss) before cumulative effect of change in accounting principle	**1,490**	(1,161)	1,034	1,994	1,776
Cumulative effect of change in accounting principle, net of tax and minority interest	**—**	(162)	—	(96)	—
Net income (loss)	**1,490**	(1,323)	1,034	1,898	1,776
Dividends and premiums on redemption of preferred and preference stock	**9**	15	13	14	19
Earnings (loss) available for common stockholders	**$ 1,481**	$ (1,338)	$ 1,021	$ 1,884	$ 1,757
Ratio of Earnings to Fixed Charges	**2.3**	—[c]	2.2	3.9	3.7
Common Stock Data[a]					
Shares of common stock outstanding					
Year-end	**957**	911	895	777	739
Weighted average	**931**	903	836	767	736
Earnings (loss) per share (from continuing operations)					
Basic	**$ 1.31**	$ (1.13)	$ 1.53	$ 2.59	$ 2.42
Diluted	**1.27**	(1.13)	1.53	2.57	2.41
Earnings (loss) per share (from discontinued operations)					
Basic	**$ 0.28**	$ (0.17)	$ (0.31)	$ (0.01)	$ (0.03)
Diluted	**0.27**	(0.17)	(0.31)	(0.01)	(0.03)
Earnings (loss) per share (before cumulative effect of change in accounting principle)					
Basic	**$ 1.59**	$ (1.30)	$ 1.22	$ 2.58	$ 2.39
Diluted	**1.54**	(1.30)	1.22	2.56	2.38
Earnings (loss) per share					
Basic	**$ 1.59**	$ (1.48)	$ 1.22	$ 2.45	$ 2.39
Diluted	**1.54**	(1.48)	1.22	2.44	2.38
Dividends per share	**1.10**	1.10	1.10	1.10	1.10
Balance Sheet					
Total assets	**$ 55,470**	$ 57,225	$ 60,122	$ 49,624	$ 59,276
Long-term debt including capital leases, less current maturities	**$ 16,932**	$ 20,622	$ 20,221	$ 12,321	$ 10,717
Capitalization					
Common equity	**45%**	37%	36%	41%	37%
Preferred stock	**0%**	0%	1%	1%	1%
Trust preferred securities	**0%**	0%	3%	5%	5%
Total common equity and preferred securities	**45%**	37%	40%	47%	43%
Minority interests	**4%**	5%	5%	7%	9%
Total debt	**51%**	58%	55%	46%	48%

[a] Amounts prior to 2001 were restated to reflect the two-for-one common stock split effective January 26, 2001.

[b] As of January 1, 2003, Duke Energy adopted the remaining provisions of Emerging Issues Task Force Issue No. 02-03, "Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and for Contracts Involved in Energy Trading and Risk Management Activities" and Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations." In accordance with the transition guidance for these standards, Duke Energy recorded a net-of-tax and minority interest cumulative effect adjustment for change in accounting principles.

[c] Earnings were inadequate to cover fixed charges by $1,707 million for the year ended December 31, 2003.

In addition to generating funds, those sales repositioned Duke Energy as a company focused on the Americas and eliminated some of our lowest-return assets. We also challenged our real estate subsidiary, Crescent Resources, to become a major contributor of cash, and it responded with a stunning contribution of more than $440 million.

We moved into 2005 with a solid earnings base and the financial flexibility to once again control our own destiny. In February, we announced that we would buy back up to $2.5 billion in common stock over the next three years, based on our strong cash position. This share repurchase program will create value for shareholders, without inhibiting our ability to pursue future growth opportunities. We plan to pursue new growth cautiously, remaining mindful that we spent the year 2004 recovering from the effects of what in hindsight was an overly aggressive growth strategy.

Pride in the Organization

Given the significant achievements of the last 12 months, it is noteworthy that the members of the team that accomplished them were, with few exceptions, already here when I rejoined the company in November 2003. It is a tribute to that depth of talent that I was not forced to go outside the company to renew the organization. Using existing bench strength, we have significantly refreshed the organization and taken a number of steps to further develop the talent we have.

I am quite proud of the team we have in place today. Employees at all levels recognized the challenges that the company faced and stepped up to accept responsibility for resolving them. The company has done its part by aligning rewards with results, refocusing on talent management and reinvigorating a number of employee development programs. Particular attention has been focused on diversity, training, performance management and management development. During December 2004, the senior management team underwent a 360-degree evaluation, and a number of executive rotations were set in motion to ensure that we are developing the next generation of leadership at all levels.

Another source of pride was the contribution that Duke employees made to their communities. To commemorate Duke Power's 100th anniversary in 2004, our annual month-long Global Service Event was expanded to 100 days. An estimated 9,000 employees and retirees spent approximately 27,000 hours completing more than 500 service projects in the United States, Canada, Brazil and Peru.

Also in 2004, Duke Power proactively engaged leaders in business, industry, government, education and the nonprofit sector in economic development summits in North Carolina and South Carolina. In the Carolinas and elsewhere, Duke is actively involved in the communities in which we operate.

We also made progress in increasing our focus on customers and working with regulators to achieve win-win outcomes. For example, regulators in the Carolinas embraced an innovative approach where we share profits from Duke Power's bulk power marketing sales with our customers. Those dollars are funding job retraining programs and providing energy assistance to low-income households – improving the quality of life in our region. In North Carolina, some of these funds are also being used to reduce industrial rates, allowing those customers to offer more cost-competitive products and services.

We began a process of renewal at the Board level, beginning with an in-depth assessment led by an independent third party. As a result, we established a lead director, formed a Nuclear Oversight Committee, rotated committee heads and welcomed two new Board members, Roger Agnelli and Dennis Hendrix. We thank Bob Brown, George Dean Johnson and Leo Linbeck for their many contributions over the years; they will be retiring from the Board in May 2005.

Disappointments

While we are proud of our successes, we cannot ignore our failures. The biggest disappointment of 2004 was our unacceptable safety record. A number of measures can be used to judge an organization's safety record, but none is so personal or powerful as the number of employee and contractor fatalities. In 2004, one employee and three contractors lost their lives while working for Duke Energy. This is more than unacceptable – it is a tragedy for which I feel personally responsible. I would like to rationalize why those fatalities occurred, but I simply cannot. Safety is not something that can be prescribed or controlled through process alone. It relies on a culture that is nurtured from the top, and Duke's top management cannot allow safety to be overshadowed by other priorities.

Another disappointment was the fire last August at our Moss Bluff natural gas storage facility near Houston. Thankfully, no employee or contractor was injured, yet it is disappointing that such an incident could occur.

We have taken a number of steps to improve our safety focus. Later on in this report, Fred Fowler will address some of them. For my part, I will not feel that we have had a truly successful year unless that year is free of fatalities and major operational incidents.

Unfinished Business

We made significant progress in a number of areas, but we are left with unfinished business. Developing a sustainable business model for DENA is one such area. We made substantial progress in restructuring DENA and expect it will cut its losses by nearly half in 2005, but it may take a combination with one or more other parties, including other merchant generators, to provide the scope, scale and fuel diversity needed to realize an acceptable return on that investment.

A tremendous effort and significant funds were expended to comply with Sarbanes-Oxley Section 404, which mandates a thorough self-assessment of our internal controls over financial reporting. Despite the frustration of a rigid process and a challenging time frame, the effort proved very beneficial in helping us understand where we could improve our processes and systems. In 2005, we will build on what we have learned and re-engineer our financial systems, simplify our organization and reduce bureaucracy. Ultimately, this effort should greatly reduce our overhead costs in future years.

Looking Forward

As we enter 2005 and beyond, I am optimistic. The management objectives in our 2005 charter reflect the progress we made in 2004 to reclaim control of our future. This year, we are pursuing growth opportunities and reasserting our role as an industry leader.

The financial objective for 2005 is to ***deliver on our financial plan and provide superior total shareholder return.*** This reflects how far we have come – 2004's financial goal was to defend the dividend. We had an ongoing basic earnings-per-share target of $1.20 for employee incentive payouts in 2004. For 2005, we have increased that target by 33 percent to ongoing basic earnings per share of $1.60.

Another management objective is to ***establish industry-leading positions in core businesses and identify new energy-related growth strategies.*** We are in a position to grow any of our existing businesses if we find the right opportunity, and we will evaluate new but related lines of business to fuel future growth.

One 2005 objective relates to the unfinished business I discussed earlier: to ***position DENA to be a successful merchant operator with a sustainable business model.***

We will also ***enhance a high-performance culture by focusing on safety, inclusion and diversity, employee development, business structure and process simplification.*** The highest priority here is to improve our safety culture. We have created a shared safety goal for 2005 for the top 700 leaders in the company. If any Duke employee, contractor or subcontractor loses his or her life while doing work for us, this group will have their total short-term incentive payout reduced.

Our final objective for 2005 is to ***build stakeholder relationships and future shareholder value through effective leadership on key policy issues related to energy, regulation and the environment.*** It is clear that the United States needs cohesive environmental and energy policies that break the continuing logjam, and we intend to take a leadership role in developing and advancing those policies. For example, we will be proactive on the issue of global climate change. By helping shape public policy, we can advance the interests of our investors and customers, while also addressing the issue itself. Ideally, U.S. public policy should encourage a transition to a lower-carbon-intensive economy through a broad-based approach, such as a carbon tax or other mechanism which addresses all sectors of the economy.

As I close this letter, I would be remiss if I did not address the most critical concern I wrote of last year: restoring credibility with our key constituents. In 2004, I believe we made significant progress in re-earning their trust. While trust and credibility are hard to measure, we see positive indicators – in the tone and tenor of questions from our many stakeholders, in the spirit and resilience of our employees, and in the contracts and handshakes with our partners and customers. As I said last year, the task of building confidence will always be unfinished business for us, but I hope that you share my sense of real progress in this area and a positive view of our company's future.

I appreciate your many comments and suggestions over the past year and thank you for your continued investment in Duke Energy.

Sincerely,

Paul M. Anderson
Chairman of the Board and Chief Executive Officer

March 15, 2005

OUR 2005 CHARTER

We are Duke Energy, a leading energy company located in the Americas with an affiliated real estate operation.

Our purpose is to create superior value for our customers, employees, communities and investors through the production, conversion, delivery and sale of energy and energy services.

To provide a stable platform for future growth, we must:

- Enhance a high-performance culture by focusing on safety, inclusion and diversity, employee development, business structure and process simplification.
- Position DENA to be a successful merchant operator with a sustainable business model.
- Deliver on our financial plan and provide superior total shareholder return.
- Establish industry-leading positions in core businesses and identify new energy-related growth strategies.
- Build stakeholder relationships and future shareholder value through effective leadership on key policy issues related to energy, regulation and the environment.

In conducting our business, we value:

- Stewardship – A commitment to health, safety, environmental responsibility and our communities.
- Integrity – Ethically and honestly doing what we say we will do.
- Respect for the Individual – Embracing diversity and inclusion, enhanced by openness, sharing, trust, teamwork and involvement.
- High Performance – The excitement and fulfillment of achieving superior business results and stretching our capabilities.
- Win-Win Relationships – Having relationships which focus on the creation of value for all parties.
- Initiative – Having the courage, creativity and discipline to lead change and shape the future.

We will be successful when:

- Our investors realize a superior return on their investment.
- Our customers and suppliers benefit from our business relationships.
- The communities in which we operate value our citizenship.
- Every employee starts each day with a sense of purpose, and ends each day with a sense of accomplishment.

Dear Shareholders,

Overall, 2004 was a year of considerable progress in Duke Energy's operations. I welcome this opportunity to report on those results, and review some of the past year's successes and disappointments.

Duke Energy's diverse portfolio allows us to balance the market risk in our nonregulated businesses with the relatively stable earnings that our regulated companies provide.

Regulated Businesses Generated Steady Earnings

Duke Power contributed $1.47 billion in segment earnings before interest and taxes (EBIT) in 2004. The utility provides us with a solid base of earnings and cash flow. Duke Power is working hard at diversifying its customer base and attracting new business to our area. Duke Power's customers pay essentially the same average rate per kilowatt-hour today as in 1986. At about 21 percent below the national average (due to efficient operations, cost management and lower-cost nuclear generation) those competitive rates offer an important advantage to customers in our service territory, and are especially attractive to potential new industries.

In 2004, Duke Energy Gas Transmission's (DEGT's) 17,500 miles of transmission pipeline continued to move natural gas to key distribution companies along the U.S. East Coast and in Canada, contributing $1.31 billion in segment EBIT. Expansion activity has been brisk over the past year, with infrastructure projects completed in western Canada and in the U.S. Northeast, Mid-Atlantic, Southeast and Gulf Coast regions. Transportation reliability was also strong, with DEGT operations in both the United States and Canada setting numerous all-time peak volume records. Reliability, combined with outstanding customer service, contributed to contract renewal levels of nearly 100 percent in our northeast U.S. market.

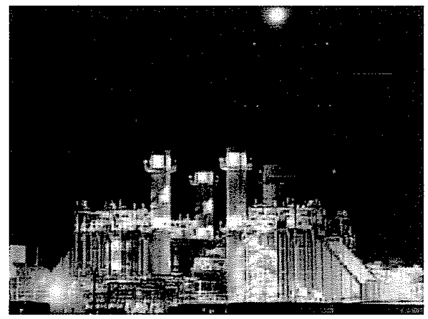
Weather – as it relates to heating and cooling needs – has a major impact on both DEGT and Duke Power, but the weather created a different challenge in 2004. For most of the southeastern United States, 2004 will be remembered as the year of the hurricanes. Several of our businesses experienced minor disruptions, but Duke Power's transmission and distribution system was

2004 operations leadership (above, left to right): Ruth Shaw, Duke Power; Bill Easter, Duke Energy Field Services; Fred Fowler, President and Chief Operating Officer, Duke Energy; Bobby Evans, Duke Energy Americas; Tom O'Connor, Duke Energy Gas Transmission; Art Fields, Crescent Resources largely spared from effects of the hurricanes. That allowed our line crews to provide needed support to utility customers in Florida and throughout the Southeast.

Unregulated Businesses Saw Challenges and Opportunities

Paul provided an overview of our progress with Duke Energy Americas, which includes Duke Energy North America (DENA) and Duke Energy International (DEI). Those businesses ended 2004 with very different scale and scope than when they began. The sale of DEI's Asia-Pacific assets allows us to focus on our operations in Latin America. In 2004, DEI generated segment EBIT from continuing operations of $222 million and is looking for a 2 to 3 percent compound annual growth rate over the next three years, based on its 2004 ongoing segment EBIT of $236 million.

While unfinished business remains for DENA in 2005, we should not overlook the significant progress made in 2004. We sold our generating portfolio in the Southeast as well as two deferred plants in the West – and expect to close on the sale of a third in March 2005. We also changed the DENA business model to focus on contracting a larger share of electric generation through tolls and capacity sales. (Tolls are agreements to sell all or part of a plant's capacity or production for a fee.) We are now beginning to see the benefits of that approach. For example, in 2004 DENA sold more than 50 major tolls and future capacity contracts to investor-owned utilities, municipalities and other customers, adding significantly to DENA revenue for 2005 and beyond. Additionally, DENA reduced operating expenses by nearly $180 million. We expect to cut DENA's $288 million ongoing segment EBIT loss from continuing operations in 2004 roughly in half, to a projected ongoing EBIT loss of approximately $150 million in 2005. We continue to pursue various options that will create a sustainable business model for DENA, including consideration of potential business partners.



Duke Energy North America's Moss Landing facility in California is one of the largest and most efficient generating plants in the state. (Photo: David Sievert)

While market conditions have challenged DENA, they have provided opportunities for our other businesses. Record-high crude oil prices meant a blockbuster year for Duke Energy Field Services (DEFS), generating EBIT from continuing operations of $380 million to Duke Energy. DEFS is the largest processor of natural gas liquids (NGLs) in the United States, and NGL prices roughly track the price of crude oil. But it is not only the price of crude that is helping DEFS. Even in a record-breaking year, DEFS initiated business improvements that reduced costs for its ongoing operations by $30 million.

In February 2005, we reached agreement with ConocoPhillips to restructure our 70 percent ownership of DEFS into an equal partnership, which will reduce our exposure to commodity price risk and provide more than $500 million in pre-tax cash to Duke Energy. The deal will also transfer DEFS' natural gas gathering and processing facilities and ConocoPhillips' natural gas liquids system in western Canada to DEGT – adding significantly to the scope, scale and diversity of DEGT's Canadian operations.

Crescent Resources, our real estate and land management subsidiary, concentrated on the strongest segments of the U.S. real estate market in 2004, generating record results of $240 million in segment EBIT from continuing operations. While Crescent regularly refreshes its property holdings, 2004 results reflected an opportunistic sale of property in the Washington, D.C. area. Going forward, we expect Crescent's segment EBIT contribution to return to a more historic level of approximately $150 million in 2005.

Legal Issues Resolved

We made tremendous progress in 2004 in resolving many of the company's regulatory and legal risks. Most significantly, a comprehensive settlement with western U.S. power market participants, approved by the Federal Energy Regulatory Commission in December, provided needed closure to issues that arose in that market in 2000 and 2001. We were also gratified that the U.S. Attorney closed an investigation into Duke Power's 1998 to 2000 accounting practices, concluding that no action was warranted against the company or its employees.

Safety Performance Must Improve

Regarding safety, I can only say that our performance in 2004 was, in a word, unacceptable. Four people who came to work at Duke Energy facilities last year did not go home to their families. In response, we are building a zero-injury safety culture to prevent employee and contractor injuries.

- We have communicated a new safety vision to all employees that aims for zero injuries through continuous safety improvement, and we are setting the same expectations for our contractors.
- We are leading this culture change from the top – every member of the Expanded Executive Committee has personal safety objectives that spell out exactly how they will lead their organization to an improved safety record.
- I will discuss in person our safety expectations with more than 2,500 managers and supervisors in 2005.
- Business units are conducting employee safety perception surveys, and I will personally review the safety improvement plans developed in response to those surveys.

Hector Gutierrez and Pilar Dávila of Duke Energy Peru's Lima office brighten the educational experience for local elementary students with a fresh coat of paint for their desks.

We Gave Back to Our Communities

To customers and communities, our employees are the face of Duke Energy. Corporate giving and volunteerism remain hallmarks of Duke Energy, and in 2004 we continued to make a real difference in our communities in the following ways:

- Duke Energy marks its birthday each year with a Global Service Event. In 2004, thousands of employees and retirees participated in more than 500 volunteer projects in 170 communities where Duke Energy operates. Most of the projects helped improve the lives of children, senior citizens and disabled individuals. In Peru, for example, employees focused on children and education. They donated books and school supplies, painted classrooms, served lunch and organized activities.
- Duke Energy employees were recognized with Ethics in Action's Community Care Award for developing innovative community partnerships and programs serving the residents of British Columbia.
- In the Carolinas, we are leading economic development efforts to diversify our region's economy and provide opportunities for growth. That's good for Duke Power and good for the region. In 2004, Duke Power contracted more than $23.3 million of new annual electric load (compared to $6.2 million for 2003), and nearly 200 additional projects are pending.
- Crescent Resources won accolades from community leaders and state officials for committing to sell nearly 3,000 acres and to make a one-time multi-million-dollar gift to the state of North Carolina to expand Lake James State Park almost sixfold.
- The Texas Corporate Wetlands Restoration Partnership, led by DEGT employees, participated in one of only 12 projects honored nationwide by Coastal America – a partnership of federal agencies and state and local private organizations. Our work on the San Jacinto battleground project near Houston contributed to the restoration of 115 acres of historic marshland as well as adjacent prairie and bottomland forest.

These are just a few examples of the many ways the people of Duke Energy work to improve our communities, economy and environment. On the following pages, the leaders of our businesses will tell you more about their performance and future objectives.

Sincerely,

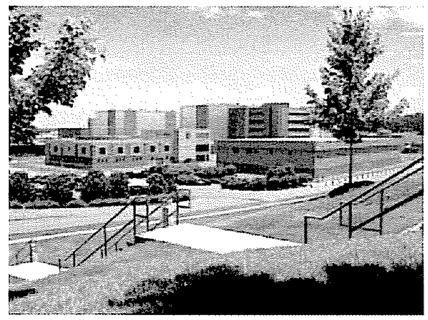
Fred J. Fowler

President and Chief Operating Officer

BEGINNING A SECOND CENTURY OF SERVICE

In 2004, Duke Power celebrated its 100th anniversary in a way that honored our heritage – by taking a leading role in advancing economic development in the Carolinas.

In recent years, textiles and other industries that were once the bedrock of the region's economy have steadily declined. Our competitive electric rates are one way to attract new business. But energy costs are just one aspect of a region's commercial appeal. Much like our founders, who used electricity to help drive the textile boom early in the 20th century, we are working to strengthen and diversify our economy and expand our customer base by attracting new business and industry to our service territory.



Catawba Nuclear Station in York County, S.C., set a new Duke Power reliability record in 2004, and was recognized by the U.S. Nuclear Regulatory Commission for safe operations.

Major accomplishments:

✓ Duke Power jump-started the economic development engine by bringing more than 500 business, industry, government, nonprofit and academic leaders together for two Carolinas Competitiveness Forums in 2004.

✓ We are already seeing results from our push to help recruit and retain manufacturing. Major companies like Merck and Dell, and many smaller businesses, have announced plans to locate facilities in Duke Power's service territory.

✓ Regulators embraced our plan to share some of the profits from our bulk power marketing sales 50-50 with shareholders and customers. Programs funded by these sharing arrangements help pay energy bills for low-income residents, fund workforce training at community colleges, help reduce industrial rates in North Carolina, and support energy-efficient industrial improvements and local economic development initiatives in South Carolina.

✓ Duke Power's generating fleet continues to excel in reliability and efficiency. Catawba Nuclear Station set a new company reliability record in September, operating for 531 continuous days, and Electric Light & Power magazine named Marshall Steam Station the most efficient coal-fired station in the United States.

No amount of business achievement can make up for the tragic loss of three of our contractors in 2004. Ensuring the safety of employees, contractors and customers remains a core Duke Power value, and we are focused intently on both the cultural and process changes needed to reduce avoidable accidents, injury and risk.

Looking ahead, our growth forecasts indicate a need for new base-load generation within the next decade. We are evaluating options to meet that need in ways that are both economical and environmentally sound. We are upgrading a number of our existing coal-fired stations with state-of-the-art environmental equipment, and evaluating emerging clean-coal technologies. The relicensing of our hydroelectric facilities, currently underway, will ensure the continuation of hydropower as an economical and emission-free energy resource, while preserving water quality and recreational access. And to secure the option of future nuclear generation capacity, we are in the initial stages of preparing a combined construction and operating license application for a new, advanced-design nuclear plant.

As Duke Power enters its second century, we continue to build on the fundamentals of customer service, operational performance, safety, responsible citizenship and innovation.

— **Ruth Shaw,** *President and Chief Executive Officer, Duke Power*

Profile: One of the largest investor-owned electric utilities in the United States, Duke Power delivers safe, reliable and economically priced electricity to more than 2 million customers in North Carolina and South Carolina.

Operating Data	**2004**	2003	2002	2001	2000
Franchised Electric					
Sales, gigawatt-hours	**82,708**	82,828	83,783	79,685	84,766
Nuclear capacity factor[a]	**90%**	91%	95%	92%	92%
Average number of customers	**2,197,000**	2,160,000	2,117,000	2,117,000	2,072,000

[a] Includes 100 percent of Catawba Nuclear Station, which is 12.5 percent owned by Duke Power.

REFOCUS ON GROWTH

Duke Energy Gas Transmission (DEGT) pipelines are strategically located with access to diverse supply basins and growing markets throughout North America, and our storage facilities offer customers reliability and seasonal flexibility.

We expect demand for natural gas to grow by an average 2 to 3 percent annually in our key markets over the next five years. Our challenge is to keep pace with that demand, by developing the infrastructure needed to connect new supplies to growing markets.

Major accomplishments:

✓ Three natural gas pipeline and two gas storage expansion projects began to serve DEGT customers in 2004, adding delivery capacity for customers in the U.S. Northeast, Southeast and Mid-Atlantic states. Storage facility expansions in Louisiana and Virginia increased available gas storage capacity by 1.8 billion cubic feet.

✓ The 110-mile extension of the Gulfstream pipeline from central Florida to the state's east coast was completed in February 2005, doubling the pipeline's firm contracted capacity. (Gulfstream is a joint development of Duke Energy and Williams.)

✓ Multiple peak-volume days on our Texas Eastern, Algonquin, East Tennessee, Gulfstream and Union Gas systems demonstrated our ability to operate reliably and provide access to growing markets.

✓ In August, DEGT employees mobilized quickly and effectively in response to a fire at our Moss Bluff gas storage facility near Houston. We regret that this incident occurred and the inconvenience that it caused our neighbors and customers.

✓ A successful "open season" in the northeast United States and eastern Canada signaled strong customer demand for new natural gas transportation and storage solutions. Many of those responses should result in new contracts and several expansion projects over the next three to five years.

✓ Union Gas added more than 31,000 new customers in 2004 through focused marketing efforts and reliable service.

✓ Rate proceedings involving our BC Pipeline and Union Gas businesses were resolved fairly for both customers and shareholders.

Plant operator Charles Barker monitors storage operations at the Kingsport liquefied natural gas storage facility, on DEGT's East Tennessee Natural Gas pipeline system.

Over the next several years, we plan to invest more than $1 billion in DEGT facility expansions. We expect liquefied natural gas (LNG) to play a major role in North America's future natural gas supply. LNG import terminals are proposed along the Gulf Coast and the northern East Coast, including the Canadian Maritimes, and most of them would have ready access to Duke Energy's existing pipelines and storage facilities. We intend to be a major player in providing the pipeline expansion and storage needed to connect this new supply to growth markets.

Our assets are equally well-positioned in the growing Western Canadian Sedimentary Basin, and the addition of ConocoPhillips' natural gas liquids operations and DEFS' gathering and processing facilities to our system in 2005 will enhance that position. We are ready and willing to expand further, as natural gas drilling activity increases in northeastern British Columbia.

As I move on to pursue new career opportunities at Duke Energy, I am confident about the continued success of the business that Martha Wyrsch will now lead.

— **Tom O'Connor,** *President and Chief Executive Officer, Duke Energy Gas Transmission*

Profile: Duke Energy Gas Transmission serves its customers by transporting natural gas from North America's major supply areas to growing markets in the northeastern and southeastern United States and in Canada. DEGT also stores natural gas, distributes natural gas to retail customers in Ontario, and gathers and processes natural gas for customers in western Canada.

Operating Data	**2004**	2003	2002	2001	2000
Natural Gas Transmission					
Throughput, trillion British thermal units (TBtu)[a]	**3,332**	3,362	3,160	1,781	1,771
Storage capacity, billion cubic feet	**258**	257	254	101	98

[a] Represents share of capacity owned by DEGT.

A YEAR OF RECORD RETURNS

Duke Energy Field Services (DEFS) captured enormous value from strong natural gas liquids (NGL) prices and gas processing margins in 2004. We also improved operating and commercial performance, and benefited from increased production and a strategic acquisition. The combination of these factors resulted in record earnings for the DEFS joint venture.

Major accomplishments:

✓ We were able to handle higher natural gas volumes in many areas in 2004, due to increased drilling by our customers, with little or no additional investment. For example, we successfully processed and delivered almost 10 percent more gas on our Oklahoma "supersystem" by redistributing the flow of natural gas among the system's four plants.

✓ We delivered strong marketing results and continued to renegotiate natural gas supply contracts in order to better align our interests with those of producers, reduce earnings volatility and improve profitability.

✓ DEFS acquired natural gas gathering, processing and transmission assets in southeast New Mexico from ConocoPhillips for $74 million. The acquisition included three processing plants and more than 1,000 miles of gathering pipeline. In addition to adding new customers and volumes, these assets, in combination with our existing facilities, improve market access and reliability for our customers.

✓ The number and severity of employee and contractor injuries declined at DEFS in 2004, as evidenced by a 40 percent reduction in safety-related lost workdays and more than a 50 percent reduction in contractor injuries versus 2003. Tragically, an employee of our former TEPPCO affiliate lost his life in a work-related accident, underscoring the importance of maintaining safety as our top priority.

✓ We successfully consolidated our computer operations into Duke Energy's computing center in Charlotte, eliminating our Denver data center and generating significant efficiency and cost improvements.

The Platteville facility is one of DEFS' newest gathering and processing plants, built to process increased natural gas production in the Denver-Julesburg Basin area of Colorado.

DEFS is poised to deliver another exceptional year of earnings in 2005. We expect commodity prices to remain above traditional levels, though perhaps somewhat lower than 2004.

In this, my second year at the helm at DEFS, we are working to further improve our underlying operational and commercial performance through continued application of best practices, by capturing efficiencies inherent in our large operating scale and scope, and by continually improving our processes and information systems.

Two 2005 transactions will allow us to focus on further strengthening our competitive position in the United States. As part of the pending restructuring of DEFS into a 50/50 joint venture with ConocoPhillips, we expect to receive additional U.S. midstream assets and our Canadian operations will move to DEGT. In addition, with the February 2005 sale of TEPPCO, our affiliated master limited partnership, we exited the business of transporting refined products and crude oil, as well as selected natural gas and NGL activities. Going forward, we will invest to improve the capability of our existing assets and pursue selective growth opportunities. Given today's competitive landscape, we will also evaluate the merits of establishing another master limited partnership.

— **Bill Easter,** *Chairman, President and Chief Executive Officer, Duke Energy Field Services*

Profile: The largest producer of natural gas liquids in North America and one of the largest marketers, Duke Energy Field Services gathers, processes, transports, markets and stores natural gas and produces, transports and markets NGLs. DEFS is a joint venture of Duke Energy and ConocoPhillips.

Operating Data	**2004**	2003	2002	2001	2000
Field Services					
Natural gas gathered and processed/transported, TBtu/day	**7.3**	7.4	7.9	8.0	7.0
Natural gas liquids production, thousand barrels per day	**363**	353	379	384	343
Average natural gas price per million Btu	**$ 6.14**	$ 5.39	$ 3.22	$ 4.27	$ 3.89
Average natural gas liquids price per gallon	**$ 0.68**	$ 0.53	$ 0.38	$ 0.45	$ 0.53

REALIGNING OUR PORTFOLIO

Duke Energy North America – Reducing Merchant Risk

Our goal for DENA in 2004 was to stabilize the business. We accomplished that through asset sales and cost efficiencies, and by moving from a commodity trading model to a stronger focus on marketing energy to customers from our own assets. An anticipated $300 million ongoing segment EBIT loss came in at $288 million, including unanticipated mark-to-market losses of $25 million. A team of employees committed to controlling costs and optimizing resources made it possible to achieve our financial goal.

Major accomplishments:

✓ The sale of our fleet of eight merchant plants in the southeast United States came sooner than many predicted. Completed in August, the sale boosted Duke Energy's 2004 divestiture proceeds by approximately $975 million, including about $500 million in tax benefits and a note receivable of approximately $50 million.

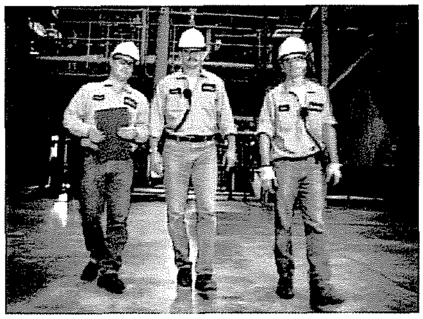
✓ We sold two partially completed plants in 2004 (Luna in New Mexico and Moapa in Nevada), as well as surplus turbines and related equipment. Proceeds from those transactions totaled approximately $600 million, including about $270 million in tax benefits. At year-end, we signed an agreement to sell a third deferred-construction plant (Grays Harbor in Washington state).

✓ We mitigated our earnings volatility by significantly reducing the exposure to fluctuating commodity prices associated with our mark-to-market portfolio.

✓ DENA strengthened its position in long-term gas storage capacity, providing flexibility to fuel our own plants as well as serve other customers.

✓ Duke Energy's settlement of refund proceedings and other litigation related to the 2000-2001 western U.S. energy crisis cleared the way for some of the large utilities in those markets to return as DENA customers.

✓ DENA's Lee facility in Illinois added "black start" capability in 2004 that will allow the unit to start without any outside electrical supply. Even during a blackout, it can be brought into service to help ensure the stability and reliability of the electric grid in the Midwest.



Production technicians Mike Armstrong, Benny King and Steve Anderson ensure that the Washington Energy Facility in southeastern Ohio operates safely and reliably. The plant has had no recordable injuries since it opened in 2001.

✓ We made substantial progress on winding down the Duke Energy Trading and Marketing joint venture with ExxonMobil. By the end of 2004, we had completed or signed transactions to sell about 90 percent of that business.

Success at DENA is measured in relative terms. We are determined to reduce DENA's losses and return the business to profitability. We expect to cut our ongoing EBIT loss nearly in half in 2005, to approximately $150 million. By the end of 2006, on an ongoing basis, we anticipate breaking even, and we look forward to being profitable again in 2007.

We will continue to control costs and manage our portfolio with smart business decisions. We have strong assets in growing areas, and energy demand continues to grow. We intend to be a strong player in the merchant energy market.

As in the rest of Duke Energy, we are renewing our emphasis on safety. Many of our plants have perfect safety records. We are challenging ourselves to spread that zero-injury culture across our entire fleet.

Profile: Duke Energy North America owns and operates merchant power generation facilities, and markets electricity, natural gas, energy management and related services to wholesale customers throughout North America.

Operating Data	**2004**	2003	2002	2001	2000
Duke Energy North America					
Actual plant production, gigawatt-hours	**21,884**	24,046	24,962	20,516	18,523
Proportional capacity in operation, megawatts[a]	**9,890**	15,820	14,157	6,799	5,134

[a] Represents share of capacity owned by DENA

Duke Energy International – A Sharper Focus

Duke Energy International (DEI) began 2004 with a goal of exiting the European and Asia-Pacific markets – to focus on increasing the returns from our power generation business in Latin America. Energy demand in that part of the world is growing at 4 to 6 percent a year, two to three times the growth rate in North America, and DEI owns generation assets in seven Latin American countries.

DEI's continuing operations delivered solid results in 2004, contributing $222 million in EBIT toward Duke Energy's overall goals.

Major accomplishments:

✓ With the US$1.2 billion sale of our assets in Australia and New Zealand in April (including $840 million of debt assumed by the buyer), Duke Energy reached its 2004 divestiture target just four months into the year. In May, DEI sold its 30 percent equity interest in the Cantarell nitrogen facility in Mexico, and by year-end, our exit from Europe was largely complete.

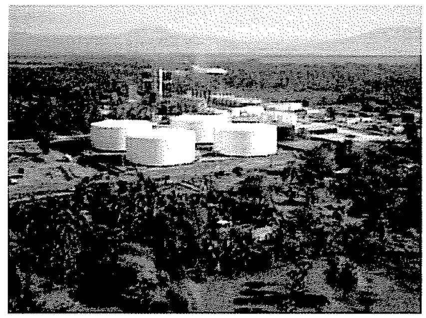
✓ Planta Arizona in Guatemala completed its dual-fuel conversion, making it one of the most efficient thermal plants in Central America. By using a mix of different fuels, Duke Energy has become one of the lowest-cost energy providers in that region.

✓ In Brazil, a successful contracting strategy significantly reduced our exposure to low-price spot markets in 2004 and eliminated that exposure for 2005. At the same time, we are preserving capacity for 2006 and beyond, in anticipation of improving market conditions and price levels.

✓ DEI's overall safety record improved in 2004. DEI Brazil became the first company to earn the Eloy Chaves Medal, the most prestigious safety award in the country's electric power industry, for three consecutive years.

✓ Our employees in Brazil have worked for more than five years without a lost-time incident, and our Peru and Argentina facilities recently surpassed two years without a lost-time incident.

✓ Duke Energy Peru became the first company in Peru, and the first in the Duke Energy system, to obtain simultaneous international certifications for operations management, environmental management, and occupational health and safety practices, based on International Organization for Standardization (ISO) guidelines.



The 160-megawatt Planta Arizona in Guatemala generates electricity efficiently and at low cost, using dual-fuel technology.

DEI's operations are well-positioned to achieve higher earnings and returns in the near term, and to benefit from continued growth in energy demand in Latin America.

— **Bobby Evans,** *President and Chief Executive Officer, Duke Energy Americas*

Profile: Duke Energy International owns and operates power generation facilities, and sells electric power and natural gas. Its primary focus is on power generation activities in Latin America.

Operating Data	**2004**	2003	2002	2001	2000
International Energy					
Sales, gigawatt-hours	**17,776**	16,374	18,350	15,749	14,154
Proportional capacity in operation, megawatts[a]	**4,139**	4,121	3,917	3,968	3,768

[a] Represents share of capacity owned by DEI.

MEETING THE CHALLENGE

Our challenge in 2004 was to contribute $400 million in cash and $155 million in EBIT to Duke Energy. We hit those targets – and then some – thanks to continuing strong demand for investment-grade real estate. At the same time, we kept all of our platforms – commercial, residential and multi-family – growing and well-positioned for 2005 and beyond. We didn't hold a liquidation sale to meet 2004's financial goals. We executed our strategy, continued to invest in our base of assets and enhanced our development and land management practices, upholding our reputation as a "green" developer. Every segment of our business contributed to our success in 2004.

Major accomplishments:

✓ Crescent completed master planning for Potomac Yard, a 300-acre mixed-use site adjacent to Reagan National Airport, and sold most of the property to other developers in 2004. We retain ownership of two office buildings under construction, and the General Services Administration has leased 405,000 square feet of that space for the Environmental Protection Agency.

✓ In the residential market, Crescent reached its all-time record of more than $413 million in individual homesite sales.

✓ Property sales are brisk at Palmetto Bluff, an environmental preserve and residential community in South Carolina's lowcountry. A portion of every real estate transaction funds the Palmetto Bluff Conservancy, a nonprofit organization dedicated to natural resource protection on the property.

✓ We sold nearly 3,000 acres of lakefront property and made a one-time multi-million-dollar gift to the state of North Carolina to expand Lake James State Park. The sale, which closed in January, is a key component in a master plan to drive economic growth in the Lake James region and preserve the lake environment for wildlife and recreation.

✓ We're participating in the development of a major mixed-use development in Charlotte, N.C., that will include the new corporate headquarters for Piedmont Natural Gas.

The Auberge Inn at Crescent's Palmetto Bluff community in South Carolina opened in 2004, along with the Jack Nicklaus-designed May River golf course.

Most segments of the real estate market held strong in 2004, and Crescent is well-positioned for the future regardless of market conditions. We are investing primarily in the Southeast and the Southwest – growing regions with diverse economies. Studies show that 85 percent of growth in the United States is occurring in the coastal states, plus Arizona and Nevada.

Within this geographic area, we offer a diversified mix of high-growth product types, including second homes and retirement homes for baby boomers. We're broadening our reach into that market with more diverse real estate offerings, and branching out into residential condominiums, primarily in Florida. We'll continue to adjust our portfolio to invest in both residential and commercial growth markets.

It should be noted that 2004 was a banner year, and it's unrealistic to expect the same results on an annual basis. We can promise, however, to continue to capitalize on opportunities without taking undue risks, and to fulfill our commitments to Duke Energy and its investors.

— **Art Fields,** *President and Chief Executive Officer, Crescent Resources*

Profile: Crescent Resources manages land holdings and develops high-quality commercial, residential and multi-family real estate projects in nine states. Crescent Resources has received numerous awards for its environmentally sensitive property development strategies and partnerships with environmental and wildlife groups.

Operating Data	**2004**	2003	2002	2001	2000
Crescent Resources					
Residential lots sold	**2,473**	2,060	1,221	1,075	955
Commercial square footage sold, in millions	**2.1**	1.7	1.2	3.1	2.0
Multi-family units sold	**273**	950	—	—	—
Surplus (legacy) land sold, acres	**9,087**	5,088	10,982	11,402	8,562

	Years Ended December 31		
(In millions, except per-share amounts)	**2004**	2003	2002
Operating Revenues			
Non-regulated electric, natural gas, natural gas liquids and other	**$ 14,275**	$ 14,178	$ 8,780
Regulated electric	**5,111**	4,960	4,880
Regulated natural gas	**3,117**	2,942	2,200
Total operating revenues	**22,503**	22,080	15,860
Operating Expenses			
Natural gas and petroleum products purchased	**11,335**	11,419	5,360
Operation, maintenance and other	**3,568**	3,796	3,304
Fuel used in electric generation and purchased power	**2,098**	2,075	2,191
Depreciation and amortization	**1,851**	1,792	1,506
Property and other taxes	**539**	526	533
Impairment and other related charges	**65**	2,956	364
Impairments of goodwill	**—**	254	—
Total operating expenses	**19,456**	22,818	13,258
Gains on Sales of Investments in Commercial and Multi-Family Real Estate	**192**	84	106
(Losses) Gains on Sales of Other Assets, net	**(225)**	(199)	32
Operating Income (Loss)	**3,014**	(853)	2,740
Other Income and Expenses			
Equity in earnings of unconsolidated affiliates	**161**	123	218
(Losses) Gains on sales and impairments of equity investments	**(4)**	279	32
Other income and expenses, net	**145**	182	129
Total other income and expenses	**302**	584	379
Interest Expense	**1,349**	1,380	1,097
Minority Interest Expense	**195**	61	116
Earnings (Loss) from Continuing Operations Before Income Taxes	**1,772**	(1,710)	1,906
Income Tax Expense (Benefit) from Continuing Operations	**540**	(707)	611
Income (Loss) from Continuing Operations	**1,232**	(1,003)	1,295
Discontinued Operations			
Net operating loss, net of tax	**(10)**	(27)	(261)
Net gain (loss) on dispositions, net of tax	**268**	(131)	—
Income (Loss) from Discontinued Operations	**258**	(158)	(261)
Income (Loss) Before Cumulative Effect of Change in Accounting Principle	**1,490**	(1,161)	1,034
Cumulative Effect of Change in Accounting Principle, net of tax and minority interest	**—**	(162)	—
Net Income (Loss)	**1,490**	(1,323)	1,034
Dividends and Premiums on Redemption of Preferred and Preference Stock	**9**	15	13
Earnings (Loss) Available for Common Stockholders	**$ 1,481**	$ (1,338)	$ 1,021
Common Stock Data			
Weighted-average shares outstanding	**931**	903	836
Earnings (Loss) per share (from continuing operations)			
Basic	**$ 1.31**	$ (1.13)	$ 1.53
Diluted	**$ 1.27**	$ (1.13)	$ 1.53
Earnings (Loss) per share (from discontinued operations)			
Basic	**$ 0.28**	$ (0.17)	$ (0.31)
Diluted	**$ 0.27**	$ (0.17)	$ (0.31)
Earnings (Loss) per share (before cumulative effect of change in accounting principle)			
Basic	**$ 1.59**	$ (1.30)	$ 1.22
Diluted	**$ 1.54**	$ (1.30)	$ 1.22
Earnings (Loss) per share			
Basic	**$ 1.59**	$ (1.48)	$ 1.22
Diluted	**$ 1.54**	$ (1.48)	$ 1.22
Dividends per share	**$ 1.10**	$ 1.10	$ 1.10

	December 31	
(In millions)	**2004**	2003
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 533**	$ 397
Short-term investments	**1,319**	763
Receivables (net of allowance for doubtful accounts of $276 at 2004 and $280 at 2003)	**3,237**	2,953
Inventory	**942**	941
Assets held for sale	**40**	361
Unrealized gains on mark-to-market and hedging transactions	**962**	1,566
Other	**938**	694
Total current assets	**7,971**	7,675
Investments and Other Assets		
Investments in unconsolidated affiliates	**1,292**	1,398
Nuclear decommissioning trust funds	**1,374**	925
Goodwill	**4,148**	3,962
Notes receivable	**232**	260
Unrealized gains on mark-to-market and hedging transactions	**1,379**	1,857
Assets held for sale	**84**	1,444
Investments in residential, commercial and multi-family real estate (net of accumulated depreciation of $15 and $32 at December 31, 2004 and 2003, respectively)	**1,128**	1,353
Other	**1,896**	2,137
Total investments and other assets	**11,533**	13,336
Property, Plant and Equipment		
Cost	**46,806**	45,987
Less accumulated depreciation and amortization	**13,300**	12,139
Net property, plant and equipment	**33,506**	33,848
Regulatory Assets and Deferred Debits		
Deferred debt expense	**297**	275
Regulatory assets related to income taxes	**1,269**	1,152
Other	**894**	939
Total regulatory assets and deferred debits	**2,460**	2,366
Total Assets	**$ 55,470**	$ 57,225

(In millions)	December 31 **2004**	2003
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	**$ 2,414**	$ 2,317
Notes payable and commercial paper	**68**	130
Taxes accrued	**273**	14
Interest accrued	**287**	304
Liabilities associated with assets held for sale	**30**	651
Current maturities of long-term debt	**1,832**	1,200
Unrealized losses on mark-to-market and hedging transactions	**819**	1,283
Other	**1,815**	1,849
Total current liabilities	**7,538**	7,748
Long-term Debt, including debt to affiliates of $876 at 2003	**16,932**	20,622
Deferred Credits and Other Liabilities		
Deferred income taxes	**5,228**	4,120
Investment tax credit	**154**	165
Unrealized losses on mark-to-market and hedging transactions	**971**	1,754
Liabilities associated with assets held for sale	**14**	737
Asset retirement obligations	**1,926**	1,707
Other	**4,646**	4,789
Total deferred credits and other liabilities	**12,939**	13,272
Commitments and Contingencies		
Minority Interests	**1,486**	1,701
Preferred and Preference Stock without Sinking Fund Requirements	**134**	134
Common Stockholders' Equity		
Common stock, no par, 2 billion shares authorized; 957 million and 911 million shares outstanding at December 31, 2004 and 2003, respectively	**11,252**	9,519
Retained earnings	**4,539**	4,060
Accumulated other comprehensive income	**650**	169
Total common stockholders' equity	**16,441**	13,748
Total Liabilities and Common Stockholders' Equity	**$ 55,470**	$ 57,225

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Years Ended December 31 2004	2003	2002
Cash Flows from Operating Activities			
Net income (loss)	**$ 1,490**	$ (1,323)	$ 1,034
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization (including amortization of nuclear fuel)	**2,037**	1,987	1,692
Cumulative effect of change in accounting principle	**—**	162	—
Gains on sales of investments in commercial and multi-family real estate	**(201)**	(103)	(106)
Gains on sales of equity investments and other assets	**(193)**	(86)	(81)
Impairment charges	**194**	3,495	545
Deferred income taxes	**867**	(534)	495
Purchased capacity levelization	**92**	194	175
Contribution to company-sponsored pension plans	**(278)**	(192)	(9)
(Increase) decrease in			
Net realized and unrealized mark-to-market and hedging transactions	**216**	(15)	596
Receivables	**(188)**	1,126	12
Inventory	**(48)**	(30)	134
Other current assets	**(35)**	(77)	(335)
Increase (decrease) in			
Accounts payable	**(5)**	(1,047)	798
Taxes accrued	**188**	(168)	(332)
Other current liabilities	**116**	79	(194)
Capital expenditures for residential real estate	**(322)**	(196)	(179)
Cost of residential real estate sold	**268**	167	117
Other, assets	**(305)**	(249)	205
Other, liabilities	**246**	206	(368)
Net cash provided by operating activities	**4,139**	3,396	4,199
Cash Flows from Investing Activities			
Capital expenditures, net of refund	**(2,055)**	(2,242)	(4,745)
Investment expenditures	**(46)**	(153)	(584)
Acquisition of Westcoast Energy Inc., net of cash acquired	**—**	—	(1,707)
Purchases of available-for-sale securities	**(64,594)**	(40,032)	(12,393)
Proceeds from sales and maturities of available-for-sale securities	**64,092**	39,641	11,859
Net proceeds from the sales of equity investments and other assets, and sales of and collections on notes receivable	**1,542**	1,966	516
Proceeds from the sales of commercial and multi-family real estate	**606**	314	169
Other	**(309)**	(162)	(69)
Net cash used in investing activities	**(764)**	(668)	(6,954)
Cash Flows from Financing Activities			
Proceeds from the:			
Issuance of long-term debt	**153**	3,009	5,114
Issuance of common stock and common stock related to employee benefit plans	**1,704**	277	1,323
Payments for the redemption of:			
Long-term debt	**(3,646)**	(2,849)	(1,837)
Preferred stock of a subsidiary	**(176)**	(38)	—
Preferred and preference stock	**—**	—	(88)
Guaranteed preferred beneficial interests in subordinated notes	**—**	(250)	—
Notes payable and commercial paper	**(67)**	(1,702)	(1,067)
Distributions to minority interests	**(1,477)**	(2,508)	(2,260)
Contributions from minority interests	**1,277**	2,432	2,535
Dividends paid	**(1,065)**	(1,051)	(938)
Other	**19**	23	64
Net cash (used in) provided by financing activities	**(3,278)**	(2,657)	2,846
Changes in cash and cash equivalents associated with assets held for sale	**39**	(55)	—
Net increase in cash and cash equivalents	**136**	16	91
Cash and cash equivalents at beginning of year	**397**	381	290
Cash and cash equivalents at end of year	**$ 533**	$ 397	$ 381
Supplemental Disclosures			
Cash paid for interest, net of amount capitalized	**$ 1,323**	$ 1,324	$ 1,011
Cash (refunded) paid for income taxes	**$ (339)**	$ (18)	$ 344
Significant non-cash transactions:			
Debt retired in connection with disposition of businesses	**$ 840**	$ 387	$ —
Note receivable from sale of southeast plants	**$ 48**	$ —	$ —
Remarketing of senior notes	**$ 1,625**	$ —	$ —
Acquisition of Westcoast Energy Inc.			
Fair value of assets acquired	**$ —**	$ —	$ 9,254
Liabilities assumed, including debt and minority interests	**—**	—	8,047
Issuance of common stock	**—**	—	1,702
Capital lease obligations related to property, plant and equipment	**$ —**	$ —	$ 117

CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

				Accumulated Other Comprehensive Income (Loss)			
(In millions)	Common Stock Shares	Common Stock	Retained Earnings	Foreign Currency Adjustments	Net Gains (Losses) on Cash Flow Hedges	Minimum Pension Liability Adjustment	Total
Balance December 31, 2001	**777**	**$ 6,217**	**$ 6,292**	**$ (307)**	**$ 487**	**$ —**	**$12,689**
Net income			1,034				1,034
Other Comprehensive Income							
Foreign currency translation adjustments				(340)			(340)
Net unrealized gains on cash flow hedges[b]					37		37
Reclassification into earnings from cash flow hedges[c]					(102)		(102)
Minimum pension liability adjustment[d]						(484)	(484)
Total comprehensive income							145
Dividend reinvestment and employee benefits	13	342					342
Equity offering	55	975					975
Westcoast acquisition	50	1,702					1,702
Common stock dividends			(905)				(905)
Preferred and preference stock dividends			(13)				(13)
Other capital stock transactions, net			9				9
Balance December 31, 2002	**895**	**$ 9,236**	**$ 6,417**	**$ (647)**	**$ 422**	**$ (484)**	**$14,944**
Net loss			(1,323)				(1,323)
Other Comprehensive Loss							
Foreign currency translation adjustments[a]				986			986
Foreign currency translation adjustments reclassified into earnings as a result of the sale of European operations				(24)			(24)
Net unrealized gains on cash flow hedges[b]					116		116
Reclassification into earnings from cash flow hedges[c]					(240)		(240)
Minimum pension liability adjustment[d]						40	40
Total comprehensive loss							(445)
Dividend reinvestment and employee benefits	16	283	(6)				277
Common stock dividends			(993)				(993)
Preferred and preference stock dividends			(15)				(15)
Other capital stock transactions, net			(20)				(20)
Balance December 31, 2003	**911**	**$ 9,519**	**$ 4,060**	**$ 315**	**$ 298**	**$ (444)**	**$13,748**
Net income			1,490				1,490
Other Comprehensive Income							
Foreign currency translation adjustments				279			279
Foreign currency translation adjustments reclassified into earnings as a result of the sale of Asia-Pacific Business				(54)			(54)
Net unrealized gains on cash flow hedges[b]					311		311
Reclassification into earnings from cash flow hedges[c]					(83)		(83)
Minimum pension liability adjustment[d]						28	28
Total comprehensive income							1,971
Dividend reinvestment and employee benefits	5	108	20				128
Equity offering	41	1,625					1,625
Common stock dividends			(1,018)				(1,018)
Preferred and preference stock dividends			(9)				(9)
Other capital stock transactions, net			(4)				(4)
Balance December 31, 2004	**957**	**$11,252**	**$ 4,539**	**$ 540**	**$ 526**	**$ (416)**	**$16,441**

[a] Foreign currency translation adjustments, net of $114 tax benefit in 2003
[b] Net unrealized gains on cash flow hedges, net of $170 tax expense in 2004, $49 tax expense in 2003 and $72 tax expense in 2002
[c] Reclassification into earnings from cash flow hedges, net of $45 tax benefit in 2004, $130 tax benefit in 2003 and $94 tax benefit in 2002
[d] Minimum pension liability adjustment, net of $18 tax expense in 2004, $27 tax expense in 2003 and $309 tax benefit in 2002

Pages 1 and 4 of the Chairman's letter reference a 2004 ongoing basic earnings-per-share goal of $1.20, which we beat by 18 cents. Page 4 of the Chairman's letter also references the 2005 ongoing basic earnings-per-share target of $1.60. Ongoing basic earnings per share is a non-GAAP (generally accepted accounting principles) financial measure because it excludes the per-share effects of any "special items," which represent certain income or charges which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure is basic earnings per share.

Information to reconcile the 2005 ongoing basic earnings-per-share target to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items for 2005. The following is a reconciliation of ongoing to reported basic earnings per share for 2004:

Ongoing Basic Earnings per Share – 2004
(In millions, except earnings per share)

	Pre-tax Amount	Tax Effect	Basic EPS Impact
Ongoing Basic Earnings per Share			**$ 1.38**
Net gain on sale of discontinued operations (net of minority interest of $7 million)	$ 278	$ (16)	0.28
Net loss on asset sales, primarily sale of southeast U.S. plants (including minority interest benefit of $25 million)	(206)	72	(0.14)
Impairments and other related charges (net of minority interest of $12 million)	(25)	9	(0.02)
Litigation reserves and settlements (net of minority interest of $5 million) and contract termination charges	(5)	2	0.00
Tax benefit from restructuring	–	48	0.05
Adjustment to captive insurance reserve	64	(22)	0.04
Net loss on sales of equity investments (including minority interest benefit of $7 million) and loss on asset exchanges	(8)	3	0.00
Total basic earnings-per-share impact of special items			0.21
Basic Earnings per Share, as Reported			**$ 1.59**

Page 1 of the Chairman's letter references a debt reduction of $4.6 billion. This amount represents a non-GAAP measure because it includes changes in amounts presented in the Consolidated Balance Sheets as other than "debt," including amounts classified as "liabilities associated with assets held for sale" and "minority interests." The following is a reconciliation of the $4.6 billion to the changes in the amounts reported in the Consolidated Balance Sheets as "debt":

Reconciliation of Debt Paydown to Consolidated Balance Sheets – 2004
(In millions)

	12/31/03	12/31/04	Difference
Long-term debt	$20,622	$16,932	$ (3,690)
Current maturities of long-term debt and preferred stock	1,200	1,832	632
Notes payable and commercial paper	130	68	(62)
Total Debt	21,952	18,832	**(3,120)**
Changes due to foreign currency			(300)
Other cash changes			(89)
Sub-total			**(389)**
Redeem Australia debt			(890)
Redeem Westcoast Energy, Inc. preferred securities			(176)
Total Change			**$(4,575)**
Total debt paydown disclosed			$ (4,600)

Page 1 of the Chairman's letter references $3.1 billion of proceeds from asset sales in 2004. This amount represents a non-GAAP measure because it includes amounts that are presented in the Consolidated Statements of Cash Flows as other than net "proceeds from sales of equity investments and other assets, and sales of and collections on notes receivable," including $750 million of tax benefits and $840 million of non-cash debt reductions.

The Financial Highlights on page 2 include amounts for "earnings (loss) before interest and taxes from continuing operations." This non-GAAP measure represents the combination of "operating income (loss)" and "other income and expenses" as presented in the Consolidated Statements of Operations, and it excludes results and impacts from discontinued operations.

Page 3 of the Chairman's letter mentions a 2004 contribution from Crescent Resources of more than $440 million. This amount represents the cash that Crescent Resources generated from its operating and investing activities and contributed to Duke Energy.

In this report, for certain segments we use ongoing segment EBIT (earnings before interest and taxes) as a measure of historical and anticipated future performance. For some segments we also use a forecasted ongoing segment EBIT growth rate, which is based on historical and forecasted ongoing segment EBIT, as an indicator of anticipated future compound annual growth rates. When used for future periods, ongoing segment EBIT may also include amounts that may be reported as discontinued operations. Ongoing segment EBIT and related growth rates are non-GAAP financial measures because they represent reported segment EBIT adjusted for special items. The most directly comparable GAAP measure for ongoing segment EBIT is reported segment EBIT, which represents EBIT from continuing operations, including any special items.

For future periods, information to reconcile ongoing segment EBIT and related growth rates to the most directly comparable GAAP financial measures is not available at this time, as management is unable to forecast special items or amounts that may be reported as discontinued operations. The following is a reconciliation of ongoing segment EBIT to reported segment EBIT for 2004:

Reconciliation of Ongoing to Reported Segment EBIT – 2004
(In millions)

		Special Items						
	Ongoing Segment EBIT	Gains (Losses) on Sales of Assets	Gains (Losses) on Sales of Equity Investments	Impairment and Other Related Charges	Early Contract Termination Charges	Enron/ California Settlements, net	Total	Reported Segment EBIT
Earnings Before Interest and Taxes from Continuing Operations								
Duke Energy North America	$(288)	$(228)[a]	$–	$ (2)	$(20)[b]	$3[b,c]	$(247)	$(535)
International Energy	236	(2)	1	(13)[b]	–	–	(14)	222

a Net of minority interest benefit of $26 million
b Recorded in operation and maintenance expense
c Net of minority interest of $5 million

(Left to right) Robert J. Brown, George Dean Johnson Jr., G. Alex Bernhardt Sr., A. Max Lennon, Paul M. Anderson, Roger Agnelli, James T. Rhodes

BOARD MEMBERS

Roger Agnelli, *45, President and Chief Executive Officer, Companhia Vale do Rio Doce (CVRD), Brazil. Compensation Committee. Finance and Risk Management Committee. Director since 2004.* Agnelli leads CVRD, a global mining company and the world's largest producer of iron ore. For several years he held various positions at Bradesco, a Brazilian financial conglomerate. Agnelli joined Duke Energy's Board of Directors in November 2004.

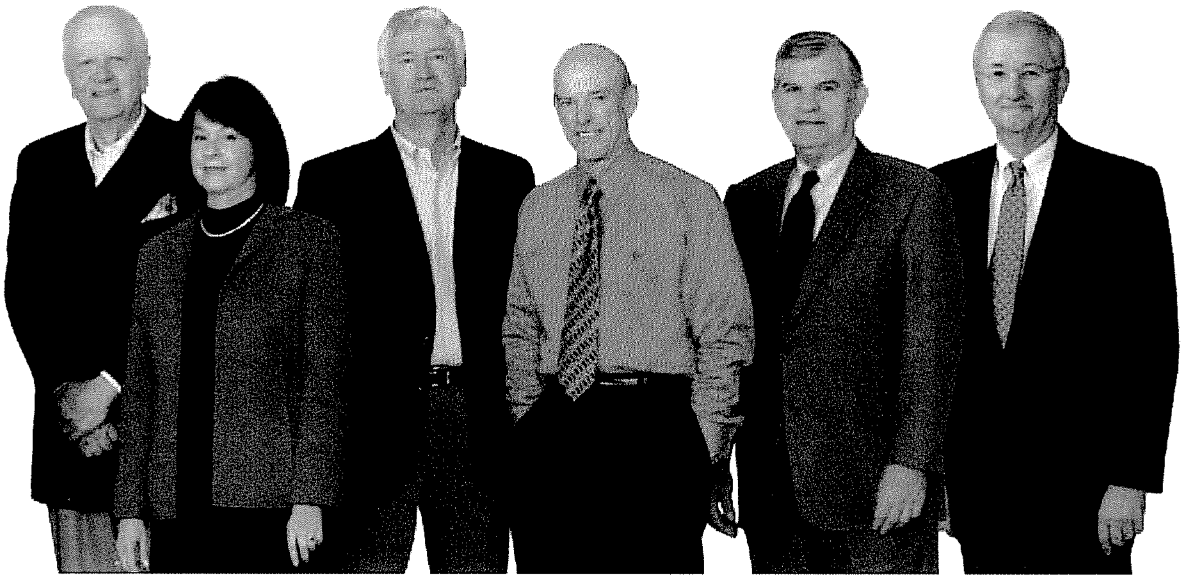
Paul M. Anderson, *59, Chairman of the Board and Chief Executive Officer, Duke Energy. Director since 2003.* Anderson rejoined Duke Energy in 2003, having served as its first president and chief operating officer in 1997 and 1998, and with Duke Energy predecessor companies since 1977. He retired as managing director and chief executive officer of Australia-based BHP Billiton Ltd. in 2002.

G. Alex Bernhardt Sr., *62, Chairman and Chief Executive Officer, Bernhardt Furniture Co. Audit Committee. Nuclear Oversight Committee. Director since 1991.* Besides leading the family business in Lenoir, N.C., Bernhardt serves as a director of Cities in Schools and Smart Start, and on the Davidson College Board of Trustees.

Robert J. Brown, *70, Chairman and Chief Executive Officer, B&C Associates Inc. Audit Committee. Corporate Governance Committee. Director since 1994.* Brown founded B&C Associates Inc., a marketing research and public relations firm in High Point, N.C. He serves on the Board of Trustees of the National Urban League. Brown will retire from the Duke Energy Board of Directors at the 2005 Annual Meeting.

William T. Esrey, *65, Chairman Emeritus, Sprint Corp. Chair, Audit Committee. Director since 1985.* Esrey joined Sprint in 1980, and went on to serve as the company's chief financial officer, president, chief executive officer and chairman. He also served as chairman of Japan Telecom from 2003 to 2004.

Ann Maynard Gray, *59, Former President, Diversified Publishing Group of ABC Inc. Lead Director. Chair, Corporate Governance Committee. Compensation Committee. Finance and Risk Management Committee. Nuclear Oversight Committee. Director since 1994.* At American Broadcasting Companies Inc., Gray also held positions as treasurer and vice president of planning. She currently serves as a trustee for J.P. Morgan Funds.



(Left to right) Leo E. Linbeck Jr., Ann Maynard Gray, Michael E.J. Phelps, William T. Esrey, James G. Martin, Dennis R. Hendrix

Dennis R. Hendrix, *65, Retired Chairman of the Board, PanEnergy Corp. Compensation Committee. Finance and Risk Management Committee. Director since 2004.* Hendrix rejoined the Board of Directors in December 2004. He was chairman of the board of PanEnergy Corp prior to the 1997 merger of Duke Power and PanEnergy.

George Dean Johnson Jr., *62, Owner, Johnson Development Associates Inc. Finance and Risk Management Committee. Director since 1986.* Johnson was formerly chief executive officer and director of Extended Stay America Inc. He served in the S.C. House of Representatives and as a director of the Federal Reserve Bank of Richmond. Johnson will retire from the Duke Energy Board of Directors at the 2005 Annual Meeting.

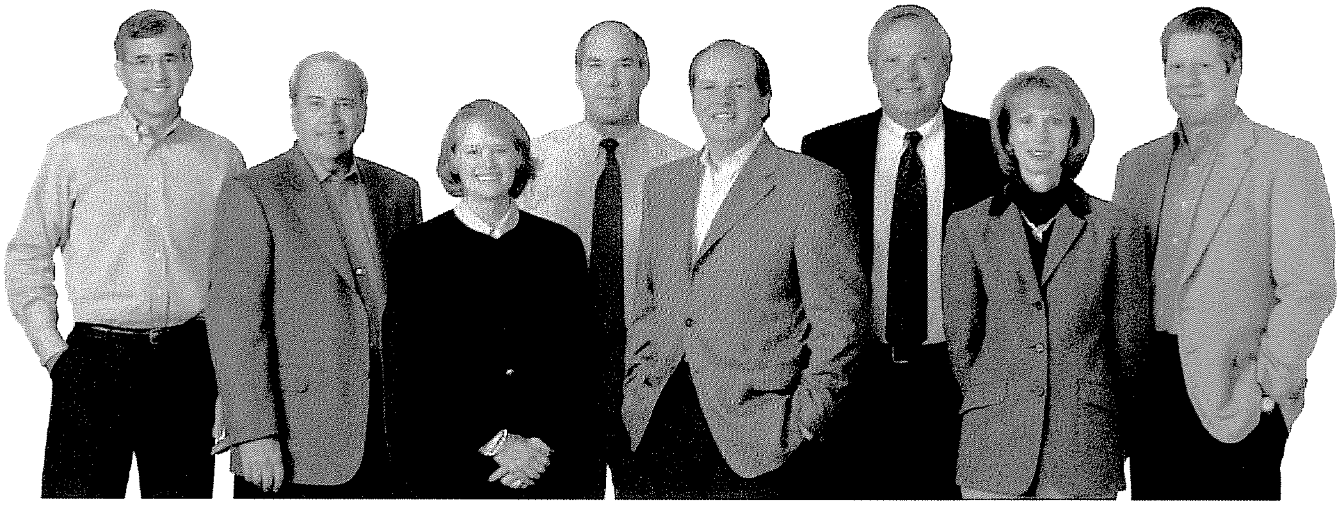
A. Max Lennon, *64, President, Education and Research Services. Audit Committee. Director since 1988.* Lennon is a former president of Clemson University and Mars Hill College. He also served as president and chief executive officer of Eastern Foods Inc.

Leo E. Linbeck Jr., *70, Senior Chairman, Linbeck Corp. Compensation Committee. Finance and Risk Management Committee. Director since 1986.* Linbeck Corp. is a group of four construction-related firms headquartered in Houston, Texas. Linbeck is past chairman and director of the Federal Reserve Bank of Dallas. He will retire from the Duke Energy Board of Directors at the 2005 Annual Meeting.

James G. Martin, *69, Corporate Vice President, Carolinas HealthCare System. Chair, Compensation Committee. Corporate Governance Committee. Nuclear Oversight Committee. Director since 1994.* Martin was governor of the state of North Carolina from 1985 to 1993, and previously served as a U.S. congressman. He is chairman of the Global TransPark Foundation Inc.

Michael E.J. Phelps, *57, Chairman, Dornoch Capital Inc. Chairman, Duke Energy Canadian Advisory Council. Chair, Finance and Risk Management Committee. Corporate Governance Committee. Director since 2002.* Phelps is former chairman of the board and chief executive officer of Westcoast Energy Inc., acquired by Duke Energy in 2002.

James T. Rhodes, *63, Retired Chairman, President and Chief Executive Officer, Institute of Nuclear Power Operations. Chair, Nuclear Oversight Committee. Audit Committee. Director since 2001.* Rhodes was formerly president and chief executive officer of Virginia Power. He is a member of the Advisory Council of the Electric Power Research Institute.



2004 Executive Committee (left to right): A.R. Mullinax, Fred Fowler, Martha Wyrsch, Jim Mogg, Paul Anderson, David Hauser, Julie Dill, Rich Osborne

EXECUTIVE COMMITTEE

Duke Energy's Executive Committee is responsible for driving a strategy that generates shareholder value by providing a stable platform for growth and continued profitability. This group develops corporate strategy, allocates capital, outlines enterprise goals, implements Board direction, and in general leads the enterprise.

Paul M. Anderson, *Chairman of the Board and Chief Executive Officer*. Anderson has lead responsibility for positioning Duke Energy as a company that achieves superior results, focusing the organization on its vision and purpose, improving execution and ensuring clear accountability. He chairs the Executive Committee and the Expanded Executive Committee.

Fred J. Fowler, *President and Chief Operating Officer*. Fowler chairs Duke Energy's Enterprise Performance Committee, with responsibility for the operational, commercial and financial results of the company's energy-related businesses.

David L. Hauser, *Group Vice President and Chief Financial Officer*. Hauser is responsible for treasury, accounting, tax and risk management. His duties include certifying financial statements and overseeing risk control policies and systems.

Jim W. Mogg, *Group Vice President and Chief Development Officer*. Mogg oversees strategy and corporate transactions, corporate and human resources development, mergers and acquisitions, diversity and the company's real estate affiliate.

A.R. Mullinax, *Group Vice President and Chief Information Officer*. Mullinax leads information technology and is responsible for global sourcing and logistics, corporate real estate services and human resources services.

Richard J. Osborne, *Group Vice President, Public and Regulatory Policy*. Osborne has responsibility for Duke Energy's public policy agenda and relationships with regulators, legislators, communities and other key stakeholders.

Martha B. Wyrsch. Wyrsch served as group vice president, general counsel and secretary until March 1, 2005, when she became president and chief executive officer of Duke Energy Gas Transmission.

Julie A. Dill, *Secretary to the Executive Committee and Vice President, Investor and Shareholder Relations*. Dill is responsible for relationships and communication with the investment community, and for monitoring changes and trends in investment markets.

EXPANDED EXECUTIVE COMMITTEE

The Expanded Executive Committee includes the Executive Committee members as well as the heads of the major business units. This group is responsible for corporate policies and programs that reach across the business units.

(Pictured on page 6)

William H. Easter III, *Chairman, President and Chief Executive Officer, Duke Energy Field Services*. Easter leads the company's natural gas gathering and processing and natural gas liquids business.

Robert B. Evans, *President and Chief Executive Officer, Duke Energy Americas*. Evans is responsible for Duke Energy's North American and Latin American wholesale energy generation business.

Thomas C. O'Connor. O'Connor served as president and chief executive officer of Duke Energy Gas Transmission until March 1, 2005. He will have responsibilities for corporate strategy upon his completion of Harvard University's Advanced Management Program, and will be joining the Executive Committee later in 2005.

Ruth G. Shaw, *President and Chief Executive Officer, Duke Power Company*. Shaw oversees the electric utility that serves more than 2 million customers in North Carolina and South Carolina.

Annual Meeting
The 2005 Annual Meeting of Duke Energy Shareholders will be:
Date: Thursday, May 12, 2005
Time: 10 a.m.
Place: O.J. Miller Auditorium,
Energy Center
526 South Church Street
Charlotte, NC 28202

Shareholder Services
Shareholders may call (800) 488-3853 or (704) 382-3853 with questions about their stock accounts, legal transfer requirements, address changes, replacement dividend checks, replacement of lost certificates or other services. Additionally, registered users of DUK-Online, our online account management service, may access their accounts through the Internet. Send written requests to:
Investor Relations
Duke Energy
P.O. Box 1005
Charlotte, NC 28201-1005
For electronic correspondence, please go to "Contact Investor Relations" at: www.duke-energy.com/investors.

Stock Exchange Listing
Duke Energy's common stock and certain issues of first and refunding mortgage bonds, preferred securities and senior notes are listed on the New York Stock Exchange. The company's common stock trading symbol is DUK.

Web Site Addresses
Corporate home page:
www.duke-energy.com
Investor Relations:
www.duke-energy.com/investors

InvestorDirect Choice Plan
The InvestorDirect Choice Plan provides a simple and convenient way to purchase common stock directly through the company, without incurring brokerage fees. Purchases may be made weekly. Bank drafts for monthly purchases, as well as a safekeeping option for depositing certificates into the plan, are available. The plan also provides for full reinvestment, direct deposit or cash payment of dividends. Additionally, participants may register for DUK-Online.

Financial Publications
Duke Energy will furnish to any shareholder, without charge, printed copies of the 2004 Summary Annual Report and SEC Form 10-K. Those and other financial publications can also be found on our Web site at www.duke-energy.com/investors.

Electronic Delivery
With a shareholder's consent, we can stop mailing paper copies of financial information and proxy statements. You can go to www.icsdelivery.com/duk to enroll in electronic delivery. You will need to provide your Social Security number or Tax I.D. number, your e-mail address, and a PIN number of your choice for electronic voting.

Duplicate Mailings
If your shares are registered in different accounts, you may receive duplicate mailings of annual reports, proxy statements and other shareholder information. Call Investor Relations for instructions on eliminating duplications or combining your accounts.

Transfer Agent and Registrar
Duke Energy maintains shareholder records and acts as transfer agent and registrar for the company's common and preferred stock issues.

Dividend Payment
Duke Energy has paid quarterly cash dividends on its common stock for 78 consecutive years. Dividends on common and preferred stock are expected to be paid, subject to declaration by the Board of Directors, on March 16, June 16, Sept. 16 and Dec. 16, 2005.

Bond Trustee
If you have questions regarding your bond account, call (800) 275-2048, or write to:
JPMorgan Chase Bank
Institutional Trust Services
P.O. Box 2320
Dallas, TX 75221-2320

We welcome your opinion on Duke Energy's 2004 Annual Report. Please visit www.duke-energy.com/investors, where you can view the online Annual Report and provide feedback on both the print and online versions. Or contact Investor Relations directly.

526 South Church Street
Charlotte, NC 28202-1802
704.594.6200
www.duke-energy.com

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(m)

---

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

Description of Filing Requirement:

A current chart of accounts if more detailed than the Uniform System of Accounts prescribed by the commission.

Response:

See Attached.

Sponsoring Witness: Brenda R. Melendez

Account - Account Description
0101000 - Property Plant and Equipment
0101025 - Gps - General Plant
0101150 - Common Plant in Service
0106000 - Comp Const Unclassified
0106102 - CCNC - Common
0107000 - SCHM Cwip
0108000 - Accumulated DDandA - Ppande
0108101 - Accum DD&A- Common PP&E
0108151- Common Accum Dep - COR
0108301 - Accum Depreciation COR
0108620 - RWIP - Reg Liab
0111100 - Acc Prov - Amor Elec Plt in Ser
0111110 - Common Accum Amort
0116000 - Other Electric Plant Adj
0121000 - NonUtil Prop - General
0122000 - DDandA - NonUtil Prop - Gen
0123999 - Intercompany Rollup Account
0124090 - Invst-Campbell Co Bus Develop
0131155 - Cash PNC 0659
0131158 - Cash JPM Chase 9831
0131159 - Cash JPM Chase 9831
0131160 - Cash JPM Chase 7099
0135101 - Oth Dep - Petty Cash Fund
0142100 - Cust Accts - Special Billed Acct
0142200 - Cust Acct - Edp
0142801 - A/R-Passport Interface
0142830 - A/R-Merch/Jobb/Contract Work
0142880 - Sale of Customer Receivables
0142982 - Def Rev Rec - Unbilled Fuel
0143010 - Aetna - Supplemental - Payroll Ded
0143011 - A/R - Other - Gen Acctg
0143030 - ADandD Covrg - Supplmntl - P/R Ded
0143110 - Misc A/R - Clearing
0143151 - Other A/R-Misc Non-Utility
0143155 - Other A/R - Miscelleneous
0143170 - Emp Portion - Med Ins Prem
0143180 - Ret Med Life Den/Prem Withheld
0143221 - LT Asset: Interest Receiv
0143222 - LT Tax Reclass Fed Dr
0143223 - LT Tax Reclass State Dr
0143240 - Emp Part Den Ins Payroll Ded
0143280 - Dependent Care Spending Account
0143320 - Mar Billed - Edp
0143430 - Mar Bulk Power Clearing
0143605 - A/R-DPL CD/CCD Operations
0143651 - A/R-DPL CD/CCDcapex
0143870 - Cust Billing-Outdoor Light
0143927 - Employee Receivables
0143955 - A/R-Sold
0143995 - A/R Wholesale Pwr - Estimate

Duke Energy Kentucky, Inc.
Chart of Accounts as of March, 2009

Witness Responsible:
B. R. Melendez

Account - Account Description

0144100 - SCHM Uncollectible Accrual Electric
0144700 - Prov for MARBS Uncollectibles
0145004 - IC Moneypool - ST Notes Receiv
0145890 - N/R - Rp Cin Receivables
0146000 - Electric Interunit Account
0151126- Fuel Stock - Propane
0151130 - Coal Stock
0151131 - Coal Stock in Transit
0151140 - Diesel Fuel Stock
0151700 - Propane Inventory
0154100 - Inventory
0154102 - Common M&S
0154110 - M&S Supply Inventory - Joint Owner
0154140 - Misc Inventory
0154200 - Limestone Inventory
0154410 - Working Stock
0154900 - Reserve for loss on inventory
0158180 - Reg EA-SO2 Native Current
0158280 - Reg EA-NOx Native Current
0163110 - Stores Expense
0165021 - Prepayments (sch M)
0165075 - Interco Prepaid Insu SchM
0165100 - Unexpired Insurance
0165400 - Misc Prepaid Expenses
0165520 - Collateral Asset
0165970 - Current Tax Reclass State Dr
0165990 - Current Tax Reclass Fed Dr
0171104 - Cur Asset: Interest Receiv
0173100 - Unbilled Revenue Receivable
0173110 - Accounts Receivable Sold
0174100 - Other Current Assets
0174273 - Gas Stored Current
0174995 - Native Deferred MTM Asset
0175001 - Deriv Assets - Noncashflw - ST
0176004 - 3rd Party Derivative Int Receivable
0181021 - Unamortized Debt Expense
0181814 - 7 875 SnrUnsecDebs 9/15/09
0181839 - ULHP 50M 5 75 3/10/16
0181840 - ULHP 65M 6 2 3/10/2036
0181843 - ULHP PCB 06B
0181845 - 5 0 Debs 12/15/14
0181848 - Corp Revolver 2006
0181869 - ULHP PCB 06A
0182320 - Regulatory Asset - Inc Tax
0182376 - Deferred Project Costs
0182401 - Deferred DSM Costs
0182402 - ARO Other Regulatory Asset
0182403 - Gas ARO Other Regulatory Asset
0182700 - Hurricane Ike Regulatory Asset
0182750 - 2005 Merger Transaction Costs

Account - Account Description
0182910 - LERP Delayed Cash Costs
0182940 - ULHP 2006 Electric Rate Case
0182950 - ULHP 2005 Gas Rate Case
0182975 - AMRP Study Costs
0183000 - Prelim Survey and Investigation
0184100 - Fringe Benefits Clearing
0184450 - Charges To Be Tranferred(Go On
0184610 - Ind Labor Union Clearing
0185000 - Temporary Facilities
0186051 - Joint Owner Misc Deferred Exp
0186120 - Misc. Wip - Fp Dist. Wids
0186301 - Lease Receivable
0186341 - Unearned Income
0186342 - Vacation Accrual Regulatory Asset
0186430 - Error Suspense - Capital Acctg
0186470 - Error Suspense - Corp Payroll
0186625 - Intang Asset Fas87-Qual Pen
0186770 - Misc Deferred Debits Debt
0186802 - Accrued Pension Post Retire FAS158
0186984 - Other Long-Term Assets
0189100 - Schm Unamt Loss Reaq Dt
0190001 - Adit: Prepaid: Federal Taxes
0190002 - Adit: Prepaid: State Taxes
0190008 - Deferred Federal Tax Asset - Current
0190009 - Deferred SIT - Current
0190015 - LT Def Credit for state Liab-190
0190021 - LT Def credit for state liab(190)
0190052 - Accum Deferred SIT-OCI
0190053 - Accum Deferred FIT-Plant
0190054 - Accum Deferred SIT-Plant
0191400 - Unrecovered Purch Gas Cost
0191800 - Unrec Purch Gas - Unbilled Rev
0201000 - Common Stock Issued
0207001 - Premium on Common Stock
0208000 - Donations From Stockholder
0208010 - Donat Recvd From Stkhld Tax
0211006 - PIC - Sharesaver
0216000 - Unapprop Retained Earnings
0216100 - Unappr Undistr Subsid Earnings
0224034 - LT Debt - Current Portion
0224050 - LTD 4th & Walnut
0224440 - LT Notes Payable
0224839 - ULHP 50M 5 75 3/10/16
0224840 - ULHP 65M 6 2 3/10/2036
0224843 - ULHP PCB 06B
0224844 - Rus Obligation
0224869 - ULHP PCB 06A
0226021- Unamort Discount-Curr
0226814 - 7 875 Snr Unsec Debs 9/15/09
0226839 - ULHP 50M 5 75 3/10/16

Account - Account Description

0226840 - ULHP 65M 6 2 3/10/2036
0226844 - Rus Obligation
0227101 - LT Capital Lease Obligation
0227102- Noncurrent Capital Lease-Meter
0228315 - Schm Opeb (Fas106)
0228325 - Schm Post Emp FAS 112
0228390 - Res-Fas 112 Postemployment Ben
0228440 - Reserve - MGP Sites FERC 228
0229000 - Accum. Prov. For Rate Refunds
0230951 - ARO sch M
0232002 - A/P - Misc - Gen - Acctg
0232016 - AP PS8.9 Vendors Payable
0232017 - Other Current Liabilities-Comp
0232039 - Payable 401K Incentive Match
0232101 - EAP 10 customer charge
0232111 - Vouchers Payable-Passport
0232141 - Unvouchered Stock Matls Receipt
0232152 - A/P Purchased Gas
0232170 - Accounts Payable - Coal
0232175 - Limestone and Freight Payable
0232180 - Accounts Payable - Oil Stocks
0232181 - Natural Gas Payable
0232361 - A/P Fuelfunds - Customer Donations
0232460 - Bulk Power Marketing Payable
0232892 - A/P Miscellaneous
0232955 - A/P Wholesale Pwr - Estimate
0232996 - Capital - Accruals
0233002 - Notes Pay St - DEGT Only
0233150 - IC Moneypool - ST Notes Pay
0235140 - Special Customer Deposits
0236001 - State It Payable Other
0236041 - Accrued Property Tax
0236150 - St/Local Unemployment Tax Liab
0236700 - Employer FICA Tax Liab
0236750 - Federal Unemployment Tax Liab
0236810 - Accrued Franchise Tax
0236820 - Misc NonUtility
0236906 - Sales and Use Tax Payable
0236965 - Accrued SIT - Prior Year
0236981 - Fed Inc Tax Payable - Prev Yr
0236990 - Fed Inc Tax Payable - Current
0236994 - LT Liability: Federal UTP
0236995 - LT Contra-Liab GC: Fed
0237038 - LT Interest Accrued
0237110 - Bonds Interest Payable
0237200 - Curr Interest Accrued
0237221 - Int Accrued on MW Dep
0241110 - State Income Tax Wh - Employee
0241150 - Federal Income Tax Wh - Employee
0241160 - FICA Withheld - Employee

Account - Account Description
0241311 - County School Taxes Payable
0241320 - NC State Sales Tx on Elc Enrgy
0241335 - Local Taxes Withheld
0241348 - Franchise Tax Payable
0242033 - Wages Payable - Accrual
0242381 - Retirement Bank Accrual
0242460 - Prov For Incentive Ben Prog
0242461 - Prior Year Incentive Accrual
0242490 - Vacation Carryover
0242650 - Accrued Payable - Other
0242997 - Misc Liab - FAS 87 NQ
0242998 - Misc Liab - FAS 106
0242999 - Misc Liab - FAS 112
0243050 - 2156_CLTD_CAP_LEASE
0243105 - Current Portion of Cap Lease Obligation
0244001 - Deriv Liab - Noncashflw - S - T
0245003 - Accrued Interest Exp - Swaps
0245004 - 3rd Party Derivative Int Payable
0252050 - Gas Contributions Post 1992
0253016 - Unclaimed Property
0253044 - OPEB - Health
0253046 - Pension Cost Adj
0253047 - Pension Cost Adj (ODC)
0253130 - Gas Refunds/Recl Adj Due Cust
0253270 - Suplmtl Penison-Excess Plan
0254100 - Regulatory Liablility - Inc Tax
0254101 - Deferred Regulatory Liability
0254210 - Reg Liability Emission Swaps
0254220 - Reg Liab Em Swp GAAP Int Asset
0255000 - Accum Def Inv Tax Credits
0255201 - Def ITC-Non-Regulated
0282100 - Adit: PpandE: Federal Taxes
0282101 - Adit: PpandE: State Taxes
0282102 - LT Def tax liability: Fed-282
0282104 - LT Def tax liability - Fed(282)
0283011 - Current Portion - Dit
0283012- Current Portion - DSIT
0283100 - Adit: Other: Federal Taxes
0283101 - Adit: Other: State Taxes
0401100 - Non-reg Operation Expense
0403002 - Depr - Expense
0404200 - Amort of Elec Plt - Software
0407907 - Regulatory Asset-Deferral Acct
0408121 - Taxes Property - Operating
0408150 - State Unemployment Tax
0408151 - Federal Unemployment Tax
0408152 - Employer FICA Tax
0408205 - Highway Use Tax
0408700 - Fed Social Security Tax - Elec
0408820 - Misc NonUtility Tax

Account - Account Description

0408960 - Pr FandT Loading
0409102 - SIT Exp - Utility
0409190 - Federal Income Tax - Electric CY
0409202 - State Income Tax NonUtility
0409220 - Federal Income Tax - NonUtility CY
0410100 - Dfit: Utility: Current Year
0410102 - Dsit: Utility: Current Year
0410240 - Dfit: Non - Utility: Curr Year
0410242 - Dsit: Non - Utility: Curr Year
0411100 - Dfit: Utility: Curr Year Cr
0411101 - Dsit: Utility: Curr Year Cr
0411240 - Dfit: Non - Utility: Curr Yr Cr
0411242 - Dsit: Non - Utility: Curr Yr Cr
0411410 - Invest Tax Credit Adj - Electric
0415100 - Other Misc Gas Rev
0415530 - Marketing Service Revenue
0416010 - Merch Cost of Goods - Electric
0416330 - Miscellaneous Expense
0417000 - Misc Revenue
0418002 - Nonop Rental Inc - Florence
0418012 - Non Oper Depr - Florence Fac
0419040 - Interest Inc (sch M)
0419170 - AFUDC Equity
0419240 - Miscellaneous Interest
0419429 - IC Moneypool - Interest Inc
0419890 - Int Inc-Cin Rec Co LLC
0426100 - Donations
0426400 - Exp/Civic and Political Activity
0426415 - Misc Inc Deduct Civic/Poli
0426508 - Inc Deduction-Other Inc & Exp
0426510 - Other
0426512 - Donations
0426521 - Sale Of A/R Fees
0426540 - Employee Service Club Dues
0427220 - Interest on L - T Note Payable
0428025 - Amortization of Debt Discount
0428100 - Amort of Debt Discount and Exp
0428165 - Amort on Loss of Reaquired Debt
0430216 - IC Moneypool - LT Interest Exp
0431002 - Int Exp - Other
0431003 - Other Interest - Swaps
0431020 - Interest Exp-Cust Service Dep
0431130 - Interest Exp - Capital Lease
0431400 - Int/Other Notes and Acct Pay
0431550 - Interest Exp-Assign From Svc
0431900 - Interest Expense Other
0432000 - AFUDC Debt Component
0440000 - Residential
0440990 - Residential Unbilled Rev
0442100 - General Service

Account - Account Description

0442190 - General Service Unbilled Rev
0442200 - Industrial Service
0442290 - Industrial Svc Unbilled Rev
0445000 - Other Sales To Public Auth
0445090 - OPA Unbilled
0447150 - Sales For Resale - Outside
0448000 - Interdepartmental Sales
0449100 - Provisions For Rate Refunds
0451100 - Miscellaneous Items
0454200 - Pole and Line Attachments
0454400 - Other Electric Rents
0456025 - RSG Rev - MISO Make Whole
0456075 - Data Processing Service
0456111 - Other Transmission Revenues
0456970 - Wheel Transmission Rev - ED
0456980 - Wheel Transmission Rev - EC
0480000 - Residential Sales-Gas
0480990 - Gas Residential Sales-Unbilled
0481000 - Industrial Sales-Gas
0481090 - Gas Industrial Sales Unbilled
0481200 - Gas Commercial Sales
0481290 - Gas Commercial Sales Unbilled
0482000 - Other Sales To Public Auth
0482090 - Gas OPA Unbilled
0482200 - Gas Public St Hwy Ltng
0484000 - 3rd Party Gas Sales
0488000 - Misc Service Revenue
0488100 - Misc. Service Revenue I/C
0489000 - Transp Gas of Others
0489010 - Rev Transp of Gas - I/C
0489020 - Comm Gas Transp Only
0489025 - Comm Gas Transp Unbilled
0489030 - Indust Gas Transp Only
0489035 - Indust Gas Transp Unbilled
0489040 - OPA Gas Transp Only
0489045 - OPA Gas Transp Unbilled
0493010 - Rent from Gas Properties-IC
0495021 - Sales Use Tax Collect Fee
0501110 - Coal Consumed - Fossil Steam
0501150 - Coal Handling
0501160 - Coal Sampling and Testing
0501180 - Sale of Fly Ash - Revenues
0501190 - Sale of Fly Ash - Expenses
0501310 - Oil Consumed - Fossil Steam
0501350 - Oil Handling Expense
0502040 - Cost of Lime
0502100 - Fossil Steam Exp - Other
0506000 - Misc Fossil Power Expenses
0507010 - IC Steam Pwr Gen Op Rents
0509030 - SO2 Emission Expense

Account - Account Description
0511000 - Maint of Structures - Steam
0512100 - Maint of Boiler Plant - Other
0513100 - Maint of Electric Plant - Other
0547100 - Natural Gas
0547701 - Propane Gas
0548200 - Prime Movers - Generators - Ct
0552000 - Maintenance of Structures - Ct
0555028 - Purch Pwr - Non-native - net
0555202 - Purch Power-Fuel Clause
0557000 - Other Expenses - Oper
0557980 - Retail Deferred Fuel Expenses
0561100 - Load Dispatch - Reliability
0562000 - Station Expenses
0565000 - Transm of Elec By Others
0565855 - Tran Elec By Oth - ED- Interco
0566000 - Misc Trans Exp - Other
0567010 - IC Trans Op Rents
0569000 - Maint of Structures - Trans
0569100 - Maint of Computer Hardware
0569200 - Maint of Computer Software
0570100 - Maint Stat Equip - Other_Trans
0581004 - Load Dispatch-Dist of Elec
0582100 - Station Expenses - Other - Dist
0586000 - Meter Expenses - Dist
0587000 - Cust Install Exp - Other Dist
0588100 - Misc Distribution Exp - Other
0589010 - IC Dist Op Rents
0597000 - Maintenance of Meters - Dist
0711000 - Gas Boiler Labor
0728000 - Liquid Petroleum Gas
0735000 - Gas Misc Production Exp
0736020 - Gas Raw Material - Rents
0742000 - Maint Gas Production Expense
0801000 - Purchases Gas and Ngl
0801001 - Purchases Gas and Ngl - Aff
0803290 - Miscellaneous Expense
0804110 - Unproductive Time Distributed
0804210 - Vacations
0804220 - Holidays
0804240 - Inclement Weather
0804250 - Jury Duty
0804260 - Death in Family
0804280 - Scheduled Time Earned Unworked
0804290 - Other Excused Absences
0804330 - Sick
0807000 - Gas Purchased Expenses
0807100 - I/C Gas Purchased Expenses
0813001 - Other Gas Supply Expenses
0871000 - Distribution Load Dispatching
0874000 - Mains and Services

Account - Account Description

0879000 - Customer Installation Expense
0881000 - Intercompany Operating Rents
0887000 - Maintenance of Mains
0892000 - Maintenance of Services
0894000 - Maint - Other Distribution Equi
0901000 - Supervision - Cust Accts
0902000 - Meter Reading Expense
0903200 - Cust Billing and Acct
0903300 - Cust Collecting - Local
0904001 - Bad Debt Expense
0904003 - Cust Acctg-Loss On Sale-A/R
0908140 - Economic Development
0908160 - Cust Assist Exp - General
0910000 - Misc Cust Serv/Inform Exp
0920000 - A and G Salaries
0921100 - Employee Expenses
0921110 - Relocation Expenses
0921200 - Office Expenses
0921400 - Computer Services Expenses
0921450 - A/G Mat/Exp-Elec -Billed DPL
0921540 - Computer Rent (Go Only)
0921580 - Allocated Computer Expenses
0921600 - Other
0921980 - Office Supplies and Expenses
0922000 - Admin Exp Transfer
0923000 - Outside Services Employed
0924000 - Property Insurance
0924100 - Admin - Ehands Expense
0924980 - Property Insurance For Corp.
0925000 - Injuries and Damages
0925200 - Injuries and Damages - Other
0926000 - Empl Pensions and Benefits
0927001 - General and Administration
0928006 - State Reg Comm Proceeding
0928031 - Prof Fees Legal
0928055 - Fed Energy Reg Com Proceed
0929500 - Admin Exp Transf
0930200 - Misc General Expenses
0930210 - Industry Association Dues
0930220 - Exp of Servicing Securities
0930240 - Director'S Expenses
0930600 - Leased Circuit Charges - Other
0930700 - Research and Development
0930940 - General Expenses
0931001 - Rents - AandG
0931008 - A and G Rents IC
0935100 - Maint General Plant-Elec

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(n)

---

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

Description of Filing Requirement:

The latest twelve (12) months of the monthly management reports providing financial results of operations in comparison to the forecast.

Response:

See attached and also see response to FR 10(9)(o).

Sponsoring Witness: Stephen R. Lee

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 1
As of June 30, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Assets				
Utility Plant in Service	1,121,077,968	330,510,910	11,878,245	1,463,467,123
Construction Work in Progress	25,948,877	8,102,193	0	34,051,070
Less Accum. Depreciation	(548,663,039)	(96,879,773)	(7,251,215)	(652,794,027)
Net Utility Plant	598,363,806	241,733,330	4,627,030	844,724,166
Nonutility Property	0	0	11,864,898	11,864,898
Other Investments	0	0	1,500	1,500
Total Other Property & Investments	0	0	11,866,398	11,866,398
Cash	9,931,478	3,413,787	(1,014,000)	12,331,265
Working Funds	2,014	692	(206)	2,500
Customer Accounts Receivable	5,544,177	2,313,396	0	7,857,573
Other Accounts Receivable	5,186,488	1,782,773	(529,538)	6,439,723
Less Provision for Uncollectibles	(252,279)	(105,267)	0	(357,546)
Notes Receivable from Assoc. Co.	11,513,952	3,957,738	(1,175,570)	14,296,120
Accounts Receivable from Assoc. Co.	1,143,860	393,183	(116,788)	1,420,255
Fuel Stock	20,315,736	448,246	832,456	21,596,438
Gas Stored Underground Inventory	0	8,030,037	0	8,030,037
Plant Materials & Operating Supplies	8,762,478	181,026	0	8,943,504
Other Materials & Supplies	63,531	1,312	0	64,843
Stores Expense Undistributed	577,395	11,929	0	589,324
Prepayments	3,985,267	1,886,646	0	5,871,913
Emission Allowances	6,225,965	0	0	6,225,965
Interest & Dividends Receivable	274,641	94,403	(28,041)	341,003
Misc Current and Accrued Assets	3,507	0	0	3,507
Total Current & Accrued Assets	73,278,210	22,409,901	(2,031,687)	93,656,424
Unamortized Debt Expense	1,380,825	474,636	(140,982)	1,714,479
Other Regulatory Assets	4,140,094	6,769,911	0	10,910,005
Preliminary Survey & Investigation	728,517	250,416	(74,381)	904,552
Temporary Facilities	(53,700)	0	0	(53,700)
Miscellaneous Deferred Debits	11,892,307	4,087,791	(1,214,200)	14,765,898
Unamortized Loss on Reacquired Debt	2,837,599	975,379	(289,718)	3,523,260
Accumulated Deferred Income Taxes	4,810,270	7,222,037	2,361,586	14,393,893
Unrecovered Purchased Gas Costs	0	(4,935,671)	0	(4,935,671)
Total Deferred Debits	25,735,912	14,844,499	642,305	41,222,716
TOTAL ASSETS AND OTHER DEBITS	697,377,928	278,987,730	15,104,046	991,469,704

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 2
As of June 30, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Proprietary Capital				
Common Stock Issued	7,071,320	2,430,654	(721,979)	8,779,995
Premium on Capital Stock	15,172,699	5,215,374	(1,549,127)	18,838,946
Other Paid-in Capital Stock	187,124,936	(14,482,098)	(23,987,649)	148,655,189
Retained Earnings	154,115,802	109,626,764	(35,937,287)	227,805,279
Accumulated Other Comprehensive Income	0	0	0	0
Total Proprietary Capital	363,484,757	102,790,694	(62,196,042)	404,079,409
Liabilities				
Bonds	203,418,556	69,921,892	(20,768,954)	252,571,494
Unamortized Premium on Long-Term Debt				
Less Unamortized Discount on Long-Term Debt	(495,088)	(170,179)	50,547	(614,720)
Total Long-Term Debt	202,923,468	69,751,713	(20,718,407)	251,956,774
Obligations Under Capital Leases - Noncurrent	9,107,099	3,130,500	0	12,237,599
Asset Retirement Obligation	1,698,368	4,696,971	0	6,395,339
Long-Term Portion of Derivative Instrument Liabilities	989,778	716,000	33,818	1,739,596
Accum. Misc. Operating Provisions	9,006,973	6,515,598	307,741	15,830,312
Total Other Noncurrent Liabilities	20,802,218	15,059,069	341,559	36,202,846
Accounts Payable	20,692,992	7,112,887	(2,112,746)	25,693,133
Notes Payable to Assoc. Co.	6,171,408	2,121,323	(630,098)	7,662,633
Accounts Payable to Assoc. Co.	38,251,625	13,148,387	(3,905,476)	47,494,536
Customer Deposits	3,590,355	2,414,587	0	6,004,942
Taxes Accrued	(8,383,543)	14,709,973	5,723,912	12,050,342
Interest Accrued	2,703,758	929,373	(276,053)	3,357,078
Tax Collections Payable	473,816	471,791	114,764	1,060,371
Misc. Current & Accrued Liabilities	4,311,807	3,119,140	147,322	7,578,269
Obligations Under Capital Leases - Current	1,461,950	502,535	0	1,964,485
Total Current & Accrued Liabilities	69,274,168	44,529,996	(938,375)	112,865,789
Customer Advances for Construction	0	1,799,305	0	1,799,305
Accum. Deferred Investment Tax Credits	558,082	1,246,043	3,254,823	5,058,948
Other Deferred Credits	4,733,894	4,489,116	0	9,223,010
Other Regulatory Liabilities	1,149,188	492,369	0	1,641,557
Accumulated Deferred Income Taxes	34,452,153	38,829,425	95,360,488	168,642,066
Total Deferred Credits	40,893,317	46,856,258	98,615,311	186,364,886
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	697,377,928	278,987,730	15,104,046	991,469,704

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Income Statement
For the 12 Months Ended June 31, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Revenues				
Residential Sales	119,709,964	89,728,781	-	209,438,745
Commercial Sales	134,892,455	40,150,545	-	175,043,000
Industrial Sales	52,708,239	5,112,456	-	57,820,695
Sales to Public Authorities	22,779,872	6,057,098	-	28,836,970
Public Street & Highway Lighting	1,698,110	-	-	1,698,110
Inter-Departmental Sales	53,975	50,613	-	104,588
Misc. Service Revenues	(867,633)	38,403	466,276	(362,954)
Revenues from Transportation	-	4,911,254	-	4,911,254
Rents from Property	898,223	34,176	1,207,675	2,140,074
Other Revenues	18,163,120	12,510	-	18,175,630
Total Revenues	350,036,325	146,095,836	1,673,951	497,806,112
Operating Expenses				
Operation Expense	233,950,499	125,798,231	144,105	359,892,835
Maintenance Expense	18,921,877	1,989,939	38,469	20,950,285
Depreciation Expense	30,576,350	4,360,396	1,684,991	36,621,737
Amortization and Depletion	1,720,600	608,455	-	2,329,055
Taxes Other than Income Taxes	7,104,629	3,302,744	38,816	10,446,189
Income Taxes - Federal & Other	18,258,404	2,373,500	214,311	20,846,215
Provision of Deferred Income Taxes - Net	3,532,787	(4,891,451)	31,309	(1,327,355)
Investment Tax Credit Adjustment	-	304	(304)	-
Total Operating Expenses	314,065,146	133,542,118	2,151,697	449,758,961
NET OPERATING INCOME	35,971,179	12,553,718	(477,746)	48,047,151
Other Income & Deductions				
Revenues from Merchandising, Jobbing and Contract Work	-	-	470,950	470,950
Less Expense of Merchandising, Jobbing and Contract Work	-	-	(279,276)	(279,276)
Revenues from Nonutility Operations	-	-	334,025	334,025
Interest & Dividend Income	-	-	3,703,960	3,703,960
AFUDC	239,060	214,277	-	453,337
Gain on Disposition of Property	-	-	-	-
Loss on Disposition of Property	-	-	-	-
Misc. Income Deductions	-	-	(2,081,740)	(2,081,740)
Taxes Other than Income Taxes	-	-	(359,805)	(359,805)
Income Taxes - Federal & Other	-	-	1,104,938	1,104,938
Provision for Deferred Income Taxes - Net	-	-	-	-
Total Other Income & Deductions	239,060	214,277	2,893,052	3,346,389
Interest Charges				
Interest on Long Term Debt	(12,162,779)	(4,180,762)	1,241,815	(15,101,726)
Amortization of Debt Disc. And Expense	(484,891)	(166,674)	49,507	(602,058)
Amortizaton of Loss on Reacquired Debt	-	-	-	-
Interest on Debt to Assoc Co	(591,529)	(203,328)	60,395	(734,462)
Other Interest Expense	(888,124)	(305,278)	90,677	(1,102,725)
Less Allowance for Borrowed Fund Used During Construction - Credit	170,980	186,347	183,552	540,879
Net interest Charges	(13,956,343)	(4,669,695)	1,625,946	(17,000,092)
Extraordinary Items after Taxes				
NET INCOME	22,253,896	8,098,300	4,041,252	34,393,448

Duke Energy of Kentucky
Capital Structure
June 30, 2008

	Actual March 2008	Activity	Actual June 2008
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
Long-term debt	$ 252,001,888	$ 14,568	$ 252,016,456
Obligations under Capital Lease-Noncurr	$ 12,681,180	$ (443,581)	$ 12,237,599
Total Long-term debt	**$ 264,683,068**	**$ (429,013)**	**$ 264,254,055**
Common Stock Equity			
Common Stock	$ 8,779,995	$ -	$ 8,779,995
Prem On Capital Stock Common	$ 18,838,946	$ -	$ 18,838,946
Donat Recvd From Stkhld	$ 143,211,362	$ -	$ 143,211,362
Donat Recvd From Stkhld Tax	$ 5,600,021	$ -	$ 5,600,021
PIC - Sharesaver	$ (156,194)	$ -	$ (156,194)
Unappropriated RE Bal	$ 210,269,761	$ -	$ 210,269,761
Unapp Ret Erngs-Curr Yr Net In	$ 12,513,822	$ 5,021,695	$ 17,535,517
Total Common Stock Equity	**$ 399,057,713**	**$ 5,021,695**	**$ 404,079,408**
TOTAL CAPITALIZATION	**$ 663,740,781**	**$ 4,592,682**	**$ 668,333,463**

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 1
As of September 30, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Assets				
Utility Plant in Service	1,134,627,501	331,308,485	11,879,439	1,477,815,425
Construction Work in Progress	29,182,701	4,901,192		34,083,893
Less Accum. Depreciation	(559,063,120)	(95,034,228)	(7,299,691)	(661,397,039)
Net Utility Plant	604,747,082	241,175,449	4,579,748	850,502,279
Nonutility Property	0	0	11,443,650	11,443,650
Other Investments	0	0	1,500	1,500
Total Other Property & Investments	0	0	11,445,150	11,445,150
Cash	66,690,250	22,923,713	(6,809,048)	82,804,915
Working Funds	2,014	692	(206)	2,500
Customer Accounts Receivable	5,580,361	2,363,976	0	7,944,337
Other Accounts Receivable	6,086,836	2,092,253	(621,464)	7,557,625
Less Provision for Uncollectibles	(280,259)	(118,725)	0	(398,984)
Notes Receivable from Assoc. Co.	14,166,356	4,869,459	(1,446,379)	17,589,436
Accounts Receivable from Assoc. Co.	39,942	13,730	(4,078)	49,594
Fuel Stock	17,281,004	448,246	832,456	18,561,706
Gas Stored Underground Inventory	0	12,940,265	0	12,940,265
Plant Materials & Operating Supplies	8,991,691	296,220	0	9,287,911
Other Materials & Supplies	4,374	144	0	4,518
Stores Expense Undistributed	963,731	31,749	0	995,480
Prepayments	4,230,414	2,002,700	0	6,233,114
Emission Allowances	5,501,336	0	0	5,501,336
Interest & Dividends Receivable	281,924	96,907	(28,784)	350,047
Misc Current and Accrued Assets	1,132	0	0	1,132
Total Current & Accrued Assets	129,541,106	47,961,329	(8,077,503)	169,424,932
Unamortized Debt Expense	1,363,965	468,841	(139,260)	1,693,546
Other Regulatory Assets	4,549,223	6,367,659	0	10,916,882
Preliminary Survey & Investigation	779,400	267,906	(79,576)	967,730
Clearing Accounts	28,460	20,587	972	50,019
Temporary Facilities	(60,375)	0	0	(60,375)
Miscellaneous Deferred Debits	12,846,657	4,415,834	(1,311,639)	15,950,852
Unamortized Loss on Reacquired Debt	2,776,133	954,252	(283,442)	3,446,943
Accumulated Deferred Income Taxes	3,542,642	9,053,356	2,360,627	14,956,625
Unrecovered Purchased Gas Costs	0	(6,032,644)	0	(6,032,644)
Total Deferred Debits	25,826,105	15,515,791	547,682	41,889,578
TOTAL ASSETS AND OTHER DEBITS	760,114,293	304,652,569	8,495,077	1,073,261,939

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 2
As of September 30, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Proprietary Capital				
Common Stock Issued	7,071,320	2,430,654	(721,979)	8,779,995
Premium on Capital Stock	15,172,699	5,215,374	(1,549,127)	18,838,946
Other Paid-in Capital Stock	187,124,936	(14,482,098)	(23,987,649)	148,655,189
Retained Earnings	164,423,852	109,941,408	(37,425,121)	236,940,139
Accumulated Other Comprehensive Income	0	0	0	0
Total Proprietary Capital	373,792,807	103,105,338	(63,683,876)	413,214,269
Liabilities				
Bonds	261,935,172	90,036,049	(26,743,477)	325,227,744
Unamortized Premium on Long-Term Debt				
Less Unamortized Discount on Long-Term Debt	(483,355)	(166,146)	49,349	(600,152)
Total Long-Term Debt	261,451,817	89,869,903	(26,694,128)	324,627,592
Obligations Under Capital Leases - Noncurrent	8,149,889	2,801,466	0	10,951,355
Asset Retirement Obligation	1,720,431	4,762,904	0	6,483,335
Long-Term Portion of Derivative Instrument Liabilities	1,318,295	953,648	45,042	2,316,985
Accum. Misc. Operating Provisions	5,532,748	4,002,362	189,037	9,724,147
Total Other Noncurrent Liabilities	16,721,363	12,520,380	234,079	29,475,822
Accounts Payable	17,740,259	6,097,932	(1,811,273)	22,026,918
Accounts Payable to Assoc. Co.	47,286,467	16,253,971	(4,827,930)	58,712,508
Customer Deposits	3,682,101	2,476,289	0	6,158,390
Taxes Accrued	(9,627,545)	16,892,729	6,573,262	13,838,446
Interest Accrued	1,470,788	505,560	(150,167)	1,826,181
Tax Collections Payable	540,293	537,984	130,865	1,209,142
Misc. Current & Accrued Liabilities	2,668,359	1,930,278	91,170	4,689,807
Obligations Under Capital Leases - Current	1,939,382	666,649	0	2,606,031
Total Current & Accrued Liabilities	65,700,104	45,361,392	5,927	111,067,423
Customer Advances for Construction	0	1,797,507	0	1,797,507
Accum. Deferred Investment Tax Credits	315,861	1,209,119	3,254,823	4,779,803
Other Deferred Credits	7,212,265	6,839,336	0	14,051,601
Other Regulatory Liabilities	1,092,376	468,028	0	1,560,404
Accumulated Deferred Income Taxes	33,827,700	43,481,566	95,378,252	172,687,518
Total Deferred Credits	42,448,202	53,795,556	98,633,075	194,876,833
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	760,114,293	304,652,569	8,495,077	1,073,261,939

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Income Statement
For the 12 Months Ended September 30, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Revenues				
Residential Sales	117,538,820	91,344,696	-	208,883,516
Commercial Sales	136,775,065	40,744,243	-	177,519,308
Industrial Sales	53,098,415	4,672,274	-	57,770,689
Sales to Public Authorities	22,913,575	6,174,532	-	29,088,107
Public Street & Highway Lighting	1,685,403	1,125	-	1,686,528
Inter-Departmental Sales	51,616	51,602	-	103,218
Misc. Service Revenues	(1,667,572)	40,264	469,261	(1,158,047)
Revenues from Transportation	-	4,940,559	-	4,940,559
Rents from Property	743,424	32,756	793,518	1,569,698
Other Revenues	18,575,480	12,235	-	18,587,715
Total Revenues	349,714,226	148,014,286	1,262,779	498,991,291
Operating Expenses				
Operation Expense	235,409,486	121,964,033	154,970	357,528,489
Maintenance Expense	24,112,799	2,006,275	63,595	26,182,669
Depreciation Expense	29,294,866	4,091,045	1,684,993	35,070,904
Amortization and Depletion	1,681,712	613,823	-	2,295,535
Taxes Other than Income Taxes	6,776,247	2,940,536	39,609	9,756,392
Income Taxes - Federal & Other	14,593,607	2,229,793	28,282	16,851,682
Provision of Deferred Income Taxes - Net	6,148,955	(2,968,886)	(3,682)	3,176,387
Investment Tax Credit Adjustment	-	(163)	163	-
Total Operating Expenses	318,017,672	130,876,456	1,967,930	450,862,058
NET OPERATING INCOME	31,696,554	17,137,830	(705,151)	48,129,233
Other Income & Deductions				
Revenues from Merchandising, Jobbing and Contract Work	-	-	397,336	397,336
Less Expense of Merchandising, Jobbing and Contract Work	-	-	(301,895)	(301,895)
Revenues from Nonutility Operations	-	-	463,280	463,280
Interest & Dividend Income	-	-	3,560,572	3,560,572
AFUDC	320,966	325,722	-	646,688
Gain on Disposition of Property	-	-	-	-
Loss on Disposition of Property	-	-	-	-
Misc. Income Deductions	-	-	(1,814,808)	(1,814,808)
Taxes Other than Income Taxes	-	-	(244,843)	(244,843)
Income Taxes - Federal & Other	-	-	1,437,979	1,437,979
Provision for Deferred Income Taxes - Net	-	-	-	-
Total Other Income & Deductions	320,966	325,722	3,497,621	4,144,309
Interest Charges				
Interest on Long Term Debt	(12,019,578)	(4,131,539)	1,227,194	(14,923,923)
Amortization of Debt Disc. And Expense	(467,161)	(160,579)	47,697	(580,043)
Amortizaton of Loss on Reacquired Debt	-	-	-	-
Interest on Debt to Assoc Co	(386,571)	(132,878)	39,469	(479,980)
Other Interest Expense	(665,234)	(228,663)	67,920	(825,977)
Less Allowance for Borrowed Fund Used During Construction - Credit	293,075	167,774	-	460,849
Net interest Charges	(13,245,469)	(4,485,885)	1,382,280	(16,349,074)
Extraordinary Items after Taxes				
NET INCOME	18,772,051	12,977,667	4,174,750	35,924,468

Duke Energy of Kentucky
Capital Structure
September 30, 2008

	Actual June 2008	Activity	Actual September 2008
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
Long-term debt	$ 252,016,456	$ 52,670,603	$ 304,687,059
Obligations under Capital Lease-Noncurr	$ 12,237,599	$ (1,286,244)	$ 10,951,355
Total Long-term debt	**$ 264,254,055**	**$ 51,384,359**	**$ 315,638,414**
Common Stock Equity			
Common Stock	$ 8,779,995	$ -	$ 8,779,995
Prem On Capital Stock Common	$ 18,838,946	$ -	$ 18,838,946
Donat Recvd From Stkhld	$ 143,211,362	$ -	$ 143,211,362
Donat Recvd From Stkhld Tax	$ 5,600,021	$ -	$ 5,600,021
PIC - Sharesaver	$ (156,194)	$ -	$ (156,194)
Unappropriated RE Bal	$ 210,269,761	$ -	$ 210,269,761
Unapp Ret Erngs-Curr Yr Net In	$ 17,535,517	$ 9,134,861	$ 26,670,378
Total Common Stock Equity	**$ 404,079,408**	**$ 9,134,861**	**$ 413,214,269**
TOTAL CAPITALIZATION	**$ 668,333,463**	**$ 60,519,220**	**$ 728,852,683**

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 1
As of December 31, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Assets				
Utility Plant in Service	1,123,497,011	340,722,634	11,973,202	1,476,192,847
Construction Work in Progress	31,564,014	4,940,255		36,504,269
Less Accum. Depreciation	(547,735,114)	(95,032,813)	(7,332,423)	(650,100,350)
Net Utility Plant	607,325,910	250,630,077	4,640,779	862,596,766
Nonutility Property	0	0	11,022,401	11,022,401
Other Investments	0	0	1,500	1,500
Total Other Property & Investments	0	0	11,023,901	11,023,901
Cash	9,476,070	3,257,248	(967,503)	11,765,815
Working Funds	2,014	692	(206)	2,500
Customer Accounts Receivable	3,437,725	1,391,799	0	4,829,524
Other Accounts Receivable	6,938,816	2,385,108	(708,450)	8,615,474
Less Provision for Uncollectibles	(307,579)	(124,527)	0	(432,105)
Notes Receivable from Assoc. Co.	22,977,103	7,898,014	(2,345,953)	28,529,163
Accounts Receivable from Assoc. Co.	8,669,628	2,980,047	(885,166)	10,764,510
Fuel Stock	21,530,967	434,018	806,034	22,771,019
Gas Stored Underground Inventory	0	0	0	0
Plant Materials & Operating Supplies	8,792,252	317,101	0	9,109,352
Other Materials & Supplies	4,361	157	0	4,518
Stores Expense Undistributed	1,119,714	40,384	0	1,160,098
Prepayments	3,949,259	1,869,599	0	5,818,858
Emission Allowances	4,782,941	0	0	4,782,941
Derivative Instrument A:	637,315	0	0	637,315
Interest & Dividends Re	295,379	101,532	(30,158)	366,753
Misc Current and Accrued Assets	9,825,521	0	0	9,825,521
Total Current & Accrued Assets	102,131,486	20,551,172	(4,131,402)	118,551,256
Unamortized Debt Expense	1,313,870	451,622	(134,146)	1,631,346
Other Regulatory Assets	17,231,378	5,570,214	0	22,801,592
Preliminary Survey & Investigation	790,627	271,766	(80,723)	981,670
Clearing Accounts	23,064	16,684	788	40,536
Temporary Facilities	(70,800)	0	0	(70,800)
Miscellaneous Deferred Debits	27,817,368	9,561,778	(2,840,142)	34,539,004
Unamortized Loss on Reacquired Debt	2,950,213	1,014,089	(301,216)	3,663,086
Accumulated Deferred Income Taxes	3,546,609	17,529,778	3,162,576	24,238,963
Unrecovered Purchased Gas Costs	0	(2,404,683)	0	(2,404,683)
Total Deferred Debits	53,602,329	32,011,247	(192,863)	85,420,714
TOTAL ASSETS AND OTHER DEBITS	763,059,725	303,192,496	11,340,415	1,077,592,637

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 2
As of December 31, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Proprietary Capital				
Common Stock Issued	7,071,320	2,430,654	(721,979)	8,779,995
Premium on Capital Stock	15,172,699	5,215,374	(1,549,127)	18,838,946
Other Paid-in Capital Stock	187,124,936	(14,482,098)	(23,987,649)	148,655,189
Retained Earnings	164,306,820	91,229,063	(37,785,069)	217,750,814
Accumulated Other Comprehensive Income	0	0	0	0
Total Proprietary Capital	373,675,775	84,392,993	(64,043,824)	394,024,944
Liabilities				
Bonds	262,628,448	90,274,351	(26,814,261)	326,088,539
Unamortized Premium on Long-Term Debt Less Unamortized Discount on Long-Term Debt	(471,622)	(162,113)	48,152	(585,584)
Total Long-Term Debt	262,156,826	90,112,238	(26,766,109)	325,502,955
Obligations Under Capital Leases - Noncurrent	7,893,369	2,713,289	0	10,606,658
Asset Retirement Obligation	1,742,804	4,647,523	0	6,390,326
Long-Term Portion of Derivative Instrument Liabilities	4,496,722	3,252,906	153,640	7,903,269
Accum. Misc. Operating Provisions	5,429,393	11,445,223	185,506	17,060,122
Total Other Noncurrent Liabilities	19,562,288	22,058,941	339,146	41,960,375
Accounts Payable	29,367,473	10,094,602	(2,998,407)	36,463,667
Notes Payable to Assoc. Co.	2,610,305	897,251	(266,511)	3,241,044
Accounts Payable to Assoc. Co.	10,854,907	3,731,202	(1,108,282)	13,477,827
Customer Deposits	3,795,747	2,552,718	0	6,348,465
Taxes Accrued	(9,883,408)	17,341,668	6,747,952	14,206,215
Interest Accrued	3,868,579	1,329,762	(394,980)	4,803,361
Tax Collections Payable	1,045,154	1,040,687	253,149	2,338,990
Misc. Current & Accrued Liabilities	4,192,809	3,033,057	143,256	7,369,121
Obligations Under Capital Leases - Current	1,874,801	644,450	0	2,519,251
Total Current & Accrued Liabilities	47,726,367	40,665,397	2,376,177	90,767,941
Customer Advances for Construction	0	1,674,369	0	1,674,369
Accum. Deferred Investment Tax Credits	73,639	1,190,287	3,254,823	4,518,749
Other Deferred Credits	17,630,552	16,718,917	0	34,349,472
Other Regulatory Liabilities	1,072,326	459,437	0	1,531,763
Accumulated Deferred Income Taxes	41,161,953	45,919,917	96,180,202	183,262,069
Total Deferred Credits	59,938,469	65,962,927	99,435,025	225,336,422
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	763,059,725	303,192,496	11,340,415	1,077,592,637

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Income Statement
For the 12 Months Ended December 31, 2008
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Revenues				
Residential Sales	121,502,233	93,793,581	-	215,295,814
Commercial Sales	137,367,164	41,774,545	-	179,141,709
Industrial Sales	54,136,477	4,448,715	-	58,585,192
Sales to Public Authorities	23,365,930	6,163,166	-	29,529,096
Public Street & Highway Lighting	1,712,470	1,131	-	1,713,601
Inter-Departmental Sales	58,317	53,843	-	112,160
Misc. Service Revenues	501,501	41,233	514,092	1,056,826
Revenues from Transportation	-	4,960,283	-	4,960,283
Rents from Property	550,638	34,176	542,986	1,127,800
Other Revenues	16,648,008	(7,498,222)	-	9,149,786
Total Revenues	355,842,739	143,772,450	1,057,078	500,672,267
Operating Expenses				
Operation Expense	238,790,937	122,463,656	105,644	361,360,237
Maintenance Expense	21,379,225	1,997,142	89,099	23,465,466
Depreciation Expense	28,114,741	5,277,195	1,684,993	35,076,930
Amortization and Depletion	1,681,042	633,750	-	2,314,792
Taxes Other than Income Taxes	5,440,924	1,735,421	40,076	7,216,421
Income Taxes - Federal & Other	8,573,961	5,414,297	(45,644)	13,942,614
Provision of Deferred Income Taxes - Net	9,987,764	(4,442,964)	(17,136)	5,527,664
Investment Tax Credit Adjustment	-	(247)	247	-
Total Operating Expenses	313,968,594	133,078,250	1,857,279	448,904,124
NET OPERATING INCOME	41,874,144	10,694,200	(800,201)	51,768,143
Other Income & Deductions				
Revenues from Merchandising, Jobbing and Contract Work	-	-	379,722	379,722
Less Expense of Merchandising, Jobbing and Contract Work	-	-	(89,576)	(89,576)
Revenues from Nonutility Operations	-	-	559,481	559,481
Interest & Dividend Income	-	-	4,020,483	4,020,483
AFUDC	424,923	353,417	-	778,340
Gain on Disposition of Property	-	-	65,449	65,449
Loss on Disposition of Property	-	-	-	-
Misc. Income Deductions	-	-	(1,517,780)	(1,517,780)
Taxes Other than Income Taxes	-	-	(258,355)	(258,355)
Income Taxes - Federal & Other	-	-	(556,131)	(556,131)
Provision for Deferred Income Taxes - Net	-	-	-	-
Total Other Income & Deductions	424,923	353,417	2,603,293	3,381,633
Interest Charges				
Interest on Long Term Debt	(11,976,480)	(4,116,725)	1,222,794	(14,870,411)
Amortization of Debt Disc. And Expense	(453,100)	(155,746)	46,261	(562,585)
Amortizaton of Loss on Reacquired Debt	-	-	-	-
Interest on Debt to Assoc Co	(66,098)	(22,720)	6,749	(82,070)
Other Interest Expense	(2,132,060)	(732,862)	217,682	(2,647,239)
Less Allowance for Borrowed Fund Used During Construction - Credit	329,490	164,091	-	493,581
Net interest Charges	(14,298,248)	(4,863,962)	1,493,486	(17,668,724)
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	28,000,820	6,183,655	3,296,577	37,481,052

Duke Energy of Kentucky
Capital Structure
December 31, 2008

	Actual September 2008	Activity	Actual December 2008
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
Long-term debt	$ 304,687,059	$ 874,073	$ 305,561,132
Obligations under Capital Lease-Noncurr	$ 10,951,355	$ (344,697)	$ 10,606,658
Total Long-term debt	**$ 315,638,414**	**$ 529,376**	**$ 316,167,790**
Common Stock Equity			
Common Stock	$ 8,779,995	$ -	$ 8,779,995
Prem On Capital Stock Common	$ 18,838,946	$ -	$ 18,838,946
Donat Recvd From Stkhld	$ 143,211,362	$ -	$ 143,211,362
Donat Recvd From Stkhld Tax	$ 5,600,021	$ -	$ 5,600,021
PIC - Sharesaver	$ (156,194)	$ -	$ (156,194)
Unappropriated RE Bal	$ 210,269,761	$ -	$ 210,269,761
Unapp Ret Erngs-Curr Yr Net In	$ 26,670,378	$ 10,810,675	$ 37,481,053
Common Dividend Declared	$ -	$ (30,000,000)	$ (30,000,000)
Total Common Stock Equity	**$ 413,214,269**	**$ (19,189,325)**	**$ 394,024,944**
TOTAL CAPITALIZATION	**$ 728,852,683**	**$ (18,659,949)**	**$ 710,192,734**

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 1
As of March 31, 2009
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Assets				
Utility Plant in Service	1,133,746,758	344,886,607	12,050,352	1,490,683,717
Construction Work in Progress	19,980,462	6,375,716		26,356,178
Less Accum. Depreciation	(548,574,819)	(96,921,765)	(7,381,753)	(652,878,337)
Net Utility Plant	605,152,401	254,340,558	4,668,599	864,161,558
Nonutility Property	0	0	10,601,153	10,601,153
Other Investments	0	0	1,500	1,500
Premium On Capital Stock Common	0	0	10,602,653	10,602,653
Donat Recvd From Stkhld				
Cash	11,733,395	4,033,168	(1,197,975)	14,568,588
Working Funds	2,013	692	(206)	2,500
Unapp Ret Erngs-Curr Yr Net In	64,431	22,147	(6,578)	80,000
Common Dividend Declared	4,828,299	1,726,526	0	6,554,825
Other Accounts Receivable	4,047,907	1,391,404	(413,290)	5,026,021
Less Provision for Uncollectibles	(343,615)	(122,872)	0	(466,487)
Notes Receivable from Assoc. Co.	24,031,555	8,260,465	(2,453,612)	29,838,407
Accounts Receivable from Assoc. Co.	105,459	36,250	(10,767)	130,942
Fuel Stock	23,784,530	355,804	660,778	24,801,112
Gas Stored Underground Inventory	0	0	0	0
Plant Materials & Operating Supplies	8,967,406	191,053	0	9,158,459
Other Materials & Supplies	6,797	145	0	6,942
Stores Expense Undistributed	1,457,442	31,051	0	1,488,493
Prepayments	4,063,277	1,923,576	0	5,986,853
Emission Allowances	4,252,585	0	0	4,252,585
Derivative Instrument Assets	0	0	0	0
Interest & Dividends Receivable	305,758	105,100	(31,218)	379,640
Misc Current and Accrued Assets	2,324,135	2,322,266	0	4,646,401
Total Current & Accrued Assets	89,631,374	20,276,775	(3,452,868)	106,455,281
Unamortized Debt Expense	1,292,847	444,395	(131,999)	1,605,243
Other Regulatory Assets	15,209,266	5,730,688	0	20,939,954
Preliminary Survey & Investigation	794,973	273,259	(81,166)	987,066
Clearing Accounts	2,548	1,844	87	4,479
Temporary Facilities	(28,193)	0	0	(28,193)
Miscellaneous Deferred Debits	30,728,560	10,562,453	(3,137,374)	38,153,639
Unamortized Loss on Reacquired Debt	2,893,203	994,493	(295,395)	3,592,301
Accumulated Deferred Income Taxes	(1,143,746)	14,724,421	2,360,627	15,941,302
Unrecovered Purchased Gas Costs	0	440,043	0	440,043
Total Deferred Debits	49,749,458	33,171,596	(1,285,220)	81,635,834
TOTAL ASSETS AND OTHER DEBITS	744,533,233	307,788,929	10,533,165	1,062,855,326

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Balance Sheet - Page 2
As of March 31, 2009
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Proprietary Capital				
Common Stock Issued	7,071,320	2,430,654	(721,979)	8,779,995
Premium on Capital Stock	15,172,699	5,215,374	(1,549,127)	18,838,946
Other Paid-in Capital Stock	119,725,403	41,153,703	(12,223,916)	148,655,189
Retained Earnings	222,890,944	54,515,357	(47,865,242)	229,541,058
Accumulated Other Comprehensive Income	0	0	0	0
Total Proprietary Capital	364,860,366	103,315,088	(62,360,264)	405,815,188
Liabilities				
Bonds	262,628,449	90,274,351	(26,814,261)	326,088,539
Unamortized Premium on Long-Term Debt Less Unamortized Discount on Long-Term Debt	(459,891)	(158,080)	46,955	(571,017)
Total Long-Term Debt	262,168,558	90,116,271	(26,767,306)	325,517,522
Obligations Under Capital Leases - Noncurrent	7,633,443	2,623,942	0	10,257,385
Asset Retirement Obligation	1,765,490	4,706,060	0	6,471,550
Long-Term Portion of Derivative Instrument Liabilities	3,726,830	2,695,970	127,335	6,550,135
Accum. Misc. Operating Provisions	5,496,423	11,493,712	187,796	17,177,932
Total Other Noncurrent Liabilities	18,622,186	21,519,684	315,131	40,457,002
Accounts Payable	21,207,658	7,289,795	(2,165,293)	26,332,159
Notes Payable to Assoc. Co.	0	0	0	0
Accounts Payable to Assoc. Co.	15,322,590	5,266,897	(1,564,430)	19,025,056
Customer Deposits	3,977,936	2,675,244	0	6,653,180
Taxes Accrued	(6,374,813)	11,185,401	4,352,439	9,163,029
Interest Accrued	1,888,945	649,295	(192,861)	2,345,379
Tax Collections Payable	718,752	715,679	174,090	1,608,521
Misc. Current & Accrued Liabilities	3,177,992	2,298,943	108,582	5,585,518
Obligations Under Capital Leases - Current	1,809,212	621,904	0	2,431,116
Total Current & Accrued Liabilities	41,728,272	30,703,158	712,527	73,143,958
Customer Advances for Construction	0	1,638,646	0	1,638,646
Accum. Deferred Investment Tax Credits	(163,382)	1,189,717	3,254,823	4,281,158
Other Deferred Credits	13,247,329	12,562,340	0	25,809,669
Other Regulatory Liabilities	743,233	318,438	0	1,061,671
Accumulated Deferred Income Taxes	43,326,671	46,425,587	95,378,253	185,130,511
Total Deferred Credits	57,153,851	62,134,728	98,633,076	217,921,655
TOTAL PROPRIETARY CAPITAL, LIABILITIES, AND OTHER DEFERRED CREDITS	744,533,233	307,788,929	10,533,165	1,062,855,326

Duke Energy Kentucky

Quarterly Supplemental Financial Statements
Income Statement
For the 12 Months Ended March 31, 2009
(Unaudited)

	Electric Jurisdictional	Gas Jurisdictional	Non-Jurisdictional	Total Company
Revenues				
Residential Sales	123,094,209	85,341,889	-	208,436,098
Commercial Sales	138,575,820	37,012,361	-	175,588,181
Industrial Sales	54,308,858	3,692,024	-	58,000,882
Sales to Public Authorities	23,668,344	5,150,301	-	28,818,645
Public Street & Highway Lighting	1,748,067	1,102	-	1,749,169
Inter-Departmental Sales	57,050	50,366	-	107,416
Misc. Service Revenues	2,433,396	42,590	514,092	2,990,078
Revenues from Transportation	-	4,880,704	-	4,880,704
Rents from Property	414,801	34,191	287,814	736,806
Other Revenues	16,735,183	(7,515,826)	-	9,219,357
Total Revenues	361,035,728	128,689,702	801,906	490,527,336
Operating Expenses				
Operation Expense	236,953,388	109,340,336	127,299	346,421,023
Maintenance Expense	24,150,013	1,942,764	56,772	26,149,549
Depreciation Expense	28,455,008	7,275,501	1,684,994	37,415,503
Amortization and Depletion	2,064,888	634,773	-	2,699,661
Taxes Other than Income Taxes	5,680,292	1,930,950	21,050	7,632,292
Income Taxes - Federal & Other	1,188,808	(550,753)	(123,788)	514,267
Provision of Deferred Income Taxes - Net	16,923,668	2,197,781	(66,862)	19,054,587
Investment Tax Credit Adjustment	-	137	(137)	-
Total Operating Expenses	315,416,065	122,771,489	1,699,328	439,886,882
NET OPERATING INCOME	45,619,663	5,918,213	(897,422)	50,640,454
Other Income & Deductions				
Revenues from Merchandising, Jobbing and Contract Work	-	-	359,732	359,732
Less Expense of Merchandising, Jobbing and Contract Work	-	-	(58,463)	(58,463)
Revenues from Nonutility Operations	-	-	787,178	787,178
Interest & Dividend Income	-	-	3,575,286	3,575,286
AFUDC	352,182	262,724	-	614,906
Gain on Disposition of Property	-	-	65,449	65,449
Loss on Disposition of Property	-	-	-	-
Misc. Income Deductions	-	-	(1,082,517)	(1,082,517)
Taxes Other than Income Taxes	-	-	(234,649)	(234,649)
Income Taxes - Federal & Other	-	-	127,609	127,609
Provision for Deferred Income Taxes - Net	-	-	-	-
Total Other Income & Deductions	352,182	262,724	3,539,625	4,154,531
Interest Charges				
Interest on Long Term Debt	(11,125,659)	(3,824,268)	1,135,925	(13,814,002)
Amortization of Debt Disc. And Expense	(478,303)	(164,409)	48,835	(593,877)
Amortizaton of Loss on Reacquired Debt	-	-	-	-
Interest on Debt to Assoc Co	(17,931)	(6,164)	1,831	(22,264)
Other Interest Expense	(3,075,723)	(1,057,231)	314,030	(3,818,924)
Less Allowance for Borrowed Fund Used During Construction - Credit	146,260	65,296	-	211,556
Net interest Charges	(14,551,356)	(4,986,776)	1,500,621	(18,037,511)
Extraordinary Items after Taxes	-	-	-	-
NET INCOME	31,420,490	1,194,161	4,142,824	36,757,474

Duke Energy of Kentucky
Capital Structure
March 31, 2009

	Actual December 2008	Activity	Actual March 2009
Liabilities and Shareholders' Equity			
Non-Current Liabilities			
Long-term debt	$ 305,561,132	$ 13,279	$ 305,574,411
Obligations under Capital Lease-Noncurr	$ 10,606,658	$ (349,273)	$ 10,257,385
Total Long-term debt	**$ 316,167,790**	**$ (335,994)**	**$ 315,831,796**
Common Stock Equity			
Common Stock	$ 8,779,995	$ -	$ 8,779,995
Premium On Capital Stock Common	$ 18,838,946	$ -	$ 18,838,946
Donat Recvd From Stkhld	$ 143,211,362	$ -	$ 143,211,362
Donat Recvd From Stkhld Tax	$ 5,600,021	$ -	$ 5,600,021
Other Misc PIC	$ (156,194)	$ -	$ (156,194)
Unappropriated RE Bal	$ 210,269,761	$ 7,481,052	$ 217,750,813
Unapp Ret Erngs-Curr Yr Net In	$ 37,481,053	$ (25,690,808)	$ 11,790,245
Common Dividend Declared	$ (30,000,000)	$ 30,000,000	$ -
Total Common Stock Equity	**$ 394,024,944**	**$ 11,790,244**	**$ 405,815,188**
TOTAL CAPITALIZATION	**$ 710,192,734**	**$ 11,454,250**	**$ 721,646,984**

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
FORECASTED TEST PERIOD FILING REQUIREMENTS
FR 10(9)(o)

---

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

Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.

Response:

See attached. The Company will provide this data for upcoming months as it becomes available.

Sponsoring Witness: Stephen R. Lee

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2007 Actual vs. Budget O&M Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - October, 2007			10 & 2 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		10 & 2 Projection	Budget	Proposed Var. F(U)
Function Costs							
Nuclear	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro	34.7	34.2	(0.5)	(0.4)	41.0	40.1	(0.9)
Power Delivery	121.8	113.2	(8.6)	(5.9)	150.5	136.0	(14.5)
Gas Delivery	49.2	50.6	1.4	(2.8)	62.9	61.5	(1.4)
Customer Service	73.8	73.1	(0.7)	(0.3)	91.1	90.1	(1.0)
Other Departments	69.0	67.8	(1.2)	(0.4)	82.3	80.7	(1.6)
Function Total	$ 348.5	$ 338.9	$ (9.6)	$ (9.8)	$ 427.8	$ 408.4	$ (19.4)
Less: Elimination Entries	$ (18.0)	$ (11.5)	$ 6.5	$ 2.0	$ (22.0)	$ (13.5)	$ 8.5
FE&G O&M Function Total (Tie Point)	$ 330.5	$ 327.4	$ (3.1)	$ (7.8)	$ 405.8	$ 394.9	$ (10.9)

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2007 Actual vs. Budget O&M Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - October, 2007			10 & 2 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		10 & 2 Projection	Budget	Proposed Var. F(U)
Function Costs							
Nuclear	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro	34.7	34.2	(0.5)	(0.4)	41.0	40.1	(0.9)
Power Delivery	27.7	23.6	(4.1)	(2.4)	34.9	28.4	(6.5)
Gas Delivery	9.0	9.1	0.1	0.1	10.7	10.9	0.2
Customer Service	10.6	10.3	(0.3)	(0.3)	13.3	12.7	(0.6)
Other Departments	13.2	11.9	(1.3)	-	15.4	14.1	(1.3)
Function Total	$ 95.2	$ 89.1	$ (6.1)	$ (3.0)	$ 115.3	$ 106.2	$ (9.1)

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

10 & 2 2007 Actual vs. Budget O&M Variance Status

$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuc	F/H	PD	GD	CS	Oth
YTD - October 2007 Total	$ (6.1)	$ -	$ (0.5)	$ (4.1)	$ 0.1	$ (0.3)	$ (1.3)
Turnaround (Business Operations)	**Turnaround Operations Variance**						
Timing of operations work activities (generation outages, ROW, R&I, etc.)	$ (1.7)	$ -	$ (0.1)	$ (1.0)	$ (0.2)	$ (0.4)	$ -
Turnaround Operations Total	$ (1.7)	$ -	$ (0.1)	$ (1.0)	$ (0.2)	$ (0.4)	$ -
Turnaround (Corporate, Shared Services & Other)	**Turnaround Other Variance**						
DE Capitalization (A&G budget assumptions; policy clarification on process re-engr & refurbishment costs)	$ 0.1	$ -	$ 0.1	$ -	$ -	$ -	$ -
Timing of other activities	(0.9)	-	(0.4)	(1.2)	0.3	0.2	0.2
EPS Incentive adjustment	(0.5)	-	-	(0.2)	-	(0.1)	(0.2)
Turnaround Other Total	$ (1.3)	$ -	$ (0.3)	$ (1.4)	$ 0.3	$ 0.1	$ -
Turnaround Total	$ (3.0)	$ -	$ (0.4)	$ (2.4)	$ 0.1	$ (0.3)	$ -
Year-end (Business Operations)	**Year-end Operations Variance**						
Ice & Wind Storm Costs	$ (1.1)	$ -	$ -	$ (1.1)	$ -	$ -	$ -
Other (Includes lower Catawba Reimbursements)	(0.2)	-	-	-	0.1	(0.3)	-
Year-end Operations Total	$ (1.3)	$ -	$ -	$ (1.1)	$ 0.1	$ (0.3)	$ -
Year-end (Corporate, Shared Services & Other)	**Year-end Other Variance**						
DE Capitalization (A&G budget assumptions; policy clarification on process re-engr & refurbishment costs)	$ (0.7)	$ -	$ (0.2)	$ (0.2)	$ (0.3)	$ -	$ -
EPS Incentive adjustment	(2.2)	-	(0.5)	(0.5)	(0.2)	(0.4)	(0.6)
Benefits, Service Company & Other changes (Caro Rate Incr / SvcCo Rate Decr / Exec Ben Decr / EE Decr, etc.)	(4.9)	-	(0.2)	(4.7)	0.6	0.1	(0.7)
Year-end Other Total	$ (7.8)	$ -	$ (0.9)	$ (5.4)	$ 0.1	$ (0.3)	$ (1.3)
Year-end Total	$ (9.1)	$ -	$ (0.9)	$ (6.5)	$ 0.2	$ (0.6)	$ (1.3)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2007 Actual vs. Budget O&M Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - November, 2007			11 & 1 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		11 & 1 Projection	Budget	Proposed Var. F(U)
Function Costs							
Nuclear	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro	38.3	37.3	(1.0)	(0.7)	41.8	40.1	(1.7)
Power Delivery	134.1	124.6	(9.5)	(3.0)	148.5	136.0	(12.5)
Gas Delivery	54.7	56.0	1.3	(1.3)	61.5	61.5	-
Customer Service	80.3	81.1	0.8	(1.5)	90.8	90.1	(0.7)
Other Departments	76.3	74.0	(2.3)	0.6	82.4	80.7	(1.7)
Function Total	$ 383.7	$ 373.0	$ (10.7)	$ (5.9)	$ 425.0	$ 408.4	$ (16.6)
Less: Elimination Entries	$ (19.5)	$ (12.5)	$ 7.0	$ 1.5	$ (22.0)	$ (13.5)	$ 8.5
FE&G O&M Function Total (Tie Point)	$ 364.2	$ 360.5	$ (3.7)	$ (4.4)	$ 403.0	$ 394.9	$ (8.1)

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2007 Actual vs. Budget O&M Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - November, 2007			11 & 1 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		11 & 1 Projection	Budget	Proposed Var. F(U)
Function Costs							
Nuclear	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro	38.3	37.3	(1.0)	(0.7)	41.8	40.1	(1.7)
Power Delivery	30.3	26.0	(4.3)	(1.6)	34.3	28.4	(5.9)
Gas Delivery	10.8	10.0	(0.8)	0.5	11.2	10.9	(0.3)
Customer Service	11.6	11.4	(0.2)	(0.5)	13.4	12.7	(0.7)
Other Departments	14.4	12.9	(1.5)	0.1	15.5	14.1	(1.4)
Function Total	$ 105.4	$ 97.6	$ (7.8)	$ (2.2)	$ 116.2	$ 106.2	$ (10.0)

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

11 & 1 2007 Actual vs. Budget O&M Variance Status

$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuc	F/H	PD	GD	CS	Oth
YTD - November 2007 Total	$ (7.8)	$ -	$ (1.0)	$ (4.3)	$ (0.8)	$ (0.2)	$ (1.5)
Turnaround (Business Operations)	**Turnaround Operations Variance**						
Timing of operations work activities (generation outages, ROW, R&I, etc.)	$ (2.8)	$ -	$ (0.5)	$ (1.7)	$ (0.2)	$ (0.4)	$ -
Turnaround Operations Total	$ (2.8)	$ -	$ (0.5)	$ (1.7)	$ (0.2)	$ (0.4)	$ -
Turnaround (Corporate, Shared Services & Other)	**Turnaround Other Variance**						
DE Capitalization (A&G budget assumptions; policy clarification on process re-engr & refurbishment costs)	$ (0.2)	$ -	$ (0.2)	$ -	$ -	$ -	$ -
Timing of other activities	1.2	-	-	0.1	0.7	-	0.4
2007 Incentive adjustments (primarily EPS with Safety offset)	(0.4)	-	-	-	-	(0.1)	(0.3)
Turnaround Other Total	$ 0.6	$ -	$ (0.2)	$ 0.1	$ 0.7	$ (0.1)	$ 0.1
Turnaround Total	$ (2.2)	$ -	$ (0.7)	$ (1.6)	$ 0.5	$ (0.5)	$ 0.1
Year-end (Business Operations)	**Year-end Operations Variance**						
Ice & Wind Storm Costs	$ (1.3)	$ -	$ -	$ (1.3)	$ -	$ -	$ -
Chen Mark litigation settlement	-	-	-	-	-	-	-
Nuclear emergent outage work (Primarily McGuire)	-	-	-	-	-	-	-
Nuclear Online Emergent and less charges to Capital work	-	-	-	-	-	-	-
Ohio Vegetation Management - Commission mandate to 4 year cycle	-	-	-	-	-	-	-
Surplus write-off	-	-	-	-	-	-	-
Nuclear Health Retirement Account (HRA) for voluntary severance	-	-	-	-	-	-	-
Other (Includes lower Catawba Reimbursements)	(1.4)	-	(1.0)	(0.5)	0.2	(0.1)	-
Year-end Operations Total	$ (2.7)	$ -	$ (1.0)	$ (1.8)	$ 0.2	$ (0.1)	$ -
Year-end (Corporate, Shared Services & Other)	**Year-end Other Variance**						
DE Capitalization (A&G budget assumptions; policy clarification on process re-engr & refurbishment costs)	$ (1.0)	$ -	$ (0.5)	$ (0.2)	$ (0.3)	$ -	$ -
2007 Incentive adjustments (primarily EPS with Safety offset)	(1.9)	-	(0.5)	(0.4)	(0.2)	(0.4)	(0.4)
2006 Incentive true-up	-	-	-		-		-
Benefits, Service Company & Other changes	(4.4)	-	0.3	(3.5)	-	(0.2)	(1.0)
Year-end Other Total	$ (7.3)	$ -	$ (0.7)	$ (4.1)	$ (0.5)	$ (0.6)	$ (1.4)
Year-end Total	$ (10.0)	$ -	$ (1.7)	$ (5.9)	$ (0.3)	$ (0.7)	$ (1.4)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
12 & 0 (Yearend) 2007 Actual vs. Budget O&M Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	Year - End Status		
	Actual	Budget	Variance F(U)
Function Costs			
Nuclear	$ -	$ -	$ -
Fossil-Hydro	42.3	40.1	(2.2)
Power Delivery	145.1	136.0	(9.1)
Gas Delivery	60.2	61.5	1.3
Customer Service	88.8	90.1	1.3
Other Departments	86.3	80.5	(5.8)
Function Total	$ 422.7	$ 408.2	$ (14.5)
Less: Elimination Entries	$ (21.2)	$ (13.5)	$ 7.7
FE&G O&M Function Total (Tie Point)	$ 401.5	$ 394.7	$ (6.8)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
12 & 0 (Yearend) 2007 Actual vs. Budget O&M Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	Year - End Status		
	Actual	Budget	Variance F(U)
Function Costs			
Nuclear	$ -	$ -	$ -
Fossil-Hydro	42.3	40.1	(2.2)
Power Delivery	145.1	136.0	(9.1)
Gas Delivery	60.2	61.5	1.3
Customer Service	88.8	90.1	1.3
Other Departments	86.3	80.5	(5.8)
Function Total	$ 422.7	$ 408.2	$ (14.5)
Less: Elimination Entries	$ (21.2)	$ (13.5)	$ 7.7
FE&G O&M Function Total (Tie Point)	$ 401.5	$ 394.7	$ (6.8)

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
12 & 0 (Yearend) 2007 Actual vs. Budget O&M Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	Year - End Status		
	Actual	Budget	Variance F(U)
Function Costs			
Nuclear	$ -	$ -	$ -
Fossil-Hydro	42.3	40.1	(2.2)
Power Delivery	33.7	28.4	(5.3)
Gas Delivery	11.8	10.9	(0.9)
Customer Service	12.8	12.7	(0.1)
Other Departments	16.5	14.0	(2.5)
Function Total	$ 117.1	$ 106.1	$ (11.0)

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

12 & 0 (Yearend) 2007 Actual vs. Budget O&M Variance Status

$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuc	F/H	PD	GD	CS	Oth
Year-end (Business Operations)	**Year-end Operations Variance**						
Major storms (ice & wind)	$ (1.0)	$ -	$ -	$ (1.0)	$ -	$ -	$ -
Ohio / Ky interco transmission - wheeling (offset in revenue)	(5.5)	-	-	(5.5)	-	-	-
Other (Numerous system operational & maintenance costs)	(1.3)	-	(1.8)	1.0	0.2	0.4	(1.1)
Year-end Operations Total	$ (7.8)	$ -	$ (1.8)	$ (5.5)	$ 0.2	$ 0.4	$ (1.1)
Year-end (Corporate, Shared Services & Other)	**Year-end Other Variance**						
Incentive adjustments (primarily EPS)	$ (2.5)	$ -	$ (0.5)	$ (0.4)	$ (0.2)	$ (0.4)	$ (1.0)
A&G assumed in Capital Plan	(0.8)	-	(0.4)	(0.3)	(0.1)	-	-
Benefits, Service Company & Other changes	0.1	-	0.5	0.9	(0.8)	(0.1)	(0.4)
Year-end Other Total	$ (3.2)	$ -	$ (0.4)	$ 0.2	$ (1.1)	$ (0.5)	$ (1.4)
Year-end Total	$ (11.0)	$ -	$ (2.2)	$ (5.3)	$ (0.9)	$ (0.1)	$ (2.5)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
1 & 11 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - January, 2008			1 & 11 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		1 & 11 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	3.1	3.0	(0.1)	0.1	43.8	43.8	-
Power Delivery *(Holeman)*	9.1	11.1	2.0	(2.0)	144.6	144.6	-
Gas Delivery *(Walker)*	3.8	4.2	0.4	(0.4)	58.8	58.8	-
Customer Service *(Arnold)*	8.8	9.8	1.0	(1.0)	91.5	91.5	-
Storm Contingency *(Turner)*	-	-	-	-	-	-	-
Remaining FE&G *(Note 1)*	7.8	7.5	(0.3)	0.3	89.7	89.7	-
Functions Total	$ 32.6	$ 35.6	$ 3.0	$ (3.0)	$ 428.4	$ 428.4	$ -
Less: Elimination Entries	$ (1.5)	$ (0.9)	$ 0.6	$ (0.6)	$ (16.3)	$ (16.3)	$ -
FE&G O&M Functions Total (Tie Point)	$ 31.1	$ 34.7	$ 3.6	$ (3.6)	$ 412.1	$ 412.1	$ -

Note 1: Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, FE&G costs - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
1 & 11 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - January, 2008			1 & 11 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		1 & 11 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	3.1	3.0	(0.1)	0.1	43.8	43.8	-
Power Delivery *(Holeman)*	2.6	2.1	(0.5)	0.5	31.5	31.5	-
Gas Delivery *(Walker)*	0.7	0.8	0.1	(0.1)	9.9	9.9	-
Customer Service *(Arnold)*	1.1	1.2	0.1	(0.1)	12.3	12.3	-
Storm Contingency *(Turner)*	-	-	-	-	-	-	-
Remaining FE&G *(Note 1)*	1.4	1.4	-	-	17.2	17.2	-
Functions Total	$ 8.9	$ 8.5	$ (0.4)	$ 0.4	$ 114.7	$ 114.7	$ -

Note 1: Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, FE&G costs - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
1 & 11 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Stm Cont *Turner*	Remain. *FE&G*
YTD - Jan 08 Total	$ (0.4)	$ -	$ (0.1)	$ (0.5)	$ 0.1	$ 0.1	$ -	$ -
Turnaround Drivers	**Turnaround Variances**							
Major storms (excludes service restoration work)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Emergent generation outage work	-	-	-	-	-	-	-	-
Scheduled generation outage work	-	-	-	-	-	-	-	-
Online / non-outage work (work activities when plants are running)	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements	-	-	-	-	-	-	-	-
Timing of operational & maintenance activities	0.4	-	0.1	0.5	(0.1)	(0.1)	-	-
Incentive adjustments (excludes benefits)	-	-	-	-	-	-	-	-
Unidentified mitigation efforts	-	-	-	-	-	-	-	-
Turnaround Total	$ 0.4	$ -	$ 0.1	$ 0.5	$ (0.1)	$ (0.1)	$ -	$ -
Year-end Drivers	**Year-end Variances**							
Major storms (excludes service restoration work)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Emergent generation outage work	-	-	-	-	-	-	-	-
Scheduled generation outage work	-	-	-	-	-	-	-	-
Online / non-outage work	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements	-	-	-	-	-	-	-	-
Incentive adjustments (excludes benefits)	-	-	-	-	-	-	-	-
Unidentified mitigation efforts	-	-	-	-	-	-	-	-
Year-end Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
2 & 10 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - February, 2008			2 & 10 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		2 & 10 Projection	Budget	Proposed Var. F(U)
Fossil-Hydro *(Pulskamp)*	6.1	6.0	(0.1)	-	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	20.3	23.1	2.8	(1.5)	143.3	144.6	1.3
Gas Delivery *(Walker)*	8.6	8.6	-	5.0	53.8	58.8	5.0
Customer Service *(Arnold)*	17.8	18.3	0.5	(0.5)	91.5	91.5	-
Storm Contingency *(Turner)*	0.3	-	(0.3)	-	0.3	-	(0.3)
Remaining FE&G *(Note 1)*	13.6	15.0	1.4	(1.8)	90.1	89.7	(0.4)
Functions Total	$ 66.7	$ 71.0	$ 4.3	$ 1.2	$ 422.9	$ 428.4	$ 5.5
Less: Elimination Entries	$ (3.2)	$ (2.6)	$ 0.6	$ (0.6)	$ (16.3)	$ (16.3)	$ -
FE&G O&M Functions Total (Tie Point)	$ 63.5	$ 68.4	$ 4.9	$ 0.6	$ 406.6	$ 412.1	$ 5.5

Notes:

1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, FE&G costs - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
2 & 10 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - February, 2008			2 & 10 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		2 & 10 Projection	Budget	Proposed Var. F(U)
Fossil-Hydro *(Pulskamp)*	6.1	6.0	(0.1)	-	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	5.5	4.9	(0.6)	0.9	31.2	31.5	0.3
Gas Delivery *(Walker)*	1.8	1.6	(0.2)	0.2	9.9	9.9	-
Customer Service *(Arnold)*	2.3	2.3	-	-	12.3	12.3	-
Storm Contingency *(Turner)*	0.1	-	(0.1)	-	0.1	-	(0.1)
Remaining FE&G *(Note 1)*	2.8	2.8	-	(0.1)	17.3	17.2	(0.1)
Functions Total	$ 18.6	$ 17.6	$ (1.0)	$ 1.0	$ 114.7	$ 114.7	$ -

Note 1: Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, FE&G costs - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
2 & 10 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Stm Cont *Turner*	Remain. *FE&G*
YTD - Feb 08 Total	$ (1.0)	$ -	$ (0.1)	$ (0.6)	$ (0.2)	$ -	$ (0.1)	$ -
Turnaround Drivers	**Turnaround Variances**							
EPS neutral variances - budget in Governance (Greenhouse gas cost, EEI dues)	(0.2)	-	(0.1)	-	-	-	-	(0.1)
Timing of operational & maintenance activities	1.2	-	0.1	0.9	0.2	-	-	-
Turnaround Total	$ 1.0	$ -	$ -	$ 0.9	$ 0.2	$ -	$ -	$ (0.1)
Year-end Drivers	**Year-end Variances**							
EPS neutral variances - budget in Governance (Greenhouse gas cost, EEI dues)	(0.2)	-	(0.1)	-	-	-	-	(0.1)
Major storms (covered in Carolinas Storm Contingency line)	(0.1)	-	-	-	-	-	(0.1)	-
MISO (non-reg budget included in FE&G)	0.5	-	-	0.5	-	-	-	-
Other PD permanent variances (primarily MW Incentive)	(0.3)	-	-	(0.3)	-	-	-	-
O&M cost overrun mitigation efforts (identified & unidentified)	0.1	-	-	0.1	-	-	-	-
Year-end Total	$ -	$ -	$ (0.1)	$ 0.3	$ -	$ -	$ (0.1)	$ (0.1)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
3 & 9 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - March, 2008			3 & 9 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		3 & 9 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	9.1	9.4	0.3	(0.4)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	33.3	35.1	1.8	3.7	139.1	144.6	5.5
Gas Delivery *(Walker)*	13.2	13.3	0.1	4.9	53.8	58.8	5.0
Customer Service *(Arnold)*	26.3	26.7	0.4	(0.4)	91.5	91.5	-
Storm Contingency *(Turner)*	0.4	-	(0.4)	-	0.4	-	(0.4)
Remaining FE&G *(Note 1)*	20.9	22.7	1.8	(1.3)	89.2	89.7	0.5
Functions Total	$ 103.2	$ 107.2	$ 4.0	$ 6.5	$ 417.9	$ 428.4	$ 10.5
Less: Elimination Entries	$ (5.0)	$ (3.7)	$ 1.3	$ (1.3)	$ (16.3)	$ (16.3)	$ -
Rounding Adjustment			(0.1)	0.1			-
FE&G O&M Functions Total (Tie Point)	$ 98.2	$ 103.5	$ 5.2	$ 5.3	$ 401.6	$ 412.1	$ 10.5

Notes:

1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
3 & 9 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - March, 2008			3 & 9 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		3 & 9 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	9.1	9.4	0.3	(0.4)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	9.3	7.4	(1.9)	2.0	31.4	31.5	0.1
Gas Delivery *(Walker)*	2.8	2.5	(0.3)	0.3	9.9	9.9	-
Customer Service *(Arnold)*	3.3	3.3	-	-	12.3	12.3	-
Storm Contingency *(Turner)*	0.1	-	(0.1)	-	0.1	-	(0.1)
Remaining FE&G *(Note 1)*	4.2	4.3	0.1	-	17.1	17.2	0.1
Functions Total	$ 28.8	$ 26.9	$ (1.9)	$ 1.9	$ 114.7	$ 114.7	$ -

Note 1: Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
3 & 9 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Stm Cont *Turner*	Remain. *FE&G*
YTD - Mar 08 Total	$ (1.9)	$ -	$ 0.3	$ (1.9)	$ (0.3)	$ -	$ (0.1)	$ 0.1
Turnaround Drivers	**Turnaround Variances**							
EPS neutral variances - budget in Governance (Greenhouse gas cost, EEI dues)	(0.2)	-	(0.1)	-	-	-	-	(0.1)
Timing of operational & maintenance activities	1.9	-	(0.3)	2.0	0.1	-	-	0.1
Midwest A&G capitalization (outside services account / offset in Capital)	0.2	-	-	-	0.2	-	-	-
Turnaround Total	$ 1.9	$ -	$ (0.4)	$ 2.0	$ 0.3	$ -	$ -	$ -
Year-end Drivers	**Year-end Variances**							
EPS neutral variances - budget in Governance (Greenhouse gas cost, EEI dues)	(0.2)	-	(0.1)	-	-	-	-	(0.1)
Major storms (covered in Carolinas Storm Contingency line)	(0.1)	-	-	-	-	-	(0.1)	-
MISO (non-reg budget included in FE&G)	0.5	-	-	0.5	-	-	-	-
Incentive adjustments (2007 true-up; excludes benefits)	0.1	-	-	-	-	(0.1)	-	0.2
Midwest A&G capitalization (outside services account / offset in Capital)	0.2	-	-	-	0.2	-	-	-
Other permanent variances	(0.6)	-	-	(0.4)	(0.2)	-	-	-
O&M cost overrun mitigation efforts (identified & unidentified)	0.1	-	-	-	-	0.1	-	-
Year-end Total	$ -	$ -	$ (0.1)	$ 0.1	$ -	$ -	$ (0.1)	$ 0.1

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
4 & 8 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - April, 2008 Actual	YTD - April, 2008 Budget	YTD - April, 2008 Var. F(U)	4 & 8 Turnaround F(U)	Year - End Status 4 & 8 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	12.3	14.6	2.3	(2.4)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	43.0	46.8	3.8	1.7	139.1	144.6	5.5
Gas Delivery *(Walker)*	16.6	17.7	1.1	3.9	53.8	58.8	5.0
Customer Service *(Arnold)*	31.9	33.8	1.9	(1.9)	91.5	91.5	-
Storm Contingency *(Turner)*	0.4	-	(0.4)	-	0.4	-	(0.4)
Remaining FE&G *(Note 1)*	27.7	30.0	2.3	(2.8)	90.2	89.7	(0.5)
Functions Total	$ 131.9	$ 142.9	$ 11.0	$ (1.5)	$ 418.9	$ 428.4	$ 9.5
Less: Elimination Entries	$ (6.2)	$ (4.7)	$ 1.5	$ (1.5)	$ (16.3)	$ (16.3)	$ -
Rounding Adjustment			(0.1)	0.1			-
FE&G O&M Functions Total (Tie Point)	$ 125.7	$ 138.2	$ 12.4	$ (2.9)	$ 402.6	$ 412.1	$ 9.5

Notes:
1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
4 & 8 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - April, 2008			4 & 8 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		4 & 8 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	12.3	14.6	2.3	(2.4)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	11.5	9.7	(1.8)	1.9	31.4	31.5	0.1
Gas Delivery *(Walker)*	3.5	3.3	(0.2)	0.2	9.9	9.9	-
Customer Service *(Arnold)*	4.0	4.3	0.3	(0.3)	12.3	12.3	-
Storm Contingency *(Turner)*	0.1	-	(0.1)	-	0.1	-	(0.1)
Remaining FE&G *(Note 1)*	5.6	5.7	0.1	-	17.1	17.2	0.1
Functions Total	$ 37.0	$ 37.6	$ 0.6	$ (0.6)	$ 114.7	$ 114.7	$ -

Note 1: Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
4 & 8 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Stm Cont *Turner*	Remain. *FE&G*
YTD - Apr 08 Total	$ 0.6	$ -	$ 2.3	$ (1.8)	$ (0.2)	$ 0.3	$ (0.1)	$ 0.1
Turnaround Drivers	**Turnaround Variances**							
Timing of operational & maintenance activities	$ (0.8)	$ -	$ (2.3)	$ 1.7	$ -	$ (0.3)	$ -	$ 0.1
EPS neutral variances - budget in Governance (IT, Greenhouse gas cost, EEI dues)	(0.2)	-	(0.1)	-	-	-	-	(0.1)
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.4	-	-	0.2	0.2	-	-	-
Turnaround Total	$ (0.6)	$ -	$ (2.4)	$ 1.9	$ 0.2	$ (0.3)	$ -	$ -
Year-end Drivers	**Year-end Variances**							
EPS neutral variances - budget in Governance (IT, Greenhouse gas cost, EEI dues)	(0.2)	-	(0.1)	-	-	-	-	(0.1)
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2	-	-	-	0.2	-	-	-
Incentive adjustments (2007 true-up; excludes benefits)	0.4	-	-	0.1	-	0.1	-	0.2
MISO (primarily non-reg budget included in FE&G for Ohio & Kentucky)	0.5	-	-	0.5	-	-	-	-
Other permanent variances	(0.8)	-	-	(0.5)	(0.2)	(0.1)	-	-
Major storms (covered in Carolinas Storm Contingency line)	(0.1)	-	-	-	-	-	(0.1)	-
Year-end Total	$ -	$ -	$ (0.1)	$ 0.1	$ -	$ -	$ (0.1)	$ 0.1

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
5 & 7 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - May, 2008			5 & 7 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		5 & 7 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	16.5	19.1	2.6	(2.7)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	54.9	58.9	4.0	(0.4)	139.0	142.6	3.6
Gas Delivery *(Walker)*	20.6	22.3	1.7	5.2	51.9	58.8	6.9
Customer Service *(Arnold)*	37.5	40.2	2.7	(2.7)	91.5	91.5	-
Storm Contingency *(Turner)*	0.4	-	(0.4)	-	0.4	-	(0.4)
Corporate & Shared Services Costs *(Note 1)*	35.5	37.2	1.7	(9.2)	99.2	91.7	(7.5)
Functions Total	$ 165.4	$ 177.7	$ 12.3	$ (9.8)	$ 425.9	$ 428.4	$ 2.5
Less: Elimination Entries	$ (7.8)	$ (6.1)	$ 1.7	$ (1.7)	$ (16.3)	$ (16.3)	$ -
FE&G with Eliminations Total	$ 157.6	$ 171.6	$ 14.0	$ (11.5)	$ 409.6	$ 412.1	$ 2.5

Notes:

1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
5 & 7 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - May, 2008			5 & 7 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		5 & 7 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	16.5	19.1	2.6	(2.7)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	13.8	12.4	(1.4)	0.1	32.8	31.5	(1.3)
Gas Delivery *(Walker)*	4.2	4.1	(0.1)	0.1	9.9	9.9	-
Customer Service *(Arnold)*	4.8	5.1	0.3	(0.3)	12.3	12.3	-
Storm Contingency *(Turner)*	0.1	-	(0.1)	-	0.1	-	(0.1)
Corporate & Shared Services Costs *(Note 1)*	7.5	7.1	(0.4)	(1.6)	19.2	17.2	(2.0)
Functions Total	$ 46.9	$ 47.8	$ 0.9	$ (4.4)	$ 118.2	$ 114.7	$ (3.5)

Note 1: Corporate and Shared Services O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
5 & 7 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Stm Cont *Turner*	Corp & SS
YTD - May 08 Total	$ 0.9	$ -	$ 2.6	$ (1.4)	$ (0.1)	$ 0.3	$ (0.1)	$ (0.4)
Turnaround Drivers	**Turnaround Variances**							
Timing of operational & maintenance activities	$ (1.6)	$ -	$ (2.6)	$ 0.7	$ (0.1)	$ (0.1)	$ -	$ 0.5
Timing of Corp Cntr activities (IT, Facilities, legal, etc.)	(0.4)	-	(0.1)	-	-	(0.2)	-	(0.1)
Corp Cntr - CLO: (higher long-term disability expense - (17.5); HR study - (2.5))	(1.0)	-	-	-	-	-	-	(1.0)
Corp Cntr - CAO: (IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3); HR study - (4.0); MW capitalized overhead - (2.5); Vehicle fuel prices - (1.5)); Other - (1.0))	(1.0)	-	-	-	-	-	-	(1.0)
Generation outage work (planned & forced - Nuclear Oconee Ytd overruns of (11.5) covered by emergent funds line)	-	-	-	-	-	-	-	-
Nuclear Emergent Funds	-	-	-	-	-	-	-	-
Budget challenge not yet resolved	-	-	-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustment	-	-	-	-	-	-	-	-
Drought mitigation projects (Wheeling charges from SCE&G, Belews Creek lake pumping)	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements	-	-	-	-	-	-	-	-
Katz technology legal settlement expense	-	-	-	-	-	-	-	-
Corp Cntr - CS&PO: (EPS neutral offset in Gov - Greenhouse gas - (1.5); EEI dues - (1.8))	-	-	-	-	-	-	-	-
Major storms (covered in Carolinas Storm Contingency line)	-	-	-	-	-	-	-	-
Online / routine non-outage work (work activities when plants are running)	-	-	-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	-	-	-	-	-	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-	-	-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY -6.1; EBIT neutral / admin costs thru IN rider - (2.7))	-	-	-	-	-	-	-	-
Incentive adjustments (2007 true-up; 2008 PD budget issue; excludes benefits)	(0.4)	-	-	(0.6)	0.2	-	-	-
Other permanent variances	-	-	-	-	-	-	-	-
Turnaround Total	$ (4.4)	$ -	$ (2.7)	$ 0.1	$ 0.1	$ (0.3)	$ -	$ (1.6)
Year-end Drivers	**Year-end Variances**							
Corp Cntr - CLO: (higher long-term disability expense - (17.5); HR study - (2.5))	$ (1.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1.0)
Corp Cntr - CAO: (IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3); HR study - (4.0); MW capitalized overhead - (2.5); Vehicle fuel prices - (1.5)); Other - (1.0))	(1.1)	-	-	-	-	-	-	(1.1)
Generation outage work (planned & forced - Nuclear Oconee Ytd overruns of (11.5) covered by emergent funds line)	-	-	-	-	-	-	-	-
Nuclear Emergent Funds	-	-	-	-	-	-	-	-
Budget challenge not yet resolved	-	-	-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustment	-	-	-	-	-	-	-	-
Drought mitigation projects (Wheeling charges from SCE&G, Belews Creek lake pumping)	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements	-	-	-	-	-	-	-	-
Katz technology legal settlement expense	-	-	-	-	-	-	-	-
Corp Cntr - CS&PO: (EPS neutral offset in Gov - Greenhouse gas - (1.5); EEI dues - (1.8))	(0.1)	-	(0.1)	-	-	-	-	-
Major storms (covered in Carolinas Storm Contingency line)	(0.1)	-	-	-	-	-	(0.1)	-
Online / routine non-outage work (work activities when plants are running)	-	-	-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2	-	-	-	0.2	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-	-	-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY -6.1; EBIT neutral / admin costs thru IN rider - (2.7))	0.5	-	-	0.5	-	-	-	-
Incentive adjustments (2007 true-up; 2008 PD budget issue; excludes benefits)	(0.2)	-	-	(0.5)	-	0.1	-	0.2
Other permanent variances	(1.7)	-	-	(1.3)	(0.2)	(0.1)	-	(0.1)
Year-end Total	$ (3.5)	$ -	$ (0.1)	$ (1.3)	$ -	$ -	$ (0.1)	$ (2.0)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
6 & 6 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - June, 2008			6 & 6 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		6 & 6 Projection	Budget	Proposed Var. F(U)
Fossil-Hydro *(Pulskamp)*	$ 19.5	$ 22.3	$ 2.8	$ (2.9)	$ 43.9	$ 43.8	$ (0.1)
Power Delivery *(Holeman)*	67.5	72.0	4.5	0.8	137.3	142.6	5.3
Gas Operations *(Walker)*	24.6	27.6	3.0	3.9	51.9	58.8	6.9
Customer Service *(Arnold)*	43.3	47.2	3.9	(4.6)	92.2	91.5	(0.7)
Storm Contingency *(Turner)*	3.3	-	(3.3)	-	3.3	-	(3.3)
Corporate & Shared Services Costs *(Note 1)*	43.3	44.9	1.6	(8.2)	98.3	91.7	(6.6)
Functions Total	$ 201.5	$ 214.0	$ 12.5	$ (11.0)	$ 426.9	$ 428.4	$ 1.5
Less: Elimination Entries	$ (9.8)	$ (7.8)	$ 2.0	$ (2.0)	$ (16.3)	$ (16.3)	$ -
FE&G with Eliminations Total	$ 191.7	$ 206.2	$ 14.5	$ (13.0)	$ 410.6	$ 412.1	$ 1.5

Notes:

1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
6 & 6 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - June, 2008			6 & 6 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		6 & 6 Projection	Budget	Proposed Var. F(U)
Fossil-Hydro *(Pulskamp)*	$ 19.5	$ 22.3	$ 2.8	$ (2.9)	$ 43.9	$ 43.8	$ (0.1)
Power Delivery *(Holeman)*	17.1	15.4	(1.7)	0.4	32.8	31.5	(1.3)
Gas Operations *(Walker)*	5.0	5.0	-	-	9.9	9.9	-
Customer Service *(Arnold)*	5.8	6.2	0.4	(0.5)	12.4	12.3	(0.1)
Storm Contingency *(Turner)*	0.2	-	(0.2)	-	0.2	-	(0.2)
Corporate & Shared Services Costs *(Note 1)*	9.1	8.6	(0.5)	(1.3)	19.0	17.2	(1.8)
Functions Total	$ 56.7	$ 57.5	$ 0.8	$ (4.3)	$ 118.2	$ 114.7	$ (3.5)

Note 1: Corporate and Shared Services O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

6 & 6 2008 O&M Turn / Year-end Projected Variance Status

$ Millions

Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Stm Cont *Turner*	Corp & SS
YTD - Jun 08 Total	$ 0.8	$ -	$ 2.8	$ (1.7)	$ -	$ 0.4	$ (0.2)	$ (0.5)
Year-end Drivers	**Year-end Variances**							
Corp Cntr - CAO: (IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3); HR study - (4.0); MW capitalized overhead - (2.5); Vehicle fuel prices - (1.5)); Other - (1.0))	$ (1.1)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1.1)
Major storms YTD June	(0.2)	-	-	-	-	-	(0.2)	-
Corp Cntr - CLO: (higher long-term disability expense - (6.5); HR study - (2.5))	(1.0)	-	-	-	-	-	-	(1.0)
Katz technology legal settlement expense	(0.1)	-	-	-	-	(0.1)	-	-
Corp Cntr - CS&PO: (EPS neutral offset in Gov - Greenhouse gas - (1.5); EEI dues - (1.8))	(0.1)	-	(0.1)	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2	-	-	-	0.2	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY - 6.1; EBIT neutral / admin costs thru IN rider - (2.7))	0.5	-	-	0.5	-	-	-	-
Incentive adjustments (2007 true-up; 2008 PD budget issue; excludes benefits)	(0.2)	-	-	(0.5)	-	0.1	-	0.2
Other permanent variances (including budget challenge mitigation efforts)	(1.5)	-	-	(1.3)	(0.2)	(0.1)	-	0.1
Year-end Total	$ (3.5)	$ -	$ (0.1)	$ (1.3)	$ -	$ (0.1)	$ (0.2)	$ (1.8)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
7 & 5 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - July, 2008			7 & 5 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		7 & 5 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	22.9	25.5	2.6	(2.7)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	78.7	83.6	4.9	0.4	137.3	142.6	5.3
Gas Operations *(Walker)*	28.8	32.6	3.8	3.1	51.9	58.8	6.9
Customer Service *(Arnold)*	49.9	54.1	4.2	(4.9)	92.2	91.5	(0.7)
Storm Contingency *(Turner)*	4.1	-	(4.1)	-	4.1	-	(4.1)
Corporate & Shared Services Costs *(Note 1)*	48.1	52.6	4.5	(11.1)	98.3	91.7	(6.6)
Functions Total	$ 232.5	$ 248.4	$ 15.9	$ (15.2)	$ 427.7	$ 428.4	$ 0.7
Less: Elimination Entries	$ (10.0)	$ (10.0)	$ -	$ -	$ (16.3)	$ (16.3)	$ -
Rounding Adjustment			-	-			-
FE&G with Eliminations Total	$ 222.5	$ 238.4	$ 15.9	$ (15.2)	$ 411.4	$ 412.1	$ 0.7

Notes:

1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
7 & 5 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - July, 2008			7 & 5 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		7 & 5 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	22.9	25.5	2.6	(2.7)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	20.4	18.3	(2.1)	0.8	32.8	31.5	(1.3)
Gas Operations *(Walker)*	6.0	5.9	(0.1)	0.1	9.9	9.9	-
Customer Service *(Arnold)*	6.7	7.1	0.4	(0.5)	12.4	12.3	(0.1)
Storm Contingency *(Turner)*	0.2	-	(0.2)	-	0.2	-	(0.2)
Corporate & Shared Services Costs *(Note 1)*	10.3	10.1	(0.2)	(1.6)	19.0	17.2	(1.8)
Functions Total	$ 66.5	$ 66.9	$ 0.4	$ (3.9)	$ 118.2	$ 114.7	$ (3.5)

Note 1: Corporate and Shared Services O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) **Franchised Electric & Gas**
7 & 5 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Year-end Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Stm Cont *Turner*	Corp & SS
Corp Cntr - CAO: (IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3); HR study - (4.0); MW capitalized overhead - (2.5); Vehicle fuel prices - (1.5)); Other - (1.0))	$ (1.1)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1.1)
Major storms YTD June	(0.2)	-	-	-	-	-	(0.2)	-
Major storms contingency	-	-	-	-	-	-	-	-
Generation outage work (planned & forced - Nuclear Oconee YTD overruns of (11.5) covered by emergent funds line)	-	-	-	-	-	-	-	-
Nuclear Emergent Funds	-	-	-	-	-	-	-	-
Budget challenge not yet resolved	-	-	-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustment	-	-	-	-	-	-	-	-
Corp Cntr - CLO: (higher long-term disability expense - (6.5); HR study - (2.5))	(1.0)	-	-	-	-	-	-	(1.0)
Drought mitigation projects (Wheeling charges from SCE&G; Belews Creek lake pumping)	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements	-	-	-	-	-	-	-	-
Katz technology legal settlement expense	(0.1)	-	-	-	-	(0.1)	-	-
Corp Cntr - CS&PO: (EPS neutral offset in Gov - Greenhouse gas - (1.5); EEI dues - (1.8))	(0.1)	-	(0.1)	-	-	-	-	-
Higher O&M due to the impact of the Purchase of Saluda share of Catawba	-	-	-	-	-	-	-	-
Catawba A&G True Up - Swap between higher A&G and Other Revenue (EBIT Neutral)	-	-	-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2	-	-	-	0.2	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-	-	-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY - 6.1; EBIT neutral / admin costs thru IN rider - (2.7))	0.5	-	-	0.5	-	-	-	-
Corp Cntr - CFO: (Reductions in Insurance - 1.3; Audit fees - 1.0; Labor - 0.5; Other - 0.2)	-	-	-	-	-	-	-	-
Incentive adjustments (2007 true-up; 2008 PD budget issue; excludes benefits)	(0.2)	-	-	(0.5)	-	0.1	-	0.2
Other permanent variances (including budget challenge mitigation efforts)	(1.5)	-	-	(1.3)	(0.2)	(0.1)	-	0.1
Online / routine non-outage work (work activities when plants are running)	-	-	-	-	-	-	-	-
Year-end Total	$ (3.5)	$ -	$ (0.1)	$ (1.3)	$ -	$ (0.1)	$ (0.2)	$ (1.8)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
8 & 4 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - August, 2008			8 & 4 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		8 & 4 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	26.0	28.9	2.9	(3.0)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	90.3	96.6	6.3	(1.0)	137.3	142.6	5.3
Gas Operations *(Walker)*	32.7	37.7	5.0	1.9	51.9	58.8	6.9
Customer Service *(Arnold)*	56.5	61.0	4.5	(4.5)	91.5	91.5	-
Storm Contingency *(Turner)*	5.4	-	(5.4)	(20.0)	25.4	-	(25.4)
Corporate & Shared Services Costs *(Note 1)*	56.8	59.9	3.1	(5.8)	94.4	91.7	(2.7)
Functions Total	$ 267.7	$ 284.1	$ 16.4	$ (32.4)	$ 444.4	$ 428.4	$ (16.0)
Less: Elimination Entries	$ (11.5)	$ (11.8)	$ (0.3)	$ 0.3	$ (16.3)	$ (16.3)	$ -
Rounding Adjustment			-	-			-
FE&G with Eliminations Total	$ 256.2	$ 272.3	$ 16.1	$ (32.0)	$ 428.1	$ 412.1	$ (16.0)

Notes:
1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
8 & 4 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - August, 2008			8 & 4 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		8 & 4 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	26.0	28.9	2.9	(3.0)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	23.2	21.6	(1.6)	0.3	32.8	31.5	(1.3)
Gas Operations *(Walker)*	6.9	6.6	(0.3)	0.3	9.9	9.9	-
Customer Service *(Arnold)*	7.7	8.0	0.3	(0.3)	12.3	12.3	-
Storm Contingency *(Turner)*	0.4	-	(0.4)	(5.0)	5.4	-	(5.4)
Corporate & Shared Services Costs *(Note 1)*	11.6	11.5	(0.1)	(0.6)	17.9	17.2	(0.7)
Functions Total	$ 75.8	$ 76.6	$ 0.8	$ (8.3)	$ 122.2	$ 114.7	$ (7.5)

Note 1: Corporate and Shared Services O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
8 & 4 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Year-end Key Variance Drivers (Excluding OH / KY Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Stm Cont *Turner*	Corp & SS
Corp Cntr - CAO: (IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3); HR study - (4.0); MW capitalized overhead - (2.5); Vehicle fuel prices - (1.5)); Other - (1.0))	$ (1.1)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1.1)
Major storms YTD August actuals plus Hurricane Ike estimate	(5.4)	-	-	-	-	-	(5.4)	-
Major storms contingency	-	-	-	-	-	-	-	-
Generation outage work (planned & forced - Nuclear Oconee YTD overruns of (11.5) covered by emergent funds line)	-	-	-	-	-	-	-	-
Nuclear Emergent Funds	-	-	-	-	-	-	-	-
Budget challenge not yet resolved	-	-	-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustment	-	-	-	-	-	-	-	-
Corp Cntr - CLO: (higher long-term disability expense - (6.5); HR study - (2.5))	(1.0)	-	-	-	-	-	-	(1.0)
Drought mitigation projects (Wheeling charges from SCE&G; Belews Creek lake pumping)	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements	-	-	-	-	-	-	-	-
Katz technology legal settlement expense	(0.1)	-	-	-	-	(0.1)	-	-
Corp Cntr - CS&PO: (EPS neutral offset in Gov - Greenhouse gas - (1.5); EEI dues - (1.8))	(0.1)	-	(0.1)	-	-	-	-	-
Higher O&M due to the impact of the Purchase of Saluda share of Catawba	-	-	-	-	-	-	-	-
Catawba A&G True Up - Swap between higher A&G and Other Revenue (EBIT Neutral)	-	-	-	-	-	-	-	-
Legal NSR variance	-	-	-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2	-	-	-	0.2	-	-	-
Permanent favorable reagent variances	-	-	-	-	-	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-	-	-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY - 6.1; EBIT neutral / admin costs thru IN rider - (2.7))	0.5	-	-	0.5	-	-	-	-
Corp Cntr - CFO: (Reductions in Insurance - 1.3; Audit fees - 1.0; Labor - 0.5; Other - 0.2)	-	-	-	-	-	-	-	-
Incentive adjustments (2008 YE payout - target to minimum; 2008 PD budget issue; excludes benefits; 2007 true-up)	0.8	-	-	(0.5)	-	0.1	-	1.2
Other permanent variances (including budget challenge mitigation efforts)	(1.3)	-	-	(1.3)	(0.2)	-	-	0.2
Online / routine non-outage work (work activities when plants are running)	-	-	-	-	-	-	-	-
Year-end Total	$ (7.5)	$ -	$ (0.1)	$ (1.3)	$ -	$ -	$ (5.4)	$ (0.7)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
9 & 3 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - September, 2008			9 & 3 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		9 & 3 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	29.2	32.1	2.9	(3.0)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	101.0	108.5	7.5	(2.3)	137.4	142.6	5.2
Gas Operations *(Walker)*	34.7	43.0	8.3	(1.4)	51.9	58.8	6.9
Customer Service *(Arnold)*	62.9	67.5	4.6	(1.9)	88.8	91.5	2.7
Storm Contingency *(Turner)*	40.2	-	(40.2)	-	40.2	-	(40.2)
Corporate & Shared Services Costs *(Note 1)*	52.9	67.8	14.9	7.6	69.2	91.7	22.5
Functions Total	$ 320.9	$ 318.9	$ (2.0)	$ (1.0)	$ 431.4	$ 428.4	$ (3.0)
Less: Elimination Entries	$ (13.1)	$ (13.3)	$ (0.2)	$ 0.2	$ (16.3)	$ (16.3)	$ -
Rounding Adjustment			-	-			-
FE&G with Eliminations Total	$ 307.8	$ 305.6	$ (2.2)	$ (0.7)	$ 415.1	$ 412.1	$ (3.0)

Notes:
1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) **Franchised Electric & Gas**
9 & 3 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Year-end Key Variance Drivers (Excluding Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Stm Cont *Turner*	Corp & SS
Corp Cntr - CAO - (FE&G level: IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3); HR study - (4.0); MW capitalized overhead - (2.5); Vehicle fuel prices - (1.5)); Other - (1.0))	$ (1.1)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1.1)
Major storms YTD September actuals plus Hurricane Ike estimate	(5.5)	-	-	-	-	-	(5.5)	-
Major storms contingency	-	-	-	-	-	-	-	-
Generation outage work (FE&G level: planned & forced - Nuclear Oconee YTD overruns of (11.5) covered by emergent funds line)	-	-	-	-	-	-	-	-
Nuclear emergent funds	-	-	-	-	-	-	-	-
Budget challenge	-	-	-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustment	-	-	-	-	-	-	-	-
Corp Cntr - CLO - (FE&G level: active Medical & OPEB reductions - 22.0; HR study - (2.5))	1.0	-	-	-	-	-	-	1.0
Drought mitigation projects (Wheeling charges from SCE&G; Belews Creek lake pumping)	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements	-	-	-	-	-	-	-	-
Katz technology legal settlement expense	(0.1)	-	-	-	-	(0.1)	-	-
Corp Cntr - CS&PO - (FE&G level: EE program delays - 6.5; EPS neutral offset in Gov for Greenhouse gas / EE1 - (3 3), EPRI dues -(2 4))	-	-	(0.1)	-	-	-	-	0.1
Higher O&M due to the impact of the Purchase of Saluda share of Catawba	-	-	-	-	-	-	-	-
Catawba A&G True Up - Swap between higher A&G and Other Revenue (EBIT Neutral)	-	-	-	-	-	-	-	-
Legal NSR variance	-	-	-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2	-	-	-	0.2	-	-	-
Permanent favorable reagent variances	-	-	-	-	-	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-	-	-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY - 6.1; EBIT neutral / admin costs thru IN rider - (2.7))	0.3	-	-	0.3	-	-	-	-
Corp Cntr - CFO - (FE&G level: Reductions in Insurance - 1.3; Audit fees - 1.0; Labor - 0.5; Other - 0.2)	-	-	-	-	-	-	-	-
Incentive adjustments (2008 YE payout - target to minimum; 2008 PD budget issue; excludes benefits; 2007 true-up)	0.8	-	-	(0.5)	-	0.1	-	1.2
Other permanent variances (including budget challenge mitigation efforts)	(2.6)	-	-	(2.5)	(0.2)	-	-	0.1
Online / routine non-outage work (work activities when plants are running)	-	-	-	-	-	-	-	-
Year-end Total	$ (7.0)	$ -	$ (0.1)	$ (2.7)	$ -	$ -	$ (5.5)	$ 1.3

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - October, 2008			10 & 2 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		10 & 2 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	33.3	35.2	1.9	(2.0)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	111.2	121.5	10.3	(5.1)	137.4	142.6	5.2
Gas Operations *(Walker)*	38.6	48.1	9.5	(2.5)	51.8	58.8	7.0
Customer Service *(Arnold)*	69.7	74.4	4.7	(1.2)	88.0	91.5	3.5
Storm Contingency *(Turner)*	40.2	-	(40.2)	-	40.2	-	(40.2)
Corporate & Shared Services Costs *(Note 1)*	59.0	75.0	16.0	5.6	70.1	91.7	21.6
Functions Total	$ 352.0	$ 354.2	$ 2.2	$ (5.2)	$ 431.4	$ 428.4	$ (3.0)
Less: Elimination Entries	$ (14.3)	$ (14.4)	$ (0.1)	$ 0.1	$ (16.3)	$ (16.3)	$ -
Rounding Adjustment			-	-			-
FE&G with Eliminations Total	$ 337.7	$ 339.8	$ 2.1	$ (5.0)	$ 415.1	$ 412.1	$ (3.0)

Notes:
1. Remaining FE&G O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - October, 2008			10 & 2 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		10 & 2 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro *(Pulskamp)*	33.3	35.2	1.9	(2.0)	43.9	43.8	(0.1)
Power Delivery *(Holeman)*	28.5	26.7	(1.8)	(0.9)	34.2	31.5	(2.7)
Gas Operations *(Walker)*	7.9	8.3	0.4	(0.4)	9.9	9.9	-
Customer Service *(Arnold)*	9.7	10.0	0.3	(0.3)	12.3	12.3	-
Storm Contingency *(Turner)*	5.5	-	(5.5)	-	5.5	-	(5.5)
Corporate & Shared Services Costs *(Note 1)*	12.3	14.4	2.1	(0.8)	15.9	17.2	1.3
Functions Total	$ 97.2	$ 94.6	$ (2.6)	$ (4.4)	$ 121.7	$ 114.7	$ (7.0)

Note 1: Corporate and Shared Services O&M budget comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Year-end Key Variance Drivers (Excluding Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Stm Cont *Turner*	Corp & SS
Corp Cntr - CAO - (FE&G level: IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3); HR study - (4.0)).	$ (1.1)	$ -	$ -	$ -	$ -	$ -	$ -	$ (1.1)
Major storms YTD October actuals plus Hurricane Ike estimate	(5.5)	-	-	-	-	-	(5.5)	-
Major storms contingency	-	-	-	-	-	-	-	-
Generation outage work	-	-	-	-	-	-	-	-
Nuclear emergent work								
Nuclear emergent funds								
Budget challenge	-	-	-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustment	-	-	-	-	-	-	-	-
Corp Cntr - CLO - (FE&G level: primarily active Medical & OPEB reductions - 41.0; HR study - (2.5))	1.0	-	-	-	-	-	-	1.0
Drought mitigation projects (Wheeling charges from SCE&G; Belews Creek lake pumping)	-	-	-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements for Fringe Benefits								
Katz technology legal settlement expense	(0.1)	-	-	-	-	(0.1)	-	-
Corp Cntr - CS&PO - (FE&G level: primarily EE program delays - 7.5; EPS neutral offset in Gov for Greenhouse gas / EEI - (3.3); EPRI dues -(2.4))	-	-	(0.1)	-	-	-	-	0.1
Higher O&M due to the impact of the Purchase of Saluda share of Catawba								
Catawba A&G True Up - Swap between higher A&G and Other Revenue (EBIT Neutral)								
Legal NSR variance	-	-	-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2	-	-	-	0.2	-	-	-
Permanent favorable reagent variances	-	-	-	-	-	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-	-	-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY - 6.3; EBIT neutral / admin costs thru IN rider - (2.7))	0.3	-	-	0.3	-	-	-	-
Corp Cntr - CFO - (FE&G level: primarily reductions in Insurance - 1.3; Audit fees - 1.0; Labor - 0.5)	-	-	-	-	-	-	-	-
Incentive adjustments (2008 YE payout - EPS target to minimum / operational target to midway to maximum; 2008 PD budget issue; excludes benefits; 2007 true-up)	0.8	-	-	(0.5)	-	0.1	-	1.2
Other permanent variances (including budget challenge mitigation efforts)	(2.6)	-	-	(2.5)	(0.2)	-	-	0.1
Online / routine non-outage work (work activities when plants are running)	-	-	-	-	-	-	-	-
Year-end Total	$ (7.0)	$ -	$ (0.1)	$ (2.7)	$ -	$ -	$ (5.5)	$ 1.3

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - November, 2008			11 & 1 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		11 & 1 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*							
Fossil-Hydro *(Pulskamp)*	$ 36.2	$ 38.6	$ 2.4	$ (2.2)	$ 43.6	$ 43.8	$ 0.2
Power Delivery *(Meyer)*	119.2	132.8	13.6	(3.4)	132.4	142.6	10.2
Gas Operations *(Walker)*	42.5	53.4	10.9	(1.4)	49.3	58.8	9.5
Customer Service *(Manes)*	75.3	82.3	7.0	(0.2)	84.7	91.5	6.8
Storm Contingency *(Turner)*	40.2	-	(40.2)	-	40.2	-	(40.2)
Remaining Corporate & Shared Services *(Note 1)*	75.3	82.5	7.2	3.8	80.7	91.7	11.0
Functions Total	$ 388.7	$ 389.6	$ 0.9	$ (3.4)	$ 430.9	$ 428.4	$ (2.5)
Less: Elimination Entries	$ (15.4)	$ (15.6)	$ (0.2)	$ 0.2	$ (16.3)	$ (16.3)	$ -
Rounding Adjustment			-	-			-
FE&G with Eliminations Total	$ 373.3	$ 374.0	$ 0.8	$ (3.1)	$ 414.6	$ 412.1	$ (2.5)

Notes:
1. Remaining Corporate and Shared Services line represents costs not directed to above line functions. Costs comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2008 O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - November, 2008			11 & 1 Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		11 & 1 Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*							
Fossil-Hydro *(Pulskamp)*	$ 36.2	$ 38.6	$ 2.4	$ (2.2)	$ 43.6	$ 43.8	$ 0.2
Power Delivery *(Meyer)*	30.5	29.0	(1.5)	(0.3)	33.3	31.5	(1.8)
Gas Operations *(Walker)*	8.9	9.1	0.2	(0.2)	9.9	9.9	-
Customer Service *(Manes)*	10.4	11.1	0.7	(0.1)	11.7	12.3	0.6
Storm Contingency *(Turner)*	5.4	-	(5.4)	-	5.4	-	(5.4)
Remaining Corporate & Shared Services *(Note 1)*	14.3	15.8	1.5	(0.1)	15.8	17.2	1.4
Functions Total	$ 105.7	$ 103.6	$ (2.1)	$ (2.9)	$ 119.7	$ 114.7	$ (5.0)

Note 1: Remaining Corporate and Shared Services line represents costs not directed to above line functions. Costs comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other 5%.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

11 & 1 2008 O&M Turn / Year-end Projected Variance Status

$ Millions

Year-end Key Variance Drivers (Excluding Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Stm Cont *Turner*	Corp & SS
Corp Cntr - CAO - (FE&G level: IT - primarily lease of software which was budgeted as capital - (6.5); IT - EPS neutral offset in Gov - (6.3))	$ (1.1)		$ -	$ -	$ -	$ -	$ -	$ (1.1)
Major storms YTD November actuals plus Hurricane Ike estimate	(5.4)		-	-	-	-	(5.4)	-
Major storms contingency	-		-	-	-	-	-	-
Generation outage work	-		-	-	-	-	-	-
Nuclear emergent work (FE&G level: planned & forced - Higher Nuclear Outage costs, primarily at McGuire and Oconee for both the Spring and Fall Outages)								
Nuclear emergent funds								
Budget challenge	-		-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustments	-		-	-	-	-	-	-
Corp Cntr - CLO - (FE&G level: primarily OPEB reductions - 32.1)	1.4		-	-	-	-	-	1.4
Drought mitigation projects (Wheeling charges from SCE&G; Belews Creek lake pumping)	-		-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements for Fringe Benefits								
Katz technology legal settlement expense	(0.1)		-	-	-	(0.1)	-	-
Corp Cntr - CS&PO - (FE&G level: primarily EE program delays - 12.0; EPS neutral offset in Gov for Greenhouse gas / EEI - (3.3); EPRI dues -(2.4))	-		(0.1)	-	-	-	-	0.1
Higher O&M due to the impact of the Purchase of Saluda share of Catawba								
Catawba A&G True Up - Swap between higher A&G and Other Revenue (EBIT Neutral)								
Legal NSR variance	-		-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2		-	-	0.2	-	-	-
Permanent favorable reagent variances	-		-	-	-	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-		-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY - 6.3; EBIT neutral / admin costs thru IN rider - (2.7))	0.4		-	0.4	-	-	-	-
Corp Cntr - CFO - (FE&G level: primarily reductions in Insurance - 1.3; Audit fees - 1.0; Labor - 0.5)	-		-	-	-	-	-	-
Incentive adjustments (2008 YE payout - EPS target to minimum / operational target to midway to maximum; 2008 PD budget issue; 2007 true-up)	0.8		0.3	-	-	0.2	-	0.3
Other permanent variances (including budget challenge mitigation efforts)	(1.2)			(2.2)	(0.2)	0.5	-	0.7
Online / routine non-outage work (work activities when plants are running)	-		-	-	-	-	-	-
Year-end Total	$ (5.0)		$ 0.2	$ (1.8)	$ -	$ 0.6	$ (5.4)	$ 1.4

US Franchised Electric & Gas
O&M Year-end Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 12 & 0 2008			
Function	**Year - End Status**		
	Actual	**Budget**	**Var. F(U)**
Nuclear *(Jamil)*			
Fossil-Hydro *(Pulskamp)*	$ 41.2	$ 43.8	$ 2.6
Power Delivery *(Meyer)*	135.4	142.6	7.2
Gas Operations *(Walker)*	49.1	58.8	9.7
Customer Service *(Manes)*	85.0	91.5	6.5
Storm Contingency *(Turner)*	4.8	-	(4.8)
Remaining Corporate & Shared Services *(Note 1)*	86.5	91.7	5.2
Functions Total	$ 402.0	$ 428.4	$ 26.4
Less: Elimination Entries	$ (15.5)	$ (16.3)	$ (0.8)
Rounding Adjustment			-
FE&G with Eliminations Total	$ 386.5	$ 412.1	$ 25.6

Notes:
1. Remaining Corporate and Shared Services line represents costs not directed to above line functions. Costs comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other - 5%

US Franchised Electric & Gas
O&M Year-end Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 12 & 0 2008			
Function	**Year - End Status**		
	Actual	**Budget**	**Var. F(U)**
Nuclear *(Jamil)*			
Fossil-Hydro *(Pulskamp)*	$ 41.2	$ 43.8	$ 2.6
Power Delivery *(Meyer)*	34.3	31.5	(2.8)
Gas Operations *(Walker)*	9.5	9.9	0.4
Customer Service *(Manes)*	11.6	12.3	0.7
Storm Contingency *(Turner)*	0.4	-	(0.4)
Remaining Corporate & Shared Services *(Note 1)*	16.8	17.2	0.4
Functions Total	$ 113.8	$ 114.7	$ 0.9

Note 1: Remaining Corporate and Shared Services line represents costs not directed to above line functions. Costs comprised of Corporate Center costs - 75%, Bison Insurance - 10%, Executive benefits & rewards - 5%, other FE&G areas - 5%, Other 5%.

US Franchised Electric & Gas
O&M Year-end Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 12 & 0 2008								
Year-end Key Variance Drivers (Excluding Elimination Entries)	**Total**	**Nuclear** *Jamil*	**F/H** *Pulskamp*	**PD** *Meyer*	**GO** *Walker*	**CS** *Manes*	**Stm Cont** *Turner*	**Corp & SS**
Corp Cntr - CAO - (FE&G level: IT - primarily lease of software which was budgeted as capital; IT - EPS neutral offset in Gov, fuel cost increases)	$ (0.7)		$ (0.7)	$ -	$ -	$ (0.5)	$ -	$ 0.5
Major storms (Gross storm costs: $82.2M including total Ike storm costs of $52.6M; Net cost: $46.6M with Ike deferral in OH/KY of $35.6M)	(0.4)		-	-	-	-	(0.4)	-
Major storms contingency	-		-	-	-	-	-	-
Generation outage work	1.5		1.5	-	-	-	-	-
Nuclear emergent outage work (FE&G level: planned & forced - Higher Nuclear Outage costs, primarily at McGuire and Oconee for both the Spring and Fall Outages)								
Nuclear emergent funds								
Online / routine non-outage work (work activities when plants are running)	1.5		1.5	-	-	-	-	-
Budget challenge	-		-	-	-	-	-	-
Manufactured Gas Plant (MGP) / Environmental reserve adjustments	-		-	-	-	-	-	-
Corp Cntr - CLO - (FE&G level: OPEB reductions)	2.0		-	-	-	-	-	2.0
Vacation credit / bank / carryover	(1.4)		-	(0.9)	(0.2)	-	-	(0.3)
Drought mitigation projects (Wheeling charges from SCE&G; Belews Creek lake pumping)	-		-	-	-	-	-	-
Lower than anticipated Catawba Reimbursements for Fringe Benefits								
Katz technology legal settlement expense	(0.1)		-	-	-	(0.1)	-	-
Corp Cntr - CS&PO - (FE&G level: primarily EE program delays; EPS neutral offset in Gov for Greenhouse gas / EEI; EPRI dues)	(0.2)		(0.1)	-	-	-	-	(0.1)
Higher O&M due to the impact of the Purchase of Saluda share of Catawba								
Catawba A&G True Up - Swap between higher A&G and Other Revenue (EBIT Neutral)								
Higher than anticipated Mox Fuel Support - increased due to close out of the contract	-		-	-	-	-	-	-
Legal NSR variance	-		-	-	-	-	-	-
Implementation of 2007 Capitalization policy (Carolinas - Nuclear overhead; MW - A&G outside services accounts)	0.2		-	-	0.2	-	-	-
Favorable reagent variances	-		-	-	-	-	-	-
Curb to meter rate case proposed settlement (offset in Capital)	-		-	-	-	-	-	-
MISO (Non-reg budget included in FE&G for OH & KY; EBIT neutral / admin costs thru IN rider)	0.4		-	0.4	-	-	-	-
Corp Cntr - CFO - (FE&G level: primarily reductions in Insurance; Audit fees; Labor)	0.4		-	-	-	-	-	0.4
Incentive adjustments (2008 YE payout - EPS target to minimum / operational target to midway to maximum; 2008 PD budget issue; 2007 true-up)	1.1		0.4	0.2	-	0.2	-	0.3
Charge-offs / sale of accounts receivable	0.6		-	-	-	0.6	-	-
Other variances	(4.0)		-	(2.5)	0.4	0.5	-	(2.4)
Year-end Total	$ 0.9		$ 2.6	$ (2.8)	$ 0.4	$ 0.7	$ (0.4)	$ 0.4

US Franchised Electric & Gas

O&M Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 1 & 11 2009	Year To Date - January			Turnaround F(U)	Year - End Status			Verify Totals	
Function	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)	G + I	O - M
Nuclear *(Jamil)*								-	-
Fossil-Hydro *(Pulskamp)*	$ 2.7	$ 3.5	$ 0.8	$ (0.8)	$ 49.0	$ 49.0	$ -	-	-
Power Delivery *(Meyer)*	11.5	9.9	(1.6)	1.6	131.2	131.2	-	-	-
Gas Operations *(Walker)*	4.9	4.2	(0.7)	0.7	54.7	54.7	-	-	-
Customer Service *(Manes)*	8.1	9.6	1.5	(1.5)	94.6	94.6	-	-	-
Storm Contingency *(Turner)*	10.2	-	(10.2)	-	10.2	-	(10.2)	(10.2)	-
Saluda Purchase Deferral *(Jamil)*	-	-	-	-	-	-	-	-	-
Allen Scrubber Deferral *(Pulskamp)*	-	-	-	-	-	-	-	-	-
Remaining Corporate & Shared Services *(Note 1)*	6.9	8.7	1.8	(1.8)	112.8	112.8	-	-	-
Functions Total	$ 44.3	$ 35.9	$ (8.4)	$ (1.8)	$ 452.5	$ 442.3	$ (10.2)	(10.2)	-
Less: Elimination Entries	$ (1.4)	$ (1.4)	$ -	$ -	$ (19.1)	$ (19.1)	$ -	-	-
Rounding Adjustment			-	-			-	-	-
FE&G with Eliminations Total	$ 42.9	$ 34.5	$ (8.4)	$ (1.8)	$ 433.4	$ 423.2	$ (10.2)	(10.2)	-

Notes:

1. Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas
O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 1 & 11 2009							
Function	Year To Date - January			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*							
Fossil-Hydro *(Pulskamp)*	$ 2.7	$ 3.5	$ 0.8	$ (0.8)	$ 49.0	$ 49.0	$ -
Power Delivery *(Meyer)*	2.7	2.3	(0.4)	0.4	32.3	32.3	-
Gas Operations *(Walker)*	0.9	1.0	0.1	(0.1)	11.8	11.8	-
Customer Service *(Manes)*	1.0	1.3	0.3	(0.3)	12.6	12.6	-
Storm Contingency *(Turner)*	2.2	-	(2.2)	-	2.2	-	(2.2)
Saluda Purchase Deferral *(Jamil)*							
Allen Scrubber Deferral *(Pulskamp)*							
Remaining Corporate & Shared Services *(Note 1)*	1.5	1.4	(0.1)	0.1	18.7	18.7	-
Functions Total	$ 11.0	$ 9.5	$ (1.5)	$ (0.7)	$ 126.6	$ 124.4	$ (2.2)

Note 1: Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas

O&M Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) - 1 & 11 2009											
Year-end Key Variance Drivers (Excluding Elimination Entries)	**Total**	**Nuclear** *Jamil*	**F/H** *Pulskamp*	**PD** *Meyer*	**GO** *Walker*	**CS** *Manes*	**Stm Cont** *Turner*	**Saluda** *Jamil*	**Allen** *Pulskamp*	**Corp & SS**
Major storms YTD January (primarily MW ice storms)	$ (2.2)		$ -	$ -	$ -	$ -	$ (2.2)			$ -
Major storms contingency	-		-	-	-	-	-			-
Generation outage work	-		-	-	-	-	-			-
Nuclear emergent work										
Nuclear emergent funds										
Online / routine non-outage work (work activities when plants are running)	-		-	-	-	-	-			-
Corp Cntr - CAO	-		-	-	-	-	-			-
Corp Cntr - CLO	-		-	-	-	-	-			-
Corp Cntr - CS&PO	-		-	-	-	-	-			-
Corp Cntr - CFO	-		-	-	-	-	-			-
Incentive adjustments	-		-	-	-	-	-			-
Other permanent variances (including budget challenge mitigation efforts)	-		-	-	-	-	-			-
Fees for sale of accounts receivable	0.2		-	-	-	0.2	-			-
Timing / Other	(0.2)		-	-	-	(0.2)	-			-
Year-end Total	$ (2.2)		$ -	$ -	$ -	$ -	$ (2.2)			$ -

US Franchised Electric & Gas
O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 2 & 10 2009							
Function	Year To Date - February			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*							
Fossil-Hydro *(Pulskamp)*	$ 5.8	$ 7.4	$ 1.6	$ (1.6)	$ 49.0	$ 49.0	$ -
Power Delivery *(Meyer)*	20.2	19.8	(0.4)	0.4	131.2	131.2	-
Gas Operations *(Walker)*	8.7	8.6	(0.1)	0.1	54.7	54.7	-
Customer Service *(Manes)*	16.4	17.9	1.5	(1.5)	94.6	94.6	-
Storm Contingency *(Turner)*	11.4	-	(11.4)	(0.0)	11.4	-	(11.4)
Saluda Purchase Deferral *(Jamil)*	-	-	-	-	-	-	-
Allen Scrubber Deferral *(Pulskamp)*	-	-	-	-	-	-	-
Cliffside Scrubber Deferral *(Pulskamp)*	-	-	-	-	-	-	-
Remaining Corporate & Shared Services *(Note 1)*	14.3	18.9	4.6	(4.6)	112.8	112.8	-
Functions Total	$ 76.8	$ 72.6	$ (4.2)	$ (7.2)	$ 453.7	$ 442.3	$ (11.4)
Less: Elimination Entries	$ (2.8)	$ (2.8)	$ -	$ -	$ (19.1)	$ (19.1)	$ -
Rounding Adjustment			-	-			-
FE&G with Eliminations Total	$ 74.0	$ 69.8	$ (4.2)	$ (7.2)	$ 434.6	$ 423.2	$ (11.4)

Notes:

1. Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas
O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 2 & 10 2009							
Function	Year To Date - February			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*							
Fossil-Hydro *(Pulskamp)*	$ 5.8	$ 7.4	$ 1.6	$ (1.6)	$ 49.0	$ 49.0	$ -
Power Delivery *(Meyer)*	5.3	4.7	(0.6)	0.6	32.3	32.3	-
Gas Operations *(Walker)*	1.6	1.9	0.3	(0.3)	11.8	11.8	-
Customer Service *(Manes)*	2.0	2.3	0.3	(0.3)	12.6	12.6	-
Storm Contingency *(Turner)*	2.2	-	(2.2)	-	2.2	-	(2.2)
Saluda Purchase Deferral *(Jamil)*							
Allen Scrubber Deferral *(Pulskamp)*							
Cliffside Scrubber Deferral *(Pulskamp)*							
Remaining Corporate & Shared Services *(Note 1)*	2.9	2.9	-	-	18.7	18.7	-
Functions Total	$ 19.8	$ 19.2	$ (0.6)	$ (1.6)	$ 126.6	$ 124.4	$ (2.2)

Note 1: Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas

O&M Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) - 2 & 10 2009										
Year-end Key Variance Drivers (Excluding Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Stm Cont *Turner*	Saluda *Jamil*	Allen *Pulskamp*	Corp & SS
Major storms YTD February (primarily MW ice storms)	$ (2.2)		$ -	$ -	$ -	$ -	$ (2.2)			$ -
Major storms contingency	-		-	-	-	-	-			-
Generation outage work	-		-	-	-	-	-			-
Nuclear emergent work										
Nuclear emergent funds										
Online / routine non-outage work (work activities when plants are running)	-		-	-	-	-	-			-
Corp Cntr - CAO	-		-	-	-	-	-			-
Corp Cntr - CLO	-		-	-	-	-	-			-
Corp Cntr - CS&PO	-		-	-	-	-	-			-
Corp Cntr - CFO	-		-	-	-	-	-			-
Incentive adjustments	-		-	-	-	-	-			-
Other permanent variances (including budget challenge mitigation efforts)	-		-	-	-	-	-			-
Fees for sale of accounts receivable	0.3		-	-	-	0.3	-			-
Percent of Income Plan (PIP)	-		-	-	-	-	-			-
Charge-offs	-		-	-	-	-	-			-
Timing / Other	(0.3)		-	-	-	(0.3)	-			-
Year-end Total	$ (2.2)		$ -	$ -	$ -	$ -	$ (2.2)			$ -

US Franchised Electric & Gas
O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 3 & 9 2009

Function	Year To Date - March			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Fossil-Hydro *(Pulskamp)*	$ 9.7	$ 12.4	$ 2.7	$ (4.4)	$ 50.7	$ 49.0	$ (1.7)
Power Delivery *(Meyer)*	31.0	30.0	(1.0)	1.0	131.2	131.2	-
Gas Operations *(Walker)*	12.4	13.3	0.9	(0.9)	54.7	54.7	-
Customer Service *(Manes)*	24.0	26.4	2.4	(2.4)	94.6	94.6	-
Storm Contingency *(Turner)*	9.7	-	(9.7)	-	9.7	-	(9.7)
Remaining Corporate & Shared Services *(Note 1)*	24.9	28.8	3.9	(4.0)	112.9	112.8	(0.1)
Functions Total	$ 111.7	$ 110.9	$ (0.8)	$ (10.7)	$ 453.8	$ 442.3	$ (11.5)
Less: Elimination Entries	$ (4.1)	$ (4.3)	$ (0.2)	$ 0.2	$ (19.1)	$ (19.1)	$ -
FE&G with Eliminations Total	$ 107.6	$ 106.6	$ (1.0)	$ (10.5)	$ 434.7	$ 423.2	$ (11.5)

Notes:

1. Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas

O&M Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) - 3 & 9 2009

Function	Year To Date - March			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Fossil-Hydro *(Pulskamp)*	$ 9.7	$ 12.4	$ 2.7	$ (4.4)	$ 50.7	$ 49.0	$ (1.7)
Power Delivery *(Meyer)*	8.0	7.2	(0.8)	0.8	32.3	32.3	-
Gas Operations *(Walker)*	2.3	2.9	0.6	(0.6)	11.8	11.8	-
Customer Service *(Manes)*	3.0	3.4	0.4	(0.4)	12.6	12.6	-
Storm Contingency *(Turner)*	2.0	-	(2.0)	-	2.0	-	(2.0)
Remaining Corporate & Shared Services *(Note 1)*	4.7	4.3	(0.4)	0.4	18.7	18.7	-
Functions Total	$ 29.7	$ 30.2	$ 0.5	$ (4.2)	$ 128.1	$ 124.4	$ (3.7)

Note 1: Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas

O&M Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) - 3 & 9 2009

Year-end Key Variance Drivers (Excluding Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Stm Cont *Turner*	Saluda *Jamil*	Allen *Pulskamp*	Corp & SS
Major storms YTD March (primarily January MW ice storms and March SE snow storms)	$ (2.0)		$ -	$ -	$ -	$ -	$ (2.0)			$ -
Generation outage work	(2.5)		(2.5)	-	-	-	-			-
Other permanent variances (including budget challenge mitigation efforts)	0.8		0.8	-	-	-	-			-
Year-end Total	$ (3.7)		$ (1.7)	$ -	$ -	$ -	$ (2.0)			$ -

US Franchised Electric & Gas
O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 4 & 8 2009

Function	Year To Date - April			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*							
Fossil-Hydro *(Pulskamp)*	$ 12.9	$ 16.7	$ 3.8	$ (5.5)	$ 50.7	$ 49.0	$ (1.7)
Power Delivery *(Meyer)*	41.0	40.2	(0.8)	0.8	131.2	131.2	-
Gas Operations *(Walker)*	15.8	17.8	2.0	(2.0)	54.7	54.7	-
Customer Service *(Manes)*	30.6	33.8	3.2	(3.2)	94.6	94.6	-
Storm Contingency *(Turner)*	9.5	-	(9.5)	-	9.5	-	(9.5)
Saluda Purchase Deferral *(Jamil)*	-	-	-	-	-	-	-
Allen Scrubber Deferral *(Pulskamp)*	-	-	-	-	-	-	-
Cliffside Scrubber Deferral *(Pulskamp)*	-	-	-	-	-	-	-
Remaining Corporate & Shared Services *(Note 1)*	32.2	37.9	5.7	0.4	106.7	112.8	6.1
Functions Total	$ 142.0	$ 146.4	$ 4.4	$ (9.5)	$ 447.4	$ 442.3	$ (5.1)
Less: Elimination Entries	$ (5.2)	$ (5.5)	$ (0.3)	$ 0.3	$ (19.1)	$ (19.1)	$ -
Rounding Adjustment			-	-			-
FE&G with Eliminations Total	$ 136.8	$ 140.9	$ 4.1	$ (9.2)	$ 428.3	$ 423.2	$ (5.1)

Notes:

1. Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas
O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 4 & 8 2009

Function	Year To Date - April			Turnaround F(U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Nuclear *(Jamil)*							
Fossil-Hydro *(Pulskamp)*	$ 12.9	$ 16.7	$ 3.8	$ (5.5)	$ 50.7	$ 49.0	$ (1.7)
Power Delivery *(Meyer)*	10.4	9.6	(0.8)	0.8	32.3	32.3	-
Gas Operations *(Walker)*	3.0	3.8	0.8	(0.8)	11.8	11.8	-
Customer Service *(Manes)*	4.0	4.3	0.3	(0.3)	12.6	12.6	-
Storm Contingency *(Turner)*	2.0	-	(2.0)	-	2.0	-	(2.0)
Saluda Purchase Deferral *(Jamil)*							
Allen Scrubber Deferral *(Pulskamp)*							
Cliffside Scrubber Deferral *(Pulskamp)*							
Remaining Corporate & Shared Services *(Note 1)*	6.3	5.8	(0.5)	1.4	17.8	18.7	0.9
Functions Total	$ 38.6	$ 40.2	$ 1.6	$ (4.4)	$ 127.2	$ 124.4	$ (2.8)

Note 1: Remaining Corporate and Shared Services lines represent costs not directed to above line functions.

US Franchised Electric & Gas
O&M Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 4 & 8 2009

Year-end Key Variance Drivers (Excluding Elimination Entries)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Stm Cont *Turner*	Saluda *Jamil*	Allen *Pulskamp*	Corp & SS
Major storms YTD April (primarily January MW ice storms and March SE snow storms)	$ (2.0)		$ -	$ -	$ -	$ -	$ (2.0)			$ -
Major storms contingency	-		-	-	-	-	-			-
Generation outage work	(4.0)		(4.0)	-	-	-	-			-
Nuclear emergent work										
Nuclear emergent funds										
Online / routine non-outage work (work activities when plants are running)	-		-	-	-	-	-			-
Corp Cntr - CAO	-		-	-	-	-	-			-
New Source Review (NSR) outside legal services for litigation in MW	-		-	-	-	-	-			-
Corp Cntr - CS&PO	-		-	-	-	-	-			-
Corp Cntr - CFO	-		-	-	-	-	-			-
Fee Increases (NRC, INPO and NEI)	-		-	-	-	-	-			-
Incentive adjustments	-		-	-	-	-	-			-
Percent of Income Plan (PIP)	-		-	-	-	-	-			-
Reagent costs	-		-	-	-	-	-			-
Higher than planned Mox Fuel Support - EBIT Neutral	-		-	-	-	-	-			-
Charge-offs	-		-	-	-	-	-			-
Other permanent variances (including budget challenge mitigation efforts)	3.2		2.3	-	-	-	-			0.9
Year-end Total	$ (2.8)		$ (1.7)	$ -	$ -	$ -	$ (2.0)			$ 0.9

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
1 & 11 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - January, 2008			1 & 11 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		1 & 11 Projection	Budget	Proposed Var. F(U)
Nuclear Operations *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel *(Jamil)*	-	-	-	-	-	-	-
Nuclear Expansion *(Jamil)*	-	-	-	-	-	-	-
Fossil-Hydro Operations *(Pulskamp)*	0.3	5.9	5.6	(5.6)	15.8	15.8	-
Fossil-Hydro NCCap *(Pulskamp)*	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment) *(Pulskamp)*	-	-	-		-	-	-
Fossil-Hydro Expansion *(Pulskamp)*	-	-	-	-	-	-	-
Power Delivery *(Holeman)*	5.2	10.3	5.1	(5.1)	107.2	107.2	-
Power Delivery - Expansion *(Holeman)*	3.2	5.7	2.5	(2.5)	65.8	65.8	-
Gas Delivery *(Walker)*	6.5	4.6	(1.9)	(1.1)	113.1	110.1	(3.0)
Gas Delivery - Expansion *(Walker)*	1.0	1.3	0.3	(0.3)	26.0	26.0	-
Customer Service *(Arnold)*	0.1	1.5	1.4	(1.4)	17.6	17.6	-
Remaining FE&G *(Note 1)*	(0.4)	1.5	1.9	(1.9)	5.4	5.4	-
Unidentified Mitigation Efforts	-	-	-	3.0	(3.0)	-	3.0
FE&G Function Total	$ 15.9	$ 30.8	$ 14.9	$ (14.9)	$ 347.9	$ 347.9	$ 0.0
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.7	$ 1.0	$ 0.3	$ (0.3)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	0.2	-	(0.2)	0.2	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 15.4	$ 29.8	$ 14.4	$ (14.4)	$ 339.8	$ 339.8	$ 0.0
Plus: Timing of Cash Payments	$ 7.9	$ -	$ (7.9)	$ 7.9	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 23.3	$ 29.8	$ 6.5	$ (6.5)	$ 339.8	$ 339.8	$ 0.0

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2007 Actual vs. Budget Capital Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - October, 2007			10 & 2 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		10 & 2 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Fossil-Hydro Operations	8.8	11.9	3.1	(2.7)	11.9	12.3	0.4
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	0.8	-	(0.8)	0.8	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Power Delivery	87.2	95.2	8.0	(3.9)	106.3	110.4	4.1
Power Delivery - Expansion	22.5	29.6	7.1	0.4	28.3	35.8	7.5
Gas Delivery	76.6	60.5	(16.1)	17.7	85.9	87.5	1.6
Gas Delivery - Expansion	16.1	20.1	4.0	3.9	17.5	25.4	7.9
Customer Service	12.8	11.9	(0.9)	0.1	15.1	14.3	(0.8)
Other Departments	6.0	2.1	(3.9)	3.9	2.6	2.6	-
FE&G DE Ohio / Kentucky Function Total	$ 230.8	$ 231.3	$ 0.5	$ 20.2	$ 267.6	$ 288.3	$ 20.7
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 4.4	$ 5.8	$ 1.4	$ (1.4)	$ 7.3	$ 7.3	$ -
Plus: DP Historical Optimism	-	-	-	(0.2)	0.2	-	(0.2)
Plus: AFDC - Debt Component	1.3	2.0	0.7	(0.7)	2.7	2.7	-
FE&G DE OH / KY Cap Ex Total (Accrual Basis)	$ 227.7	$ 227.5	$ (0.2)	$ 20.7	$ 263.2	$ 283.7	$ 20.5
Plus: Timing of Cash Payments	$ 3.3		$ (3.3)	$ 3.3	$ -	$ -	$ -
FE&G DE OH / KY Cap Ex Total (Cash Basis) Tie Point	$ 231.0	$ 227.5	$ (3.5)	$ 24.0	$ 263.2	$ 283.7	$ 20.5

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2007 Actual vs. Budget Capital Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - October, 2007 Actual	YTD - October, 2007 Budget	YTD - October, 2007 Var. F(U)	10 & 2 Turnaround F (U)	Year - End Status 10 & 2 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Fossil-Hydro Operations	8.8	11.9	3.1	(2.7)	11.9	12.3	0.4
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Power Delivery	8.9	11.8	2.9	(0.9)	12.2	14.2	2.0
Power Delivery - Expansion	5.2	5.6	0.4	0.1	6.3	6.8	0.5
Gas Delivery	15.8	12.5	(3.3)	2.8	18.6	18.1	(0.5)
Gas Delivery - Expansion	5.1	5.6	0.5	0.4	6.4	7.3	0.9
Customer Service	10.5	10.8	0.3	0.2	12.4	12.9	0.5
Other Departments	0.4	-	(0.4)	0.4	0.1	0.1	-
FE&G DE Kentucky Function Total	$ 54.7	$ 58.2	$ 3.5	$ 0.3	$ 67.9	$ 71.7	$ 3.8
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.8	$ 1.3	$ 0.5	$ (0.5)	$ 1.6	$ 1.6	$ -
Plus: DP Historical Optimism	-	-	-			-	-
Plus: AFDC - Debt Component	0.4	0.6	0.2	(0.2)	0.8	0.8	-
FE&G DE KY Cap Ex Total (Accrual Basis)	$ 54.3	$ 57.5	$ 3.2	$ 0.6	$ 67.1	$ 70.9	$ 3.8

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

10 & 2 2007 Actual vs. Budget Capital Variance Status

$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuc	F/H	PD	GD	CS	Oth
YTD - October 2007 Total	$ 3.5	$ -	$ 3.1	$ 3.3	$ (2.8)	$ 0.3	$ (0.4)
Turnaround (Business Operations)	**Turnaround Operations Variance**						
Timing of operations work activities	$ (1.6)	$ -	$ (3.1)	$ (1.9)	$ 3.2	$ 0.2	$ -
Indiana Edwardsport IGCC new gen at 100% ownership	-	-	-	-	-	-	-
Carolina Cliffside U6 new gen at 100% ownership	-	-	-	-	-	-	-
Approved Carolina PD projects not budgeted (ex - Santeelah, UNC-CH, etc.)	-	-	-	-	-	-	-
Carolina Lee Nuclear new gen - Southern Nuclear's interest buyout	-	-	-	-	-	-	-
Carolina Customer Additions higher volume & cost per unit	-	-	-	-	-	-	-
Timing on Nuclear Fuel Deliveries - $14.9M; and CNS Reimbursements - $25M	-	-	-	-	-	-	-
Indiana Gibson additional work scope	-	-	-	-	-	-	-
Settlement of DOE spent fuel litigation	-	-	-	-	-	-	-
Carolina Marshall U2 outage delay to 2008 & projects cancellations	-	-	-	-	-	-	-
EPS Incentive adjustment/Other	1.0	-	-	1.0	-	-	-
Turnaround Operations Total	$ (0.6)	$ -	$ (3.1)	$ (0.9)	$ 3.2	$ 0.2	$ -
Turnaround (Corporate, Shared Services & Other)	**Turnaround Other Variance**						
Timing of accounting activities	$ 0.4	$ -	$ -	$ -	$ -	$ -	$ 0.4
DE Capitalization Policy (primarily A&G Budget assumptions)	0.5	-	0.4	0.1	-	-	-
Turnaround Other Total	$ 0.9	$ -	$ 0.4	$ 0.1	$ -	$ -	$ 0.4
Turnaround Total	$ 0.3	$ -	$ (2.7)	$ (0.8)	$ 3.2	$ 0.2	$ 0.4
Year-end (Business Operations)	**Year-end Operations Variance**						
Indiana Edwardsport IGCC new gen at 100% ownership	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Carolina Cliffside U6 new gen at 100% ownership	-	-	-	-	-	-	-
Approved Carolina PD projects not budgeted (ex - Santeelah, UNC-CH, etc.)	-	-	-	-	-	-	-
Carolina Lee Nuclear new gen - Southern Nuclear's interest buyout	-	-	-	-	-	-	-
Customer Additions higher volume & cost per unit	0.5	-	-	0.5	-	-	-
Nuclear Major Projects underages (Refurb Pgm High Energy Line Break, Catawba Service Water, and other various projects)	-	-	-	-	-	-	-
Indiana Gibson additional work scope	-	-		-	-	-	-
Nuclear Fuel - deferral of fuel purchases	-	-	-	-	-	-	-
Settlement of DOE spent fuel litigation	-	-	-	-	-	-	-
Carolina Marshall U2 outage delay to 2008 & projects cancellations	-	-		-	-	-	-
EPS Incentive adjustment	-	-	-	-	-	-	-
Other	2.3	-	(0.1)	1.8	0.1	0.5	-
Year-end Operations Total	$ 2.8	$ -	$ (0.1)	$ 2.3	$ 0.1	$ 0.5	$ -
Year-end (Corporate, Shared Services & Other)	**Year-end Other Variance**						
DE Capitalization Policy (primarily A&G Budget assumptions)	$ 1.0	$ -	$ 0.5	$ 0.2	$ 0.3	$ -	$ -
Other	-	-	-	-	-	-	-
Year-end Other Total	$ 1.0	$ -	$ 0.5	$ 0.2	$ 0.3	$ -	$ -
Year-end Total	$ 3.8	$ -	$ 0.4	$ 2.5	$ 0.4	$ 0.5	$ -

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2007 Actual vs. Budget Capital Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - November, 2007			11 & 1	Year - End Status		
	Actual	Budget	Var. F(U)	Turnaround F (U)	11 & 1 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Fossil-Hydro Operations	9.2	12.0	2.8	(2.5)	12.0	12.3	0.3
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Power Delivery	84.3	102.3	18.0	(7.8)	100.2	110.4	10.2
Power Delivery - Expansion	36.5	33.0	(3.5)	(1.3)	40.6	35.8	(4.8)
Gas Delivery	83.5	67.8	(15.7)	11.9	91.3	87.5	(3.8)
Gas Delivery - Expansion	17.6	22.4	4.8	3.9	16.7	25.4	8.7
Customer Service	13.0	13.1	0.1	0.8	13.4	14.3	0.9
Other Departments	6.7	2.0	(4.7)	4.7	2.6	2.6	-
FE&G DE Ohio / Kentucky Function Total	$ 250.8	$ 252.6	$ 1.8	$ 9.7	$ 276.8	$ 288.3	$ 11.5
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 4.4	$ 5.8	$ 1.4	$ (1.4)	$ 7.3	$ 7.3	$ -
Plus: DP Historical Optimism	-	-	-	-	-	-	-
Plus: AFDC - Debt Component	1.3	2.0	0.7	(0.7)	2.7	2.7	-
FE&G DE OH / KY Cap Ex Total (Accrual Basis)	$ 247.7	$ 248.8	$ 1.1	$ 10.4	$ 272.2	$ 283.7	$ 11.5
Plus: Timing of Cash Payments	$ 7.0		$ (7.0)	$ 7.0	$ -	$ -	$ -
FE&G DE OH / KY Cap Ex Total (Cash Basis) Tie Point	$ 254.7	$ 248.8	$ (5.9)	$ 17.4	$ 272.2	$ 283.7	$ 11.5

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

11 & 1 2007 Actual vs. Budget Capital Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - November, 2007			11 & 1 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		11 & 1 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Fossil-Hydro Operations	9.2	12.0	2.8	(2.5)	12.0	12.3	0.3
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Power Delivery	9.6	12.8	3.2	(1.2)	12.2	14.2	2.0
Power Delivery - Expansion	6.2	6.3	0.1	0.4	6.3	6.8	0.5
Gas Delivery	16.5	14.0	(2.5)	2.2	18.4	18.1	(0.3)
Gas Delivery - Expansion	5.5	6.3	0.8	0.7	5.8	7.3	1.5
Customer Service	10.6	11.8	1.2	0.8	10.9	12.9	2.0
Other Departments	0.5	-	(0.5)	0.5	0.1	0.1	-
FE&G DE Kentucky Function Total	$ 58.1	$ 63.3	$ 5.2	$ 0.9	$ 65.7	$ 71.7	$ 6.0
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.8	$ 1.3	$ 0.5	$ (0.5)	$ 1.6	$ 1.6	$ -
Plus: DP Historical Optimism	-	-	-	-	-	-	-
Plus: AFDC - Debt Component	0.4	0.6	0.2	(0.2)	0.8	0.8	-
FE&G DE KY Cap Ex Total (Accrual Basis)	$ 57.7	$ 62.6	$ 4.9	$ 1.2	$ 64.9	$ 70.9	$ 6.0

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

11 & 1 2007 Actual vs. Budget Capital Variance Status

$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuc	F/H	PD	GD	CS	Oth
YTD - November 2007 Total	$ 5.1	$ -	$ 2.8	$ 3.3	$ (1.7)	$ 1.2	$ (0.5)
Turnaround (Business Operations)	**Turnaround Operations Variance**						
Timing of operations work activities	$ (0.1)	$ -	$ (2.9)	$ (0.9)	$ 2.9	$ 0.8	$ -
Indiana Edwardsport IGCC new gen at 100% ownership	-	-	-	-	-	-	-
Carolina Cliffside U6 new gen at 100% ownership	-	-	-	-	-	-	-
Approved Carolina PD projects not budgeted (ex - Santeelah, UNC-CH, etc)	-	-	-	-	-	-	-
Carolina Lee Nuclear new gen - Southern Nuclear's interest buyout	-	-	-	-	-	-	-
Carolina Customer Additions higher volume & cost per unit	-	-	-	-	-	-	-
Timing on Nuclear Fuel Deliveries - $14.9M; and CNS Reimbursements - $25M	-	-	-	-	-	-	-
Indiana Gibson additional work scope	-	-	-	-	-	-	-
Settlement of DOE spent fuel litigation	-	-	-	-	-	-	-
Carolina Marshall U2 outage delay to 2008 & projects cancellations	-	-	-	-	-	-	-
EPS Incentive adjustment/Other	-	-	-	-	-	-	-
Turnaround Operations Total	$ (0.1)	$ -	$ (2.9)	$ (0.9)	$ 2.9	$ 0.8	$ -
Turnaround (Corporate, Shared Services & Other)	**Turnaround Other Variance**						
Timing of accounting activities	$ 0.5	$ -	$ -	$ -	$ -	$ -	$ 0.5
DE Capitalization Policy (primarily A&G Budget assumptions)	0.5	-	0.4	0.1	-	-	-
Turnaround Other Total	$ 1.0	$ -	$ 0.4	$ 0.1	$ -	$ -	$ 0.5
Turnaround Total	$ 0.9	$ -	$ (2.5)	$ (0.8)	$ 2.9	$ 0.8	$ 0.5
Year-end (Business Operations)	**Year-end Operations Variance**						
Indiana Edwardsport IGCC new gen at 100% ownership	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Carolina Cliffside U6 new gen at 100% ownership	-	-	-	-	-	-	-
Approved Carolina PD projects not budgeted (ex - Santeelah, UNC-CH, etc)	-	-	-	-	-	-	-
Carolina Lee Nuclear new gen - Southern Nuclear's interest buyout	-	-	-	-	-	-	-
Customer Additions higher volume & cost per unit	0.5	-	-	0.5	-	-	-
Nuclear Major Projects underages (Refurb Pgm High Energy Line Break, Catawba Service Water, and other various projects)	-	-	-	-	-	-	-
Indiana Gibson additional work scope	-	-		-	-	-	-
Nuclear Fuel - deferral of fuel purchases	-	-	-	-	-	-	-
Settlement of DOE spent fuel litigation	-	-	-	-	-	-	-
Carolina Marshall U2 outage delay to 2008 & projects cancellations	-	-		-	-	-	-
EPS Incentive adjustment	-	-	-	-	-	-	-
Other	4.5	-	(0.2)	1.8	0.9	2.0	-
Year-end Operations Total	$ 5.0	$ -	$ (0.2)	$ 2.3	$ 0.9	$ 2.0	$ -
Year-end (Corporate, Shared Services & Other)	**Year-end Other Variance**						
DE Capitalization Policy (primarily A&G Budget assumptions)	$ 1.0	$ -	$ 0.5	$ 0.2	$ 0.3	$ -	$ -
Other	-	-	-	-	-	-	-
Year-end Other Total	$ 1.0	$ -	$ 0.5	$ 0.2	$ 0.3	$ -	$ -
Year-end Total	$ 6.0	$ -	$ 0.3	$ 2.5	$ 1.2	$ 2.0	$ -

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
12 & 0 (Yearend) 2007 Actual vs. Budget Capital Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	Year - End Status Actual	Budget	Variance F(U)
Nuclear Operations	$ -	$ -	$ -
Nuclear Fuel	-	-	-
Nuclear Expansion	-	-	-
Fossil-Hydro Operations	12.2	12.3	0.1
Fossil-Hydro NCCap	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-
Fossil-Hydro Expansion	-	-	-
Power Delivery	96.7	110.4	13.7
Power Delivery - Expansion	41.1	35.8	(5.3)
Gas Delivery	87.8	87.5	(0.3)
Gas Delivery - Expansion	18.8	25.4	6.6
Customer Service	13.5	14.3	0.8
Other Departments	10.8	2.5	(8.3)
FE&G DE Ohio / Kentucky Function Total	$ 280.9	$ 288.2	$ 7.3
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 6.0	$ 7.3	$ 1.3
Plus: DP Historical Optimism	-	-	-
Plus: AFDC - Debt Component	1.7	2.7	1.0
FE&G DE OH / KY Cap Ex Total (Accrual Basis)	$ 276.6	$ 283.6	$ 7.0
Plus: Timing of Cash Payments	$ (1.0)	$ -	$ 1.0
FE&G DE OH / KY Cap Ex Total (Cash Basis) Tie Point	$ 275.6	$ 283.6	$ 8.0

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
12 & 0 (Yearend) 2007 Actual vs. Budget Capital Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	Year - End Status Actual	Budget	Variance F(U)
Nuclear Operations	$ -	$ -	$ -
Nuclear Fuel	-	-	-
Nuclear Expansion	-	-	-
Fossil-Hydro Operations	12.2	12.3	0.1
Fossil-Hydro NCCap	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-
Fossil-Hydro Expansion	-	-	-
Power Delivery	11.3	14.2	2.9
Power Delivery - Expansion	6.8	6.8	-
Gas Delivery	17.6	18.1	0.5
Gas Delivery - Expansion	5.9	7.3	1.4
Customer Service	10.9	12.9	2.0
Other Departments	0.6	0.1	(0.5)
FE&G DE Kentucky Function Total	$ 65.3	$ 71.7	$ 6.4
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.1	$ 1.6	$ 0.5
Plus: DP Historical Optimism	-	-	-
Plus: AFDC - Debt Component	0.5	0.8	0.3
FE&G DE KY Cap Ex Total (Accrual Basis)	$ 64.7	$ 70.9	$ 6.2

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

12 & 0 (Yearend) 2007 Actual vs. Budget Capital Variance Status

$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuc	F/H	PD	GD	CS	Oth
Year-end (Business Operations)	**Year-end Operations Variance**						
EPS Incentive adjustment	(0.4)	-	-	(0.4)	-	-	-
Allocated IT and General Plant	0.3			0.3			
MW Construction Overhead Pool Residual (Excl EIP Adj and DE Cap Policy)	(0.2)			(0.2)			
Retail and System Capacity (Excl Santeelah)	0.9			0.9			
Other	4.9	-	(0.4)	2.0	1.8	2.0	(0.5)
Year-end Operations Total	$ 5.5	$ -	$ (0.4)	$ 2.6	$ 1.8	$ 2.0	$ (0.5)
Year-end (Corporate, Shared Services & Other)	**Year-end Other Variance**						
A&G assumed in Capital Plan	$ 0.9	$ -	$ 0.5	$ 0.3	$ 0.1	$ -	$ -
Year-end Other Total	$ 0.9	$ -	$ 0.5	$ 0.3	$ 0.1	$ -	$ -
Year-end Total	$ 6.4	$ -	$ 0.1	$ 2.9	$ 1.9	$ 2.0	$ (0.5)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
1 & 11 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - January, 2008			1 & 11 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		1 & 11 Projection	Budget	Proposed Var. F(U)
Nuclear Operations *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel *(Jamil)*	-	-	-	-	-	-	-
Nuclear Expansion *(Jamil)*	-	-	-	-	-	-	-
Fossil-Hydro Operations *(Pulskamp)*	0.3	5.9	5.6	(5.6)	15.8	15.8	-
Fossil-Hydro NCCap *(Pulskamp)*	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment) *(Pulskamp)*	-	-	-		-	-	-
Fossil-Hydro Expansion *(Pulskamp)*	-	-	-	-	-	-	-
Power Delivery *(Holeman)*	5.2	10.3	5.1	(5.1)	107.2	107.2	-
Power Delivery - Expansion *(Holeman)*	3.2	5.7	2.5	(2.5)	65.8	65.8	-
Gas Delivery *(Walker)*	6.5	4.6	(1.9)	(1.1)	113.1	110.1	(3.0)
Gas Delivery - Expansion *(Walker)*	1.0	1.3	0.3	(0.3)	26.0	26.0	-
Customer Service *(Arnold)*	0.1	1.5	1.4	(1.4)	17.6	17.6	-
Remaining FE&G *(Note 1)*	(0.4)	1.5	1.9	(1.9)	5.4	5.4	-
Unidentified Mitigation Efforts	-	-	-	3.0	(3.0)	-	3.0
FE&G Function Total	$ 15.9	$ 30.8	$ 14.9	$ (14.9)	$ 347.9	$ 347.9	$ 0.0
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.7	$ 1.0	$ 0.3	$ (0.3)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	0.2	-	(0.2)	0.2	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 15.4	$ 29.8	$ 14.4	$ (14.4)	$ 339.8	$ 339.8	$ 0.0
Plus: Timing of Cash Payments	$ 7.9	$ -	$ (7.9)	$ 7.9	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 23.3	$ 29.8	$ 6.5	$ (6.5)	$ 339.8	$ 339.8	$ 0.0

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
1 & 11 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - January, 2008 Actual	YTD - January, 2008 Budget	YTD - January, 2008 Var. F(U)	1 & 11 Turnaround F (U)	Year - End Status 1 & 11 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations *(Jamil)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel *(Jamil)*	-	-	-	-	-	-	-
Nuclear Expansion *(Jamil)*	-	-	-	-	-	-	-
Fossil-Hydro Operations *(Pulskamp)*	0.3	5.9	5.6	(5.6)	15.8	15.8	-
Fossil-Hydro NCCap *(Pulskamp)*	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment) *(Pulskamp)*	-	-	-	-	-	-	-
Fossil-Hydro Expansion *(Pulskamp)*	-	-	-	-	-	-	-
Power Delivery *(Holeman)*	0.4	1.4	1.0	(1.0)	12.9	12.9	-
Power Delivery - Expansion *(Holeman)*	0.3	0.5	0.2	(0.2)	5.7	5.7	-
Gas Delivery *(Walker)*	1.6	1.1	(0.5)	0.9	23.8	24.2	0.4
Gas Delivery - Expansion *(Walker)*	0.4	0.3	(0.1)	0.1	8.4	8.4	-
Customer Service *(Arnold)*	0.1	1.3	1.2	(1.2)	15.5	15.5	-
Remaining FE&G *(Note 1)*	0.1	0.2	0.1	(0.1)	1.2	1.2	-
Unidentified Mitigation Efforts	-	-	-	(0.4)	0.4	-	(0.4)
FE&G Function Total	$ 3.2	$ 10.7	$ 7.5	$ (7.5)	$ 83.7	$ 83.7	$ -
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.2	$ 0.4	$ 0.2	$ (0.2)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.1		(0.1)	0.1	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 3.1	$ 10.3	$ 7.2	$ (7.2)	$ 81.8	$ 81.8	$ -
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 3.1	$ 10.3	$ 7.2	$ (7.2)	$ 81.8	$ 81.8	$ -

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

1 & 11 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Remain. *FE&G*	Un-ID *Mitig.*
YTD - Jan 08 Total	$ 7.5	$ -	$ 5.6	$ 1.2	$ (0.6)	$ 1.2	$ 0.1	$ -
Turnaround Drivers	**Turnaround Variances**							
Timing of operations work activities	$ (7.1)	$ -	$ (5.6)	$ (1.2)	$ 1.0	$ (1.2)	$ (0.1)	$ -
Indiana Edwardsport IGCC new gen at 100% ownership	-	-	-	-	-	-	-	-
Carolina Cliffside U6 new gen/Buck & Dan River Combined Cycle presentation to DE BOD (02/08) & Simple Cycle CT.	-	-	-	-	-	-	-	-
Lee Cooling Towers unplanned to support drought mitigation	-	-	-	-	-	-	-	-
Approved Carolina PD projects not budgeted (ex - Santeelah, UNC-CH, etc.)	-	-	-	-	-	-	-	-
Carolina Lee Nuclear timing	-	-	-	-	-	-	-	-
Carolina Customer Additions higher volume & cost per unit	-	-	-	-	-	-	-	-
Timing on Nuclear Fuel Deliveries - $14.9M; and CNS Reimbursements - $25M	-	-	-	-	-	-	-	-
Indiana Gibson additional work scope	-	-	-	-	-	-	-	-
Settlement of DOE spent fuel litigation	-	-	-	-	-	-	-	-
Carolina Marshall U2 outage delay to 2008 & projects cancellations	-	-	-	-	-	-	-	-
EPS Incentive adjustment/Other	-	-	-	-	-	-	-	-
Timing of accounting activities	-	-	-	-	-	-	-	-
Unidentified mitigation efforts	(0.4)	-	-	-	-	-	-	(0.4)
Turnaround Total	$ (7.5)	$ -	$ (5.6)	$ (1.2)	$ 1.0	$ (1.2)	$ (0.1)	$ (0.4)
Year-end Drivers	**Year-end Variances**							
Indiana Edwardsport IGCC new gen at 100% ownership	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Carolina Cliffside U6 new gen/Buck & Dan River Combined Cycle presentation to DE BOD (02/08) & Simple Cycle CT.	-	-	-	-	-	-	-	-
Lee Cooling Towers unplanned to support drought mitigation	-	-	-	-	-	-	-	-
Approved Carolina PD projects not budgeted (ex - Santeelah, UNC-CH, etc.)	-	-	-	-	-	-	-	-
Carolina Lee Nuclear timing	-	-	-	-	-	-	-	-
Customer Additions higher volume & cost per unit	-	-	-	-	-	-	-	-
Nuclear Major Projects underages (Refurb Pgm High Energy Line Break, Catawba Service Water, and other various projects)	-	-	-	-	-	-	-	-
Indiana Gibson additional work scope	-	-		-	-	-	-	-
Nuclear Fuel - deferral of fuel purchases	-	-	-	-	-	-	-	-
Settlement of DOE spent fuel litigation	-	-	-	-	-	-	-	-
Carolina Marshall U2 outage delay to 2008 & projects cancellations	-	-	-	-	-	-	-	-
EPS Incentive adjustment	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Unidentified mitigation efforts	-	-	-	-	0.4	-	-	(0.4)
Year-end Total	$ -	$ -	$ -	$ -	$ 0.4	$ -	$ -	$ (0.4)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
2 & 10 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - February, 2008			2 & 10 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		2 & 10 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	*0.8*	*6.9*	*6.1*	*(6.1)*	*15.8*	*15.8*	-
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 0.8	$ 6.9	$ 6.1	$ (6.1)	$ 15.8	$ 15.8	$ -
Power Delivery	*15.6*	*19.7*	*4.1*	*(4.1)*	*107.2*	*107.2*	-
Power Delivery - Expansion	*6.4*	*11.1*	*4.7*	*(4.7)*	*65.8*	*65.8*	-
Power Delivery (Holeman) Total	$ 22.0	$ 30.8	$ 8.8	$ (8.8)	$ 173.0	$ 173.0	$ -
Gas Delivery	*13.7*	*9.6*	*(4.1)*	*(4.9)*	*119.1*	*110.1*	*(9.0)*
Gas Delivery - Expansion	*1.6*	*2.6*	*1.0*	*(1.0)*	*26.0*	*26.0*	-
Gas Delivery (Walker) Total	$ 15.3	$ 12.2	$ (3.1)	$ (5.9)	$ 145.1	$ 136.1	$ (9.0)
Customer Service (Arnold) Total	$ 0.5	$ 2.9	$ 2.4	$ (2.4)	$ 17.6	$ 17.6	$ -
Remaining FE&G (Note 1)	$ (0.2)	$ 2.0	$ 2.2	$ (2.2)	$ 5.4	$ 5.4	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 38.4	$ 54.8	$ 16.4	$ (25.4)	$ 356.9	$ 347.9	$ (9.0)
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.3	$ 2.0	$ 0.7	$ (0.7)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	0.3	0.2	(0.1)	0.1	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 37.4	$ 53.0	$ 15.6	$ (24.6)	$ 348.8	$ 339.8	$ (9.0)
Plus: Timing of Cash Payments	$ 5.7	$ -	$ (5.7)	$ 5.7	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 43.1	$ 53.0	$ 9.9	$ (18.9)	$ 348.8	$ 339.8	$ (9.0)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

2 & 10 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - February, 2008			2 & 10 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		2 & 10 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	*0.8*	*6.9*	*6.1*	*(6.1)*	*15.8*	*15.8*	-
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 0.8	$ 6.9	$ 6.1	$ (6.1)	$ 15.8	$ 15.8	$ -
Power Delivery	*1.8*	*3.0*	*1.2*	*(1.2)*	*12.9*	*12.9*	-
Power Delivery - Expansion	*0.6*	*0.9*	*0.3*	*(0.3)*	*5.7*	*5.7*	-
Power Delivery (Holeman) Total	$ 2.4	$ 3.9	$ 1.5	$ (1.5)	$ 18.6	$ 18.6	$ -
Gas Delivery	*4.0*	*2.3*	*(1.7)*	*2.1*	*23.8*	*24.2*	*0.4*
Gas Delivery - Expansion	*0.5*	*0.7*	*0.2*	*(0.2)*	*8.4*	*8.4*	-
Gas Delivery (Walker) Total	$ 4.5	$ 3.0	$ (1.5)	$ 1.9	$ 32.2	$ 32.6	$ 0.4
Customer Service (Arnold) Total	$ 0.3	$ 2.6	$ 2.3	$ (2.3)	$ 15.5	$ 15.5	$ -
Remaining FE&G (Note 1)	$ 0.1	$ 0.3	$ 0.2	$ (0.2)	$ 1.2	$ 1.2	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 8.1	$ 16.7	$ 8.6	$ (8.1)	$ 83.2	$ 83.7	$ 0.5
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.3	$ 0.9	$ 0.6	$ (0.6)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.1	0.1	-	-	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 7.9	$ 15.9	$ 8.0	$ (7.5)	$ 81.3	$ 81.8	$ 0.5
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 7.9	$ 15.9	$ 8.0	$ (7.5)	$ 81.3	$ 81.8	$ 0.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
2 & 10 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Remain. *FE&G*	Un-ID *Mitig.*
YTD - Feb 08 Total	$ 8.6	$ -	$ 6.1	$ 1.5	$ (1.5)	$ 2.3	$ 0.2	$ -
Turnaround Drivers	**Turnaround Variances**							
Fossil-Hydro Operations: ***Kentucky: Woodsdale CT*** *- unit #4 overhaul project - (6.1)*	(6.1)	-	(6.1)	-	-	-	-	-
Power Delivery Operations: *Timing of work activities*	(1.2)	-	-	(1.2)	-	-	-	-
Power Delivery Expansion: *Timing of work activities*	(0.3)	-	-	(0.3)	-	-	-	-
Gas Delivery Operations: *Timing of work activities*	2.1	-	-	-	2.1	-	-	-
Gas Delivery Expansion: *Timing of work activities*	(0.2)	-	-	-	(0.2)	-	-	-
Customer Service: *Timing of work activities*	(2.3)	-	-	-	-	(2.3)	-	-
Remaining FE&G: *Timing of operations work activities*	(0.2)	-	-	-	-	-	(0.2)	-
Unidentified mitigation efforts:	0.1	-	-	-	-	-	-	0.1
Turnaround Total	$ (8.1)	$ -	$ (6.1)	$ (1.5)	$ 1.9	$ (2.3)	$ (0.2)	$ 0.1
Year-end Drivers	**Year-end Variances**							
Gas Delivery Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Unidentified mitigation efforts:	0.1	-	-	-	-	-	-	0.1
Year-end Total	$ 0.5	$ -	$ -	$ -	$ 0.4	$ -	$ -	$ 0.1

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas

3 & 9 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - March, 2008 Actual	YTD - March, 2008 Budget	YTD - March, 2008 Var. F(U)	3 & 9 Turnaround F (U)	Year - End Status 3 & 9 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	*1.3*	*7.9*	*6.6*	*(6.6)*	*15.8*	*15.8*	-
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 1.3	$ 7.9	$ 6.6	$ (6.6)	$ 15.8	$ 15.8	$ -
Power Delivery	*23.9*	*29.8*	*6.0*	*(6.0)*	*107.2*	*107.2*	-
Power Delivery - Expansion	*9.3*	*16.6*	*7.4*	*(7.4)*	*65.8*	*65.8*	-
Power Delivery (Holeman) Total	$ 33.1	$ 46.5	$ 13.4	$ (13.3)	$ 173.0	$ 173.0	$ -
Gas Delivery	*19.6*	*19.1*	*(0.5)*	*(8.5)*	*119.1*	*110.1*	*(9.0)*
Gas Delivery - Expansion	*3.0*	*4.4*	*1.4*	*(1.4)*	*26.0*	*26.0*	-
Gas Delivery (Walker) Total	$ 22.6	$ 23.5	$ 0.9	$ (9.9)	$ 145.1	$ 136.1	$ (9.0)
Customer Service (Arnold) Total	$ 0.5	$ 4.4	$ 3.9	$ (3.8)	$ 17.6	$ 17.6	$ -
Remaining FE&G (Note 1)	$ 0.7	$ 2.2	$ 1.5	$ (1.6)	$ 5.4	$ 5.4	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 58.2	$ 84.5	$ 26.3	$ (35.2)	$ 356.9	$ 347.9	$ (9.0)
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.8	$ 3.0	$ 1.2	$ (1.2)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	0.4	0.3	(0.1)	0.1	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 56.8	$ 81.8	$ 24.9	$ (33.9)	$ 348.8	$ 339.8	$ (9.0)
Plus: Timing of Cash Payments	$ 6.9	$ -	$ (6.9)	$ 6.9	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 63.7	$ 81.8	$ 18.0	$ (27.0)	$ 348.8	$ 339.8	$ (9.0)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

3 & 9 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - March, 2008 Actual	YTD - March, 2008 Budget	YTD - March, 2008 Var. F(U)	3 & 9 Turnaround F (U)	Year - End Status 3 & 9 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	*1.3*	*7.9*	*6.6*	*(6.6)*	*15.8*	*15.8*	-
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 1.3	$ 7.9	$ 6.6	$ (6.6)	$ 15.8	$ 15.8	$ -
Power Delivery	*3.1*	*4.2*	*1.1*	*(1.1)*	*12.9*	*12.9*	-
Power Delivery - Expansion	*1.1*	*1.4*	*0.3*	*(0.3)*	*5.7*	*5.7*	-
Power Delivery (Holeman) Total	$ 4.2	$ 5.6	$ 1.4	$ (1.4)	$ 18.6	$ 18.6	$ -
Gas Delivery	*5.8*	*4.5*	*(1.3)*	*1.7*	*23.8*	*24.2*	*0.4*
Gas Delivery - Expansion	*1.1*	*1.1*	-	-	*8.4*	*8.4*	-
Gas Delivery (Walker) Total	$ 6.9	$ 5.6	$ (1.3)	$ 1.7	$ 32.2	$ 32.6	$ 0.4
Customer Service (Arnold) Total	$ 0.4	$ 3.9	$ 3.5	$ (3.5)	$ 15.5	$ 15.5	$ -
Remaining FE&G (Note 1)	$ 0.2	$ 1.4	$ 1.2	$ (1.3)	$ 1.2	$ 1.2	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 13.0	$ 24.4	$ 11.4	$ (11.0)	$ 83.2	$ 83.7	$ 0.5
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.3	$ 1.2	$ 0.9	$ (0.9)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.1	0.2	0.1	(0.1)	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 12.8	$ 23.4	$ 10.6	$ (10.2)	$ 81.3	$ 81.8	$ 0.5
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 12.8	$ 23.4	$ 10.6	$ (10.2)	$ 81.3	$ 81.8	$ 0.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

3 & 9 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Remain. *FE&G*	Un-ID *Mitig.*
YTD - Mar 08 Total	$ 11.4	$ -	$ 6.6	$ 1.4	$ (1.3)	$ 3.5	$ 1.2	$ -

Turnaround Drivers	Turnaround Variances							
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: *Kentucky: Woodsdale CT - unit #4 overhaul project - $(6.6)*	(6.6)	-	(6.6)	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations: *Timing of Field Ops R&I and System Capacity projects - $(1.1)*	(1.1)	-	-	(1.1)	-	-	-	-
Power Delivery Expansion: *Timing of work activities*	(0.3)	-	-	(0.3)	-	-	-	-
Gas Delivery Operations: *Timing of Walton Bypass project - $1.7*	1.7	-	-	-	1.7	-	-	-
Gas Delivery Expansion: *Timing of work activities*	-	-	-	-	-	-	-	-
Customer Service: *Timing of work activities*	(3.5)	-	-	-	-	(3.5)	-	-
Remaining FE&G: *Timing of operations work activities*	(1.3)	-	-	-	-	-	(1.3)	-
Unidentified mitigation efforts:	0.1	-	-	-	-	-	-	0.1
Turnaround Total	$ (11.0)	$ -	$ (6.6)	$ (1.4)	$ 1.7	$ (3.5)	$ (1.3)	$ 0.1

Year-end Drivers	Year-end Variances							
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations:	-	-	-	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Delivery Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Delivery Expansion:	-	-	-	-	-	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	0.1	-	-	-	-	-	-	0.1
Year-end Total	$ 0.5	$ -	$ -	$ -	$ 0.4	$ -	$ -	$ 0.1

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
4 & 8 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - April, 2008			4 & 8 Turnaround	Year - End Status		
	Actual	Budget	Var. F(U)	F (U)	4 & 8 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 2.3	$ 9.3	$ 7.1	$ (7.1)	$ 15.8	$ 15.8	$ -
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 2.3	$ 9.3	$ 7.1	$ (7.1)	$ 15.8	$ 15.8	$ -
Power Delivery	$ 32.3	$ 37.9	$ 5.6	$ (5.6)	$ 107.2	$ 107.2	$ -
Power Delivery - Expansion	11.6	21.6	10.0	(10.1)	65.8	65.8	-
Power Delivery (Holeman) Total	$ 43.9	$ 59.5	$ 15.6	$ (15.7)	$ 173.0	$ 173.0	$ -
Gas Delivery	27.1	24.8	(2.4)	(6.6)	119.1	110.1	(9.0)
Gas Delivery - Expansion	4.4	5.8	1.4	(1.4)	26.0	26.0	-
Gas Delivery (Walker) Total	$ 31.5	$ 30.5	$ (1.0)	$ (8.0)	$ 145.1	$ 136.1	$ (9.0)
Customer Service (Arnold) Total	$ 0.8	$ 5.9	$ 5.1	$ (5.1)	$ 17.6	$ 17.6	$ -
Remaining FE&G (Note 1)	$ 0.2	$ 2.8	$ 2.6	$ (2.8)	$ 5.4	$ 5.4	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 78.6	$ 108.0	$ 29.4	$ (38.7)	$ 356.9	$ 347.9	$ (9.0)
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 2.8	$ 3.9	$ 1.1	$ (1.1)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	0.5	0.4	(0.1)	0.1	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 76.4	$ 104.5	$ 28.0	$ (37.5)	$ 348.8	$ 339.8	$ (9.0)
Plus: Timing of Cash Payments	$ 5.2	$ -	$ (5.2)	$ 5.2	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 81.6	$ 104.5	$ 22.8	$ (32.3)	$ 348.8	$ 339.8	$ (9.0)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
4 & 8 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - April, 2008 Actual	YTD - April, 2008 Budget	YTD - April, 2008 Var. F(U)	4 & 8 Turnaround F (U)	Year - End Status 4 & 8 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	*$ 2.3*	*$ 9.3*	*$ 7.1*	*$ (7.1)*	*$ 15.8*	*$ 15.8*	*$ -*
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 2.3	$ 9.3	$ 7.1	$ (7.1)	$ 15.8	$ 15.8	$ -
Power Delivery	*$ 4.4*	*$ 5.0*	*$ 0.6*	*$ (0.6)*	*$ 12.9*	*$ 12.9*	*$ -*
Power Delivery - Expansion	*1.4*	*1.8*	*0.4*	*(0.4)*	*5.7*	*5.7*	-
Power Delivery (Holeman) Total	$ 5.8	$ 6.7	$ 1.0	$ (1.0)	$ 18.6	$ 18.6	$ -
Gas Delivery	*$ 8.8*	*$ 6.0*	*$ (2.8)*	*$ 3.2*	*$ 23.8*	*$ 24.2*	*$ 0.4*
Gas Delivery - Expansion	*1.4*	*1.4*	*(0.0)*	-	*8.4*	*8.4*	-
Gas Delivery (Walker) Total	$ 10.2	$ 7.4	$ (2.8)	$ 3.2	$ 32.2	$ 32.6	$ 0.4
Customer Service (Arnold) Total	$ 0.4	$ 5.2	$ 4.8	$ (4.8)	$ 15.5	$ 15.5	$ -
Remaining FE&G (Note 1)	$ 0.5	$ 0.6	$ 0.1	$ (0.1)	$ 1.2	$ 1.2	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 19.1	$ 29.3	$ 10.1	$ (9.7)	$ 83.2	$ 83.7	$ 0.5
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 0.7	$ 1.4	$ 0.6	$ (0.6)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.2	0.2	-	-	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 18.6	$ 28.1	$ 9.5	$ (9.1)	$ 81.3	$ 81.8	$ 0.5
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 18.6	$ 28.1	$ 9.5	$ (9.1)	$ 81.3	$ 81.8	$ 0.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
4 & 8 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Remain. *FE&G*	Un-ID *Mitig.*
YTD - Apr 08 Total	$ 10.1	$ -	$ 7.1	$ 1.0	$ (2.8)	$ 4.8	$ 0.1	$ -

Turnaround Drivers	Turnaround Variances							
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: *Kentucky: Woodsdale CT - unit #4 overhaul project - $(6.8); Other - $(0.3)*	(7.1)	-	(7.1)	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations: *Timing of Field Ops R&I and System Capacity projects - $(0.8); A&G Capitalization (0.2) -offset in O&M*	(0.6)	-	-	(0.6)	-	-	-	-
Power Delivery Expansion: *Timing of work activities*	(0.4)	-	-	(0.4)	-	-	-	-
Gas Delivery Operations: *Timing of Walton Bypass project - $1.7; Timing of AMRP - $1.5*	3.2	-	-	-	3.2	-	-	-
Gas Delivery Expansion: *Timing of work activities*	-	-	-	-	-	-	-	-
Customer Service: *Timing of work activities*	(4.8)	-	-	-	-	(4.8)	-	-
Remaining FE&G: *Timing of operations work activities*	(0.1)	-	-	-	-	-	(0.1)	-
Unidentified mitigation efforts:	0.1	-	-	-	-	-	-	0.1
Turnaround Total	$ (9.7)	$ -	$ (7.1)	$ (1.0)	$ 3.2	$ (4.8)	$ (0.1)	$ 0.1

Year-end Drivers	Year-end Variances							
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations:	-	-	-	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Delivery Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Delivery Expansion:	-	-		-	-	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	0.1	-	-	-	-	-	-	0.1
Year-end Total	$ 0.5	$ -	$ -	$ -	$ 0.4	$ -	$ -	$ 0.1

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas

5 & 7 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - May, 2008			5 & 7 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		5 & 7 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 3.0	$ 9.9	$ 6.9	$ (6.6)	$ 15.5	$ 15.8	$ 0.3
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 3.0	$ 9.9	$ 6.9	$ (6.6)	$ 15.5	$ 15.8	$ 0.3
Power Delivery	$ 41.5	$ 46.2	$ 4.7	$ (4.7)	$ 107.2	$ 107.2	$ -
Power Delivery - Expansion	14.3	26.9	12.6	(12.6)	65.8	65.8	-
Power Delivery (Holeman) Total	$ 55.8	$ 73.1	$ 17.3	$ (17.3)	$ 173.0	$ 173.0	$ -
Gas Delivery	38.9	34.8	(4.1)	(8.4)	122.6	110.1	(12.5)
Gas Delivery - Expansion	7.0	8.4	1.4	(0.8)	25.4	26.0	0.6
Gas Delivery (Walker) Total	$ 45.9	$ 43.2	$ (2.7)	$ (9.2)	$ 148.0	$ 136.1	$ (11.9)
Customer Service (Arnold) Total	$ 1.1	$ 7.4	$ 6.3	$ (6.3)	$ 17.6	$ 17.6	$ -
Remaining FE&G (Note 1)	$ 1.1	$ 3.0	$ 1.9	$ (2.9)	$ 6.4	$ 5.4	$ (1.0)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 106.9	$ 136.6	$ 29.7	$ (42.2)	$ 360.4	$ 347.9	$ (12.5)
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 4.1	$ 4.7	$ 0.6	$ (0.6)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	0.8	0.6	(0.2)	0.2	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 103.6	$ 132.5	$ 28.8	$ (41.4)	$ 352.3	$ 339.8	$ (12.5)
Plus: Timing of Cash Payments	$ 3.3	$ -	$ (3.3)	$ 3.3	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 106.9	$ 132.5	$ 25.5	$ (38.1)	$ 352.3	$ 339.8	$ (12.5)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
5 & 7 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - May, 2008			5 & 7 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		5 & 7 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 3.0	$ 9.9	$ 6.9	$ (6.6)	$ 15.5	$ 15.8	$ 0.3
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 3.0	$ 9.9	$ 6.9	$ (6.6)	$ 15.5	$ 15.8	$ 0.3
Power Delivery	$ 6.0	$ 6.3	$ 0.3	$ (0.3)	$ 12.9	$ 12.9	$ -
Power Delivery - Expansion	1.7	2.2	0.5	(0.5)	5.7	5.7	-
Power Delivery (Holeman) Total	$ 7.7	$ 8.5	$ 0.8	$ (0.8)	$ 18.6	$ 18.6	$ -
Gas Delivery	$ 11.2	$ 8.5	$ (2.7)	$ 3.1	$ 23.8	$ 24.2	$ 0.4
Gas Delivery - Expansion	1.8	2.2	0.4	-	8.0	8.4	0.4
Gas Delivery (Walker) Total	$ 13.0	$ 10.7	$ (2.3)	$ 3.1	$ 31.8	$ 32.6	$ 0.8
Customer Service (Arnold) Total	$ 0.5	$ 6.5	$ 6.0	$ (6.0)	$ 15.5	$ 15.5	$ -
Remaining FE&G (Note 1)	$ 0.5	$ 0.7	$ 0.2	$ (0.2)	$ 1.2	$ 1.2	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ (0.1)	$ 0.1	$ -	$ (0.1)
FE&G Function Total	$ 24.7	$ 36.3	$ 11.6	$ (10.6)	$ 82.7	$ 83.7	$ 1.0
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.2	$ 1.5	$ 0.3	$ (0.3)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.3	0.3	-	-	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 23.8	$ 35.1	$ 11.3	$ (10.3)	$ 80.8	$ 81.8	$ 1.0
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 23.8	$ 35.1	$ 11.3	$ (10.3)	$ 80.8	$ 81.8	$ 1.0

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
5 & 7 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GD *Walker*	CS *Arnold*	Remain. *FE&G*	Un-ID *Mitig.*
YTD - May 08 Total	$ 11.6	$ -	$ 6.9	$ 0.8	$ (2.3)	$ 6.0	$ 0.2	$ -

Turnaround Drivers	Turnaround Variances							
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: *Kentucky: Woodsdale CT - unit #4 overhaul project - $(4.6); Miami Fort 6 - carryover of 2007 project into 2008 - $(2.1); Other - $0.1*	(6.6)	-	(6.6)	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations: *Timing of Field Ops R&I and System Capacity projects - $(0.1); A&G Capitalization (0.2) -offset in O&M*	(0.3)	-	-	(0.3)	-	-	-	-
Power Delivery Expansion: *Timing of work activities*	(0.5)	-	-	(0.5)	-	-	-	-
Gas Delivery Operations: *Timing of Walton Bypass project - $1.6; Timing of AMRP - $1.5*	3.1	-	-	-	3.1	-	-	-
Gas Delivery Expansion:	-	-	-	-	-	-	-	-
Customer Service: *Timing of work activities*	(6.0)	-	-	-	-	(6.0)	-	-
Remaining FE&G: *Timing of operations work activities*	(0.2)	-	-	-	-	-	(0.2)	-
Unidentified mitigation efforts:	(0.1)	-	-	-	-	-	-	(0.1)
Turnaround Total	$ (10.6)	$ -	$ (6.6)	$ (0.8)	$ 3.1	$ (6.0)	$ (0.2)	$ (0.1)

Year-end Drivers	Year-end Variances							
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: Woodsdale CT - unit #4 overhaul project spend $2.2; Miami Fort 6 - carryover of 2007 project not budgeted in 2008 - $(1.7); Other - $(0.2)	0.3	-	0.3	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Delivery Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Delivery Expansion: *Favorable due to main-to-curb services underruns*	0.4	-		-	0.4	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	(0.1)	-	-	-	-	-	-	(0.1)
Year-end Total	$ 1.0	$ -	$ 0.3	$ -	$ 0.8	$ -	$ -	$ (0.1)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas

6 & 6 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - June, 2008			6 & 6 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		6 & 6 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	*$ 3.6*	*$ 10.5*	*$ 6.9*	*$ (6.1)*	*$ 15.0*	*$ 15.8*	*$ 0.8*
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 3.6	$ 10.5	$ 6.9	$ (6.1)	$ 15.0	$ 15.8	$ 0.8
Power Delivery	*$ 48.8*	*$ 54.0*	*$ 5.2*	*$ (5.2)*	*$ 107.2*	*$ 107.2*	*$ -*
Power Delivery - Expansion	*18.5*	*32.2*	*13.7*	*(13.7)*	*65.8*	*65.8*	-
Power Delivery (Holeman) Total	$ 67.3	$ 86.2	$ 18.9	$ (18.9)	$ 173.0	$ 173.0	$ -
Gas Operations	*53.4*	*46.3*	*(7.1)*	*(5.4)*	*122.6*	*110.1*	*(12.5)*
Gas Operations - Expansion	*8.6*	*10.3*	*1.7*	*(1.1)*	*25.4*	*26.0*	*0.6*
Gas Operations (Walker) Total	$ 62.0	$ 56.6	$ (5.4)	$ (6.5)	$ 148.0	$ 136.1	$ (11.9)
Customer Service (Arnold) Total	$ 1.5	$ 8.8	$ 7.3	$ (7.3)	$ 17.6	$ 17.6	$ -
Remaining FE&G (Note 1)	$ 3.0	$ 3.8	$ 0.8	$ (1.8)	$ 6.4	$ 5.4	$ (1.0)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 137.4	$ 165.9	$ 28.5	$ (40.5)	$ 359.9	$ 347.9	$ (12.0)
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 4.8	$ 5.3	$ 0.5	$ (0.5)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	0.9	0.8	(0.1)	0.1	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 133.5	$ 161.4	$ 27.8	$ (39.9)	$ 351.8	$ 339.8	$ (12.0)
Plus: Timing of Cash Payments	$ 5.8	$ -	$ (5.8)	$ 5.8	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 139.3	$ 161.4	$ 22.2	$ (34.1)	$ 351.8	$ 339.8	$ (12.0)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

6 & 6 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - June, 2008 Actual	YTD - June, 2008 Budget	YTD - June, 2008 Var. F(U)	6 & 6 Turnaround F (U)	Year - End Status 6 & 6 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 3.6	$ 10.5	$ 6.9	$ (6.1)	$ 15.0	$ 15.8	$ 0.8
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 3.6	$ 10.5	$ 6.9	$ (6.1)	$ 15.0	$ 15.8	$ 0.8
Power Delivery	$ 7.0	$ 7.2	$ 0.2	$ (0.2)	$ 12.9	$ 12.9	$ -
Power Delivery - Expansion	2.1	2.6	0.5	(0.5)	5.7	5.7	-
Power Delivery (Holeman) Total	$ 9.1	$ 9.8	$ 0.7	$ (0.7)	$ 18.6	$ 18.6	$ -
Gas Operations	$ 13.1	$ 10.9	$ (2.2)	$ 2.6	$ 23.8	$ 24.2	$ 0.4
Gas Operations - Expansion	2.3	2.9	0.6	(0.2)	8.0	8.4	0.4
Gas Operations (Walker) Total	$ 15.4	$ 13.8	$ (1.6)	$ 2.4	$ 31.8	$ 32.6	$ 0.8
Customer Service (Arnold) Total	$ 0.6	$ 7.8	$ 7.2	$ (7.2)	$ 15.5	$ 15.5	$ -
Remaining FE&G (Note 1)	$ 0.4	$ 0.7	$ 0.3	$ (0.3)	$ 1.2	$ 1.2	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ (0.1)	$ 0.1	$ -	$ (0.1)
FE&G Function Total	$ 29.1	$ 42.6	$ 13.5	$ (12.0)	$ 82.2	$ 83.7	$ 1.5
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.4	$ 1.6	$ 0.2	$ (0.2)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.3	0.4	0.1	(0.1)	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 28.0	$ 41.4	$ 13.4	$ (11.9)	$ 80.3	$ 81.8	$ 1.5
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 28.0	$ 41.4	$ 13.4	$ (11.9)	$ 80.3	$ 81.8	$ 1.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

6 & 6 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Corp & SS	Un-ID *Mitig.*
YTD - Jun 08 Total	$ 13.5	$ -	$ 6.9	$ 0.7	$ (1.6)	$ 7.2	$ 0.3	$ -

Year-end Drivers	Year-end Variances							
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: ***Woodsdale CT*** *- unit #4 Hot Gas Path Inspection (HGPI) reduction in scope plus delay of U5 HGPI $2.7;* ***Miami Fort 6*** *- carryover of 2007 project not budgeted in 2008 -$(1.6);* ***Other*** *- $(0.3)*	0.8	-	0.8	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Operations Expansion: *Favorable due to main-to-curb services underruns*	0.4	-		-	0.4	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	(0.1)	-	-	-	-	-	-	(0.1)
Year-end Total	$ 1.5	$ -	$ 0.8	$ -	$ 0.8	$ -	$ -	$ (0.1)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
7 & 5 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - July, 2008			7 & 5 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		7 & 5 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 4.3	$ 11.4	$ 7.1	$ (5.8)	$ 14.5	$ 15.8	$ 1.3
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 4.3	$ 11.4	$ 7.1	$ (5.8)	$ 14.5	$ 15.8	$ 1.3
Power Delivery	$ 59.3	$ 69.9	$ 10.6	$ (10.6)	$ 107.2	$ 107.2	$ -
Power Delivery - Expansion	21.9	32.8	10.9	(10.9)	65.8	65.8	-
Power Delivery (Holeman) Total	$ 81.2	$ 102.7	$ 21.5	$ (21.5)	$ 173.0	$ 173.0	$ -
Gas Operations	$ 64.1	$ 58.8	$ (5.3)	$ (7.2)	$ 122.6	$ 110.1	$ (12.5)
Gas Operations - Expansion	10.2	10.3	0.1	0.5	25.4	26.0	0.6
Gas Operations (Walker) Total	$ 74.3	$ 69.1	$ (5.2)	$ (6.7)	$ 148.0	$ 136.1	$ (11.9)
Customer Service (Arnold) Total	$ 1.5	$ 10.3	$ 8.8	$ (8.8)	$ 17.6	$ 17.6	$ -
Remaining FE&G (Note 1)	$ 4.0	$ 3.7	$ (0.3)	$ (0.7)	$ 6.4	$ 5.4	$ (1.0)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 165.3	$ 197.2	$ 31.9	$ (43.4)	$ 359.4	$ 347.9	$ (11.5)
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 5.4	$ 8.0	$ 2.6	$ (2.6)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	1.0	0.9	(0.1)	0.1	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 160.9	$ 190.1	$ 29.1	$ (40.7)	$ 351.3	$ 339.8	$ (11.5)
Plus: Timing of Cash Payments	$ 4.7	$ -	$ (4.7)	$ 4.7	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 165.6	$ 190.1	$ 24.6	$ (36.0)	$ 351.3	$ 339.8	$ (11.5)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

7 & 5 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - July, 2008 Actual	YTD - July, 2008 Budget	YTD - July, 2008 Var. F(U)	7 & 5 Turnaround F (U)	Year - End Status 7 & 5 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 4.3	$ 11.4	$ 7.1	$ (5.8)	$ 14.5	$ 15.8	$ 1.3
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 4.3	$ 11.4	$ 7.1	$ (5.8)	$ 14.5	$ 15.8	$ 1.3
Power Delivery	$ 7.9	$ 9.3	$ 1.4	$ (1.4)	$ 12.9	$ 12.9	$ -
Power Delivery - Expansion	2.4	2.7	0.3	(0.3)	5.7	5.7	-
Power Delivery (Holeman) Total	$ 10.3	$ 12.0	$ 1.7	$ (1.7)	$ 18.6	$ 18.6	$ -
Gas Operations	$ 15.8	$ 13.8	$ (2.0)	$ 2.4	$ 23.8	$ 24.2	$ 0.4
Gas Operations - Expansion	2.6	2.9	0.3	0.1	8.0	8.4	0.4
Gas Operations (Walker) Total	$ 18.4	$ 16.7	$ (1.7)	$ 2.5	$ 31.8	$ 32.6	$ 0.8
Customer Service (Arnold) Total	$ 0.6	$ 9.1	$ 8.5	$ (8.5)	$ 15.5	$ 15.5	$ -
Remaining FE&G (Note 1)	$ 0.6	$ 0.8	$ 0.2	$ (0.2)	$ 1.2	$ 1.2	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ (0.1)	$ 0.1	$ -	$ (0.1)
FE&G Function Total	$ 34.2	$ 50.0	$ 15.8	$ (13.8)	$ 81.7	$ 83.7	$ 2.0
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.6	$ 2.1	$ 0.5	$ (0.5)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.3	0.4	0.1	(0.1)	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 32.9	$ 48.3	$ 15.4	$ (13.4)	$ 79.8	$ 81.8	$ 2.0
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 32.9	$ 48.3	$ 15.4	$ (13.4)	$ 79.8	$ 81.8	$ 2.0

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

7 & 5 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: ***Woodsdale CT*** *- unit #4 Hot Gas Path Inspection (HGPI) reduction in scope plus delay of U5 HGPI $3.6;* ***Miami Fort 6*** *- carryover of 2007 project not budgeted in 2008 -**$(1.6)**;* ***Other*** *- $(0.7)*	1.3	-	1.3	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Operations Expansion: *Favorable due to main-to-curb services underruns*	0.4	-		-	0.4	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	(0.1)	-	-	-	-	-	-	(0.1)
Year-end Total	$ 2.0	$ -	$ 1.3	$ -	$ 0.8	$ -	$ -	$ (0.1)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas

8 & 4 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - August, 2008 Actual	YTD - August, 2008 Budget	YTD - August, 2008 Var. F(U)	8 & 4 Turnaround F (U)	Year - End Status 8 & 4 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 5.6	$ 11.6	$ 6.0	$ (5.3)	$ 15.1	$ 15.8	$ 0.7
Fossil-Hydro NCCap (Haviland)	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment) (Haviland)	-	-	-		-	-	-
Fossil-Hydro Expansion (Haviland)	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 5.6	$ 11.6	$ 6.0	$ (5.3)	$ 15.1	$ 15.8	$ 0.7
Power Delivery	$ 63.8	$ 72.1	$ 8.3	$ (8.3)	$ 107.2	$ 107.2	$ -
Power Delivery - Expansion	30.9	44.6	13.7	(13.7)	65.8	65.8	-
Power Delivery (Holeman) Total	$ 94.7	$ 116.7	$ 22.0	$ (22.0)	$ 173.0	$ 173.0	$ -
Gas Operations	$ 73.1	$ 66.9	$ (6.2)	$ (6.3)	$ 122.6	$ 110.1	$ (12.5)
Gas Operations - Expansion	14.7	16.7	2.0	(1.4)	25.4	26.0	0.6
Gas Operations (Walker) Total	$ 87.8	$ 83.6	$ (4.2)	$ (7.7)	$ 148.0	$ 136.1	$ (11.9)
Customer Service (Arnold) Total	$ 1.5	$ 11.8	$ 10.3	$ (10.3)	$ 17.6	$ 17.6	$ -
Remaining FE&G (Note 1)	$ 8.4	$ 5.6	$ (2.8)	$ 1.8	$ 6.4	$ 5.4	$ (1.0)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.2	$ (0.2)	$ -	$ 0.2
FE&G Function Total	$ 198.0	$ 229.3	$ 31.3	$ (43.3)	$ 359.9	$ 347.9	$ (12.0)
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 6.5	$ 9.4	$ 2.9	$ (2.9)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	1.2	1.1	(0.1)	0.1	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 192.7	$ 221.0	$ 28.2	$ (40.3)	$ 351.8	$ 339.8	$ (12.0)
Plus: Timing of Cash Payments	$ 11.0	$ -	$ (11.0)	$ 11.0	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 203.7	$ 221.0	$ 17.2	$ (29.3)	$ 351.8	$ 339.8	$ (12.0)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

8 & 4 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - August, 2008			8 & 4 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		8 & 4 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 5.6	$ 11.6	$ 6.0	$ (5.3)	$ 15.1	$ 15.8	$ 0.7
Fossil-Hydro NCCap (Haviland)	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment) (Haviland)	-	-	-	-	-	-	-
Fossil-Hydro Expansion (Haviland)	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 5.6	$ 11.6	$ 6.0	$ (5.3)	$ 15.1	$ 15.8	$ 0.7
Power Delivery	$ 9.0	$ 9.3	$ 0.3	$ (0.3)	$ 12.9	$ 12.9	$ -
Power Delivery - Expansion	2.8	3.8	1.0	(1.0)	5.7	5.7	-
Power Delivery (Holeman) Total	$ 11.8	$ 13.1	$ 1.3	$ (1.3)	$ 18.6	$ 18.6	$ -
Gas Operations	$ 18.0	$ 16.1	$ (1.9)	$ 2.3	$ 23.8	$ 24.2	$ 0.4
Gas Operations - Expansion	3.0	4.1	1.1	(0.7)	8.0	8.4	0.4
Gas Operations (Walker) Total	$ 21.0	$ 20.2	$ (0.8)	$ 1.6	$ 31.8	$ 32.6	$ 0.8
Customer Service (Arnold) Total	$ 0.6	$ 10.4	$ 9.8	$ (9.8)	$ 15.5	$ 15.5	$ -
Remaining FE&G (Note 1)	$ 0.7	$ 0.8	$ 0.1	$ (0.1)	$ 1.2	$ 1.2	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 39.7	$ 56.1	$ 16.4	$ (14.9)	$ 82.2	$ 83.7	$ 1.5
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.8	$ 2.3	$ 0.5	$ (0.5)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.4	0.5	0.1	(0.1)	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 38.3	$ 54.3	$ 16.0	$ (14.5)	$ 80.3	$ 81.8	$ 1.5
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 38.3	$ 54.3	$ 16.0	$ (14.5)	$ 80.3	$ 81.8	$ 1.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

8 & 4 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: ***Woodsdale CT*** *- unit #4 Hot Gas Path Inspection (HGPI) reduction in scope plus delay of U5 HGPI $3.2;* ***Miami Fort 6*** *- carryover of 2007 project not budgeted in 2008 -$(1.7);* ***Other*** *- $(0.8)*	0.7	-	0.7	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Operations Expansion: *Favorable due to main-to-curb services underruns*	0.4	-		-	0.4	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	(0.1)	-	-	-	-	-	-	(0.1)
Year-end Total	$ 1.4	$ -	$ 0.7	$ -	$ 0.8	$ -	$ -	$ (0.1)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas
9 & 3 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - September, 2008 Actual	YTD - September, 2008 Budget	YTD - September, 2008 Var. F(U)	9 & 3 Turnaround F (U)	Year - End Status 9 & 3 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 6.3	$ 13.5	$ 7.2	$ (8.9)	$ 17.5	$ 15.8	$ (1.7)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 6.3	$ 13.5	$ 7.2	$ (8.9)	$ 17.5	$ 15.8	$ (1.7)
Power Delivery	$ 69.6	$ 82.0	$ 12.4	$ (17.8)	$ 112.6	$ 107.2	$ (5.4)
Power Delivery - Expansion	34.0	50.6	16.6	6.6	42.6	65.8	23.2
Power Delivery (Holeman) Total	$ 103.6	$ 132.6	$ 29.0	$ (11.2)	$ 155.2	$ 173.0	$ 17.8
Gas Operations	$ 87.9	$ 80.2	$ (7.7)	$ (4.8)	$ 122.6	$ 110.1	$ (12.5)
Gas Operations - Expansion	14.7	16.7	2.0	(1.4)	25.4	26.0	0.6
Gas Operations (Walker) Total	$ 102.6	$ 96.9	$ (5.7)	$ (6.2)	$ 148.0	$ 136.1	$ (11.9)
Customer Service (Arnold) Total	$ 1.5	$ 13.3	$ 11.8	$ 2.7	$ 3.1	$ 17.6	$ 14.5
Remaining FE&G (Note 1)	$ 17.3	$ 5.5	$ (11.8)	$ 1.7	$ 15.0	$ 5.4	$ (9.6)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 231.3	$ 261.8	$ 30.5	$ (21.8)	$ 338.7	$ 347.9	$ 9.2
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 6.9	$ 10.4	$ 3.5	$ (3.5)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	1.6	1.4	(0.2)	0.2	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 226.0	$ 252.8	$ 26.7	$ (18.1)	$ 330.6	$ 339.8	$ 9.2
Plus: Timing of Cash Payments	$ (18.4)	$ -	$ 18.4	(11.1)	$ (7.3)	$ -	$ 7.3
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 207.6	$ 252.8	$ 45.2	$ (29.2)	$ 323.3	$ 339.8	$ 16.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
9 & 3 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - September, 2008 Actual	YTD - September, 2008 Budget	YTD - September, 2008 Var. F(U)	9 & 3 Turnaround F (U)	Year - End Status 9 & 3 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 6.3	$ 13.5	$ 7.2	$ (8.9)	$ 17.5	$ 15.8	$ (1.7)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 6.3	$ 13.5	$ 7.2	$ (8.9)	$ 17.5	$ 15.8	$ (1.7)
Power Delivery	$ 9.8	$ 10.2	$ 0.4	$ (2.2)	$ 14.7	$ 12.9	$ (1.8)
Power Delivery - Expansion	3.1	4.4	1.3	(0.6)	5.0	5.7	0.7
Power Delivery (Holeman) Total	$ 12.9	$ 14.6	$ 1.7	$ (2.8)	$ 19.7	$ 18.6	$ (1.1)
Gas Operations	$ 20.6	$ 19.1	$ (1.5)	$ 1.9	$ 23.8	$ 24.2	$ 0.4
Gas Operations - Expansion	3.0	4.1	1.1	(0.7)	8.0	8.4	0.4
Gas Operations (Walker) Total	$ 23.6	$ 23.2	$ (0.4)	$ 1.2	$ 31.8	$ 32.6	$ 0.8
Customer Service (Arnold) Total	$ 0.6	$ 11.7	$ 11.1	$ 3.4	$ 1.0	$ 15.5	$ 14.5
Remaining FE&G (Note 1)	$ 1.5	$ 0.9	$ (0.6)	$ (0.2)	$ 2.0	$ 1.2	$ (0.8)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 44.9	$ 63.9	$ 19.0	$ (7.2)	$ 71.9	$ 83.7	$ 11.8
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.9	$ 2.5	$ 0.6	$ (0.6)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.5	0.6	0.1	(0.1)	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 43.5	$ 62.0	$ 18.5	$ (6.7)	$ 70.0	$ 81.8	$ 11.8
Plus: Timing of Cash Payments	$ -	$ -	$ -	0.7	$ (0.7)	$ -	$ 0.7
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 43.5	$ 62.0	$ 18.5	$ (6.0)	$ 69.3	$ 81.8	$ 12.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

9 & 3 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: ***Woodsdale CT*** *- Unit #4 Hot Gas Path Inspection (HGPI) reduction in scope plus delay of U5 HGPI $3.1;* ***Miami Fort 6*** *- carryover of 2007 project not budgeted in 2008 -$(2.5);* ***East Bend*** *- Increased costs on MCEMS and Landfill projects-*	(1.7)	-	(1.7)	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations:	(1.8)	-	-	(1.8)	-	-	-	-
Power Delivery Expansion: *Cust Adds/Lighting*	0.7	-	-	0.7	-	-	-	-
Gas Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Operations Expansion: *Favorable due to main-to-curb services underruns*	0.4	-		-	0.4	-	-	-
Customer Service: *Advanced metering infrastructure - $14.5*	14.5	-	-	-	-	14.5	-	-
Remaining FE&G: Enterprise Asset Mgmt cost transferred to FE&G budgeted in Governance- $(0.8)	(0.8)	-	-	-	-	-	(0.8)	-
Unidentified mitigation efforts:	0.1	-	-	-	-	-	-	0.1
Year-end Total	$ 11.8	$ -	$ (1.7)	$ (1.1)	$ 0.8	$ 14.5	$ (0.8)	$ 0.1

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas

10 & 2 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - October, 2008			10 & 2 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		10 & 2 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 9.4	$ 14.8	$ 5.4	$ (6.0)	$ 16.4	$ 15.8	$ (0.6)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 9.4	$ 14.8	$ 5.4	$ (6.0)	$ 16.4	$ 15.8	$ (0.6)
Power Delivery	$ 78.1	$ 92.1	$ 14.0	$ (19.4)	$ 112.6	$ 107.2	$ (5.4)
Power Delivery - Expansion	44.8	56.4	11.6	11.6	42.6	65.8	23.2
Power Delivery (Holeman) Total	$ 122.9	$ 148.5	$ 25.6	$ (7.8)	$ 155.2	$ 173.0	$ 17.8
Gas Operations	$ 103.1	$ 93.9	$ (9.2)	$ (3.3)	$ 122.6	$ 110.1	$ (12.5)
Gas Operations - Expansion	14.7	16.7	2.0	(0.8)	24.8	26.0	1.2
Gas Operations (Walker) Total	$ 117.8	$ 110.6	$ (7.2)	$ (4.1)	$ 147.4	$ 136.1	$ (11.3)
Customer Service (Arnold) Total	$ 1.6	$ 14.8	$ 13.2	$ 1.3	$ 3.1	$ 17.6	$ 14.5
Remaining FE&G (Note 1)	$ 16.4	$ 4.5	$ (11.9)	2.3	$ 14.9	$ 5.4	$ (9.5)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ (0.1)	$ 0.1	$ -	$ (0.1)
FE&G Function Total	$ 268.1	$ 293.1	$ 25.1	$ (14.4)	$ 337.1	$ 347.9	$ 10.8
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 7.5	$ 11.9	$ 4.4	$ (4.4)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	1.8	2.1	0.4	(0.4)	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 262.3	$ 283.4	$ 21.0	$ (10.4)	$ 329.0	$ 339.8	$ 10.8
Plus: Timing of Cash Payments	$ (14.5)	$ -	$ 14.5	$ (7.8)	$ (6.7)	$ -	$ 6.7
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 247.8	$ 283.4	$ 35.5	$ (18.2)	$ 322.3	$ 339.8	$ 17.5

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

10 & 2 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - October, 2008 Actual	YTD - October, 2008 Budget	YTD - October, 2008 Var. F(U)	10 & 2 Turnaround F (U)	Year - End Status 10 & 2 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 9.4	$ 14.8	$ 5.4	$ (6.0)	$ 16.4	$ 15.8	$ (0.6)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 9.4	$ 14.8	$ 5.4	$ (6.0)	$ 16.4	$ 15.8	$ (0.6)
Power Delivery	$ 11.4	$ 11.1	$ (0.3)	$ (1.5)	$ 14.7	$ 12.9	$ (1.8)
Power Delivery - Expansion	3.3	4.9	1.6	(0.9)	5.0	5.7	0.7
Power Delivery (Holeman) Total	$ 14.7	$ 16.0	$ 1.3	$ (2.4)	$ 19.7	$ 18.6	$ (1.1)
Gas Operations	$ 23.1	$ 22.2	$ (0.9)	$ 1.3	$ 23.8	$ 24.2	$ 0.4
Gas Operations - Expansion	3.0	4.1	1.1	(0.7)	8.0	8.4	0.4
Gas Operations (Walker) Total	$ 26.1	$ 26.3	$ 0.2	$ 0.6	$ 31.8	$ 32.6	$ 0.8
Customer Service (Arnold) Total	$ 0.6	$ 13.0	$ 12.4	$ 2.1	$ 1.0	$ 15.5	$ 14.5
Remaining FE&G (Note 1)	$ 2.7	$ 1.0	$ (1.7)	$ 1.0	$ 1.9	$ 1.2	$ (0.7)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ (0.1)	$ 0.1	$ -	$ (0.1)
FE&G Function Total	$ 53.5	$ 71.1	$ 17.6	$ (4.8)	$ 70.9	$ 83.7	$ 12.8
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.9	$ 2.8	$ 0.9	$ (0.9)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.5	0.7	0.2	(0.2)	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 52.1	$ 69.1	$ 16.9	$ (4.1)	$ 69.0	$ 81.8	$ 12.8
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ 1.2	$ (1.2)	$ -	$ 1.2
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 52.1	$ 69.1	$ 16.9	$ (2.9)	$ 67.8	$ 81.8	$ 14.0

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
10 & 2 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Holeman*	GO *Walker*	CS *Arnold*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: ***Woodsdale CT*** *- Unit #4 Hot Gas Path Inspection (HGPI) reduction in scope plus delay of U5 HGPI* ***$3.1;*** ***Miami Fort 6*** *- carryover of 2007 project not budgeted in 2008* ***-$(2.6);*** ***East Bend*** *- Increased SCR Catalyst costs* ***- $(0.7); Other - $(0.4)***	(0.6)	-	(0.6)	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations:	(1.8)	-	-	(1.8)	-	-	-	-
Power Delivery Expansion: *Cust Adds/Lighting*	0.7	-	-	0.7	-	-	-	-
Gas Operations: *Miscellaneous project underruns*	0.4	-	-	-	0.4	-	-	-
Gas Operations Expansion: *Favorable due to main-to-curb services underruns*	0.4	-		-	0.4	-	-	-
Customer Service: *Advanced metering infrastructure - $14.5*	14.5	-	-	-	-	14.5	-	-
Remaining FE&G: Enterprise Asset Mgmt cost transferred to FE&G budgeted in Governance - $(0.8)	(0.7)	-	-	-	-	-	(0.7)	-
Unidentified mitigation efforts:	(0.1)	-	-	-	-	-		(0.1)
Year-end Total	$ 12.8	$ -	$ (0.6)	$ (1.1)	$ 0.8	$ 14.5	$ (0.7)	$ (0.1)

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas

11 & 1 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	YTD - November, 2008 Actual	YTD - November, 2008 Budget	YTD - November, 2008 Var. F(U)	11 & 1 Turnaround F (U)	Year - End Status 11 & 1 Projection	Year - End Status Budget	Year - End Status Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 10.1	$ 15.7	$ 5.6	$ (5.9)	$ 16.1	$ 15.8	$ (0.3)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-		-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 10.1	$ 15.7	$ 5.6	$ (5.9)	$ 16.1	$ 15.8	$ (0.3)
Power Delivery	$ 82.6	$ 99.8	$ 17.2	$ (3.6)	$ 93.6	$ 107.2	$ 13.6
Power Delivery - Expansion	48.3	62.5	14.2	1.0	50.6	65.8	15.2
Power Delivery (Meyer) Total	$ 130.9	$ 162.3	$ 31.4	$ (2.6)	$ 144.2	$ 173.0	$ 28.8
Gas Operations	$ 108.8	$ 99.6	$ (9.2)	$ (3.0)	$ 122.3	$ 110.1	$ (12.2)
Gas Operations - Expansion	19.7	24.5	4.8	(3.6)	24.8	26.0	1.2
Gas Operations (Walker) Total	$ 128.5	$ 124.1	$ (4.4)	$ (6.6)	$ 147.1	$ 136.1	$ (11.0)
Customer Service (Manes) Total	$ 1.6	$ 16.3	$ 14.7	$ 0.8	$ 2.1	$ 17.6	$ 15.5
Remaining FE&G (Note 1)	$ 19.3	$ 1.9	$ (17.4)	2.5	$ 22.0	$ 5.4	$ (16.6)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 290.4	$ 320.3	$ 29.9	$ (11.7)	$ 331.4	$ 347.9	$ 16.5
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 7.2	$ 9.5	$ 2.3	$ (2.3)	$ 10.2	$ 10.2	$ -
Plus: AFDC - Debt Component	1.8	1.9	0.1	(0.1)	2.1	2.1	-
FE&G Cap Ex Total (Accrual Basis)	$ 285.0	$ 312.7	$ 27.6	$ (9.5)	$ 323.3	$ 339.8	$ 16.5
Plus: Timing of Cash Payments	$ (14.0)	$ -	$ 14.0	$ (7.8)	$ (5.5)	$ -	$ 5.5
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 271.0	$ 312.7	$ 41.6	$ (17.3)	$ 317.8	$ 339.8	$ 22.0

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) By Function	YTD - November, 2008			11 & 1 Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		11 & 1 Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 10.1	$ 15.7	$ 5.6	$ (5.9)	$ 16.1	$ 15.8	$ (0.3)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 10.1	$ 15.7	$ 5.6	$ (5.9)	$ 16.1	$ 15.8	$ (0.3)
Power Delivery	$ 12.5	$ 11.7	$ (0.8)	$ (1.0)	$ 14.7	$ 12.9	$ (1.8)
Power Delivery - Expansion	3.4	5.5	2.1	-	3.6	5.7	2.1
Power Delivery (Meyer) Total	$ 15.9	$ 17.2	$ 1.3	$ (1.0)	$ 18.3	$ 18.6	$ 0.3
Gas Operations	$ 24.8	$ 23.5	$ (1.3)	$ 1.7	$ 23.8	$ 24.2	$ 0.4
Gas Operations - Expansion	3.1	5.8	2.7	0.9	4.8	8.4	3.6
Gas Operations (Walker) Total	$ 27.9	$ 29.3	$ 1.4	$ 2.6	$ 28.6	$ 32.6	$ 4.0
Customer Service (Manes) Total	$ 0.6	$ 14.3	$ 13.7	$ 1.0	$ 0.8	$ 15.5	$ 14.7
Remaining FE&G (Note 1)	$ 3.0	$ 1.1	$ (1.9)	$ (0.9)	$ 4.0	$ 1.2	$ (2.8)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ 0.1	$ (0.1)	$ -	$ 0.1
FE&G Function Total	$ 57.5	$ 77.6	$ 20.1	$ (4.1)	$ 67.7	$ 83.7	$ 16.0
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.2	$ 2.5	$ 1.3	$ (1.3)	$ 2.7	$ 2.7	$ -
Plus: AFDC - Debt Component	0.5	0.7	0.2	(0.2)	0.8	0.8	-
FE&G Cap Ex Total (Accrual Basis)	$ 56.8	$ 75.8	$ 19.0	$ (3.0)	$ 65.8	$ 81.8	$ 16.0
Plus: Timing of Cash Payments	$ -	$ -	$ -			$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 56.8	$ 75.8	$ 19.0	$ (3.0)	$ 65.8	$ 81.8	$ 16.0

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: ***Woodsdale CT*** *- Unit #4 Hot Gas Path Inspection (HGPI) reduction in scope plus delay of U5 HGPI **$3.1**; **Miami Fort 6** - carryover of 2007 project not budgeted in 2008 -**$(2.7)**; **Other** - $(0.7)*	(0.3)	-	(0.3)	-	-	-	-	-
	-	-	-	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	(1.8)	-	-	(1.8)	-	-	-	-
Power Delivery Operations: *Field Op R&I projects - $1; Major transmission projects - $(3)*	2.1	-	-	2.1	-	-	-	-
Power Delivery Expansion: *Cust Adds/Lighting*	0.4	-	-	-	0.4	-	-	-
Gas Operations: *Miscellaneous project underruns*	3.6	-		-	3.6	-	-	-
Gas Operations Expansion: *Favorable due to main-to-curb services underruns, new business is down and underages in other areas.*	14.7	-	-	-	-	14.7	-	-
Customer Service: *Advanced metering infrastructure -$14.5 ; Miscellaneous projects - $0.2*	(2.8)	-	-	-	-	-	(2.8)	-
Remaining FE&G: *IT and Facilities - $(2.0); Enterprise Asset Mgmt cost transferred to FE&G budgeted in Governance $(0.8)*	0.1	-	-	-	-	-		0.1
Unidentified mitigation efforts:								
Year-end Total	$ 16.0	$ -	$ (0.3)	$ 0.3	$ 4.0	$ 14.7	$ (2.8)	$ 0.1

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) Franchised Electric & Gas

12 & 0 2008 Capital Year-end Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) By Function	Year - End Status Actual	Budget	Var. F(U)
Nuclear Operations	$ -	$ -	$ -
Nuclear Fuel	-	-	-
Nuclear Expansion	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -
Fossil-Hydro Operations	$ 13.4	$ 15.8	$ 2.4
Fossil-Hydro NCCap	-	-	-
Fossil-Hydro Env Additions Midwest(Reg Treatment)	-	-	-
Fossil-Hydro Expansion	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 13.4	$ 15.8	$ 2.4
Power Delivery	$ 91.9	$ 107.3	$ 15.4
Power Delivery - Expansion	51.5	68.2	16.7
Power Delivery (Meyer) Total	$ 143.4	$ 175.5	$ 32.1
Gas Operations	$ 119.2	$ 106.5	$ (12.7)
Gas Operations - Expansion	24.8	30.8	6.0
Gas Operations (Walker) Total	$ 144.0	$ 137.3	$ (6.7)
Customer Service (Manes) Total	$ 1.6	$ 17.8	$ 16.2
Remaining FE&G (Note 1)	$ 29.0	$ 1.7	$ (27.2)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -
FE&G Function Total	$ 331.4	$ 348.1	$ 16.7
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 8.7	$ 10.2	$ 1.5
Plus: AFDC - Debt Component	1.7	2.1	0.4
FE&G Cap Ex Total (Accrual Basis)	$ 324.4	$ 340.0	$ 15.6
Plus: Timing of Cash Payments	$ (19.3)	$ -	$ 19.3
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 305.1	$ 340.0	$ 34.9

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

12 & 0 2008 Capital Year-end Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) By Function	Year - End Status Actual	Budget	Var. F(U)
Nuclear Operations	$ -	$ -	$ -
Nuclear Fuel	-	-	-
Nuclear Expansion	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -
Fossil-Hydro Operations	$ 13.4	$ 15.8	$ 2.4
Fossil-Hydro NCCap	-	-	-
Fossil-Hydro Env Additions Midwest(Reg Treatment)	-	-	-
Fossil-Hydro Expansion	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 13.4	$ 15.8	$ 2.4
Power Delivery	$ 13.0	$ 12.4	$ (0.6)
Power Delivery - Expansion	4.0	6.0	2.0
Power Delivery (Meyer) Total	$ 17.0	$ 18.4	$ 1.4
Gas Operations	$ 26.6	$ 25.6	$ (1.0)
Gas Operations - Expansion	4.8	7.3	2.5
Gas Operations (Walker) Total	$ 31.4	$ 32.9	$ 1.5
Customer Service (Manes) Total	$ 0.6	$ 15.6	$ 15.0
Remaining FE&G (Note 1)	$ 3.2	$ 1.0	$ (2.3)
Unidentified Mitigation Efforts Total	$ -	$ -	$ -
FE&G Function Total	$ 65.7	$ 83.7	$ 18.0
Less: Removal & Salvage / Prelim Survey & Invest Total	$ 1.5	$ 2.7	$ 1.2
Plus: AFDC - Debt Component	0.5	0.8	0.3
FE&G Cap Ex Total (Accrual Basis)	$ 64.7	$ 81.7	$ 17.1
Plus: Timing of Cash Payments		$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 64.7	$ 81.7	$ 17.1

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
12 & 0 2008 Capital Year-end Variance Status
$ Millions

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations: ***Woodsdale CT*** *- Unit #4 Hot Gas Path Inspection (HGPI) reduction in scope plus delay of U5 HGPI $4.5;* ***Miami Fort 6*** *- carryover of 2007 project not budgeted in 2008 -$(1.2);* ***Other*** *- $(0.9)*	2.4	-	2.4	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations: *Major capacity projects - $(1)*	(0.6)	-	-	(0.6)	-	-	-	-
Power Delivery Expansion: *Cust Adds/Lighting less than planned - $2*	2.0	-	-	2.0	-	-	-	-
Gas Operations: *Miscellaneous project underruns*	(1.0)	-	-	-	(1.0)	-	-	-
Gas Operations Expansion: *Favorable due to main-to-curb services underruns, new business is down and underages in other areas.*	2.5	-		-	2.5	-	-	-
Customer Service: *Advanced metering infrastructure -$14.5 , Miscellaneous projects - $0.5*	15.0	-	-	-	-	15.0	-	-
Remaining FE&G: *IT and Facilities - $(2.0); Enterprise Asset Mgmt cost transferred to FE&G budgeted in Governance $(0.8)*	(2.3)	-	-	-	-	-	(2.3)	-
Unidentified mitigation efforts:	-	-	-	-	-	-		-
Year-end Total	$ 18.0	$ -	$ 2.4	$ 1.4	$ 1.5	$ 15.0	$ (2.3)	$ -

US Franchised Electric & Gas
Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) 1 & 11 2009							
	Year To Date - January				Year - End Status		
Function	Actual	Budget	Var. F(U)	Turnaround F (U)	Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 0.6	$ 0.9	$ 0.4	$ (0.4)	$ 6.3	$ 6.3	$ -
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 0.6	$ 0.9	$ 0.4	$ (0.4)	$ 6.3	$ 6.3	$ -
Power Delivery	$ 2.6	$ 7.8	$ 5.2	$ (5.2)	$ 82.6	$ 82.6	$ -
Power Delivery - Expansion	-	3.9	3.9	(3.9)	42.2	42.2	-
Power Delivery (Meyer) Total	$ 2.6	$ 11.8	$ 9.2	$ (9.2)	$ 124.8	$ 124.8	$ -
Gas Operations	$ 3.3	$ 4.3	$ 1.0	$ (1.0)	$ 111.8	$ 111.8	$ -
Gas Operations - Expansion	1.2	1.9	0.7	(0.7)	26.8	26.8	-
Gas Operations (Walker) Total	$ 4.5	$ 6.2	$ 1.7	$ (1.7)	$ 138.6	$ 138.6	$ -
Customer Service (Manes) Total	$ -	$ 0.4	$ 0.4	$ (0.4)	$ 4.9	$ 4.9	$ -
Remaining FE&G (Note 1)	$ (1.1)	$ 1.4	$ 2.5	$ (2.5)	$ 16.6	$ 16.6	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 6.6	$ 20.8	$ 14.2	$ (14.2)	$ 291.2	$ 291.2	$ -
Plus: AFDC - Debt Component	-	-	-	-	3.2	3.2	-
FE&G Cap Ex Total (Accrual Basis)	$ 6.6	$ 20.8	$ 14.2	$ (14.2)	$ 294.4	$ 294.4	$ -
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 6.6	$ 20.8	$ 14.2	$ (14.2)	$ 294.4	$ 294.4	$ -

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

US Franchised Electric & Gas
Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) 1 & 11 2009							
	Year To Date - January				Year - End Status		
Function	Actual	Budget	Var. F(U)	Turnaround F (U)	Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 0.6	$ 0.9	$ 0.4	$ (0.4)	$ 6.3	$ 6.3	$ -
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 0.6	$ 0.9	$ 0.4	$ (0.4)	$ 6.3	$ 6.3	$ -
Power Delivery	$ 0.6	$ 1.5	$ 0.9	$ (0.9)	$ 13.1	$ 13.1	$ -
Power Delivery - Expansion	0.3	0.5	0.2	(0.2)	5.5	5.5	-
Power Delivery (Meyer) Total	$ 0.9	$ 2.1	$ 1.2	$ (1.2)	$ 18.6	$ 18.6	$ -
Gas Operations	$ 0.6	$ 0.7	$ 0.1	$ (0.1)	$ 28.0	$ 28.0	$ -
Gas Operations - Expansion	0.2	0.4	0.2	(0.2)	5.7	5.7	-
Gas Operations (Walker) Total	$ 0.8	$ 1.1	$ 0.3	$ (0.3)	$ 33.7	$ 33.7	$ -
Customer Service (Manes) Total	$ -	$ 0.0	$ 0.0	$ (0.0)	$ 0.5	$ 0.5	$ -
Remaining FE&G (Note 1)	$ (0.1)	$ 0.2	$ 0.3	$ (0.3)	$ 2.8	$ 2.8	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 2.1	$ 4.4	$ 2.2	$ (2.2)	$ 61.9	$ 61.9	$ -
Plus: AFDC - Debt Component	-	-	-	-	0.9	0.9	-
FE&G Cap Ex Total (Accrual Basis)	$ 2.1	$ 4.4	$ 2.2	$ (2.2)	$ 62.8	$ 62.8	$ -
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 2.1	$ 4.4	$ 2.2	$ (2.2)	$ 62.8	$ 62.8	$ -

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

US Franchised Electric & Gas
Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) **1 & 11 2009**

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations:	-	-	-	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Operations:	-	-	-	-	-	-	-	-
Gas Operations Expansion:	-	-		-	-	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:								
Year-end Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

US Franchised Electric & Gas

Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) 2 & 10 2009	Year To Date - February			Turnaround F (U)	Year - End Status		
Function	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 2.4	$ 3.7	$ 1.4	$ (1.4)	$ 6.3	$ 6.3	$ -
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 2.4	$ 3.7	$ 1.4	$ (1.4)	$ 6.3	$ 6.3	$ -
Power Delivery	$ 8.2	$ 12.8	$ 4.6	$ (4.6)	$ 82.6	$ 82.6	$ -
Power Delivery - Expansion	1.8	8.8	7.0	(7.0)	42.2	42.2	-
Power Delivery (Meyer) Total	$ 10.0	$ 21.6	$ 11.6	$ (11.6)	$ 124.8	$ 124.8	$ -
Gas Operations	$ 7.5	$ 10.6	$ 3.1	$ (3.1)	$ 111.8	$ 111.8	$ -
Gas Operations - Expansion	1.9	3.4	1.5	(1.5)	26.8	26.8	-
Gas Operations (Walker) Total	$ 9.4	$ 14.0	$ 4.6	$ (4.6)	$ 138.6	$ 138.6	$ -
Customer Service (Manes) Total	$ 0.0	$ 0.8	$ 0.8	$ (0.8)	$ 4.9	$ 4.9	$ -
Remaining FE&G (Note 1)	$ (0.8)	$ 2.9	$ 3.7	$ (3.7)	$ 17.0	$ 17.0	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 21.0	$ 43.0	$ 22.0	$ (22.0)	$ 291.6	$ 291.6	$ -
Plus: AFDC - Debt Component	$ -	$ 0.5	$ 0.5	$ (0.5)	$ 3.2	$ 3.2	$ -
FE&G Cap Ex Total (Accrual Basis)	$ 21.0	$ 43.5	$ 22.5	$ (22.5)	$ 294.8	$ 294.8	$ -
Plus: Timing of Cash Payments	$ (1.3)	$ -	$ 1.3	$ (1.3)	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 19.7	$ 43.6	$ 23.9	$ (23.8)	$ 294.8	$ 294.8	$ -

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

US Franchised Electric & Gas

Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) 2 & 10 2009	Year To Date - February			Turnaround	Year - End Status		
Function	Actual	Budget	Var. F(U)	F (U)	Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 2.4	$ 3.7	$ 1.4	$ (1.4)	$ 6.3	$ 6.3	$ -
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 2.4	$ 3.7	$ 1.4	$ (1.4)	$ 6.3	$ 6.3	$ -
Power Delivery	$ 1.1	$ 2.4	$ 1.3	$ (1.3)	$ 13.1	$ 13.1	$ -
Power Delivery - Expansion	0.6	1.2	0.6	(0.6)	5.5	5.5	-
Power Delivery (Meyer) Total	$ 1.7	$ 3.6	$ 1.9	$ (1.9)	$ 18.6	$ 18.6	$ -
Gas Operations	$ 1.6	$ 2.2	$ 0.6	$ (0.6)	$ 28.0	$ 28.0	$ -
Gas Operations - Expansion	0.4	0.7	0.3	(0.3)	5.7	5.7	-
Gas Operations (Walker) Total	$ 2.0	$ 2.9	$ 0.9	$ (0.9)	$ 33.7	$ 33.7	$ -
Customer Service (Manes) Total	$ 0.0	$ 0.1	$ 0.1	$ (0.1)	$ 0.5	$ 0.5	$ -
Remaining FE&G (Note 1)	$ (0.1)	$ 0.4	$ 0.5	$ (0.5)	$ 3.9	$ 3.9	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 6.0	$ 10.7	$ 4.7	$ (4.7)	$ 63.0	$ 63.0	$ -
Plus: AFDC - Debt Component	$ 0.1	$ 0.2	$ 0.1	$ (0.1)	$ 0.9	$ 0.9	$ -
FE&G Cap Ex Total (Accrual Basis)	$ 6.1	$ 10.9	$ 4.8	$ (4.8)	$ 63.9	$ 63.9	$ -
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 6.1	$ 10.9	$ 4.8	$ (4.8)	$ 63.9	$ 63.9	$ -

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas
11 & 1 2008 Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) 2 & 10 2009								
Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Corp & SS	Un-ID *Mitig.*
Nuclear Operations:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel:	-	-	-	-	-	-	-	-
Nuclear Expansion:	-	-	-	-	-	-	-	-
Fossil-Hydro Operations:	-	-	-	-	-	-	-	-
Fossil-Hydro NCCap:	-	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest:	-	-	-	-	-	-	-	-
Fossil-Hydro Expansion:	-	-	-	-	-	-	-	-
Power Delivery Operations:	-	-	-	-	-	-	-	-
Power Delivery Expansion:	-	-	-	-	-	-	-	-
Gas Operations:	-	-	-	-	-	-	-	-
Gas Operations Expansion:	-	-		-	-	-	-	-
Customer Service:	-	-	-	-	-	-	-	-
Remaining FE&G:	-	-	-	-	-	-	-	-
Unidentified mitigation efforts:	-	-	-	-	-	-	-	-
Year-end Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

US Franchised Electric & Gas
Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) - 3 & 9 2009

Function	Year To Date - March			Turnaround	Year - End Status		
	Actual	Budget	Var. F(U)	F (U)	Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 3.1	$ 4.1	$ 1.0	$ (12.1)	$ 17.4	$ 6.3	$ (11.1)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest *(Reg Treatment)*	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 3.1	$ 4.1	$ 1.0	$ (12.1)	$ 17.4	$ 6.3	$ (11.1)
Power Delivery	$ 13.3	$ 19.3	$ 6.0	$ (11.3)	$ 87.9	$ 82.6	$ (5.3)
Power Delivery - Expansion	6.1	12.2	6.1	(1.6)	37.7	42.2	4.5
Power Delivery (Meyer) Total	$ 19.4	$ 31.5	$ 12.1	$ (12.9)	$ 125.6	$ 124.8	$ (0.8)
Gas Operations	$ 17.9	$ 23.0	$ 5.1	$ (5.1)	$ 111.8	$ 111.8	$ -
Gas Operations - Expansion	-	-	-	-	26.8	26.8	-
Gas Operations (Walker) Total	$ 17.9	$ 23.0	$ 5.1	$ (5.1)	$ 138.6	$ 138.6	$ -
Customer Service (Manes) Total	$ 0.0	$ 1.2	$ 1.2	$ (1.2)	$ 4.9	$ 4.9	$ -
Remaining FE&G (Note 1)	$ 0.7	$ 4.7	$ 4.0	$ (4.0)	$ 17.0	$ 17.0	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 41.1	$ 64.5	$ 23.4	$ (35.3)	$ 303.5	$ 291.6	$ (11.9)
Plus: AFDC - Debt Component	$ (0.6)	$ 0.7	$ 1.3	$ (1.3)	$ 3.2	$ 3.2	$ -
FE&G Cap Ex Total (Accrual Basis)	$ 40.5	$ 65.2	$ 24.7	$ (36.6)	$ 306.7	$ 294.8	$ (11.9)
Plus: Timing of Cash Payments	$ 5.7	$ -	$ (5.7)	$ 5.7	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 46.3	$ 65.4	$ 19.1	$ (30.9)	$ 306.7	$ 294.8	$ (11.9)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

US Franchised Electric & Gas
Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 3 & 9 2009

Function	Year To Date - March			Turnaround	Year - End Status		
	Actual	Budget	Var. F(U)	F (U)	Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 3.1	$ 4.1	$ 1.0	$ (12.1)	$ 17.4	$ 6.3	$ (11.1)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 3.1	$ 4.1	$ 1.0	$ (12.1)	$ 17.4	$ 6.3	$ (11.1)
Power Delivery	$ 1.9	$ 3.5	$ 1.6	$ (2.4)	$ 13.9	$ 13.1	$ (0.8)
Power Delivery - Expansion	0.9	1.7	0.8	(0.6)	5.3	5.5	0.2
Power Delivery (Meyer) Total	$ 2.8	$ 5.2	$ 2.4	$ (3.0)	$ 19.2	$ 18.6	$ (0.6)
Gas Operations	$ 5.2	$ 5.4	$ 0.2	$ (0.2)	$ 28.0	$ 28.0	$ -
Gas Operations - Expansion	-	-	-	-	5.7	5.7	-
Gas Operations (Walker) Total	$ 5.2	$ 5.4	$ 0.2	$ (0.2)	$ 33.7	$ 33.7	$ -
Customer Service (Manes) Total	$ 0.0	$ 0.1	$ 0.1	$ (0.1)	$ 0.5	$ 0.5	$ -
Remaining FE&G (Note 1)	$ 0.1	$ 0.7	$ 0.6	$ (0.6)	$ 3.9	$ 3.9	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 11.2	$ 15.5	$ 4.3	$ (16.0)	$ 74.7	$ 63.0	$ (11.7)
Plus: AFDC - Debt Component	$ (0.1)	$ 0.2	$ 0.3	$ (0.3)	$ 0.9	$ 0.9	$ -
FE&G Cap Ex Total (Accrual Basis)	$ 11.1	$ 15.7	$ 4.6	$ (16.3)	$ 75.6	$ 63.9	$ (11.7)
Plus: Timing of Cash Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 11.1	$ 15.7	$ 4.6	$ (16.3)	$ 75.6	$ 63.9	$ (11.7)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

US Franchised Electric & Gas
Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Kentucky (ULH&P) - 3 & 9 2009

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Corp & SS	Un-ID *Mitig.*
Fossil-Hydro Operations: *Woodsdale CT - ($7.9) - Overhaul of U5 originally planned in 2010; Misc - ($3.2)*	(11.1)	-	(11.1)	-	-	-	-	-
Power Delivery Operations: *Re-deployment of expansion funds to maintenance capex*	(0.8)	-	-	(0.8)	-	-	-	-
Power Delivery Expansion: *Less customer addition volume than expected*	0.2	-	-	0.2	-	-	-	-
Year-end Total	$ (11.7)	$ -	$ (11.1)	$ (0.6)	$ -	$ -	$ -	$ -

US Franchised Electric & Gas
Capital Turn / Year-end Projected Variance Status
$ Millions

Duke Energy Ohio (CG&E) / Kentucky (ULH&P) 4 & 8 2009

Function	Year To Date - April			Turnaround	Year - End Status		
	Actual	Budget	Var. F(U)	F (U)	Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 4.1	$ 5.9	$ 1.7	$ (14.0)	$ 18.6	$ 6.3	$ (12.3)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 4.1	$ 5.9	$ 1.7	$ (14.0)	$ 18.6	$ 6.3	$ (12.3)
Power Delivery	$ 20.9	$ 27.5	$ 6.6	$ (11.9)	$ 87.9	$ 82.6	$ (5.3)
Power Delivery - Expansion	7.0	14.1	7.2	(2.7)	37.7	42.2	4.5
Power Delivery (Meyer) Total	$ 27.9	$ 41.6	$ 13.7	$ (14.5)	$ 125.6	$ 124.8	$ (0.8)
Gas Operations	$ 26.1	$ 27.5	$ 1.4	$ (1.4)	$ 111.8	$ 111.8	$ -
Gas Operations - Expansion	4.4	7.2	2.8	(2.8)	26.8	26.8	-
Gas Operations (Walker) Total	$ 30.5	$ 34.7	$ 4.2	$ (4.2)	$ 138.6	$ 138.6	$ -
Customer Service (Manes) Total	$ 0.0	$ 1.6	$ 1.6	$ (1.6)	$ 4.9	$ 4.9	$ -
Remaining FE&G (Note 1)	$ 1.3	$ 7.2	$ 5.9	$ (5.9)	$ 17.0	$ 17.0	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 63.7	$ 91.0	$ 27.2	$ (40.3)	$ 304.7	$ 291.6	$ (13.1)
Plus: AFDC - Debt Component	$ (0.6)	$ 0.2	$ 0.8	$ (0.8)	$ 3.2	$ 3.2	$ -
FE&G Cap Ex Total (Accrual Basis)	$ 63.1	$ 91.2	$ 28.0	$ (41.1)	$ 307.9	$ 294.8	$ (13.1)
Plus: Timing of Cash Payments	$ 1.4	$ -	$ (1.4)	$ 1.4	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 64.6	$ 91.3	$ 26.7	$ (39.7)	$ 307.9	$ 294.8	$ (13.1)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

US Franchised Electric & Gas

Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) 4 & 8 2009							
Function	Year To Date - April			Turnaround F (U)	Year - End Status		
	Actual	Budget	Var. F(U)		Projection	Budget	Proposed Var. F(U)
Nuclear Operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nuclear Fuel	-	-	-	-	-	-	-
Nuclear Expansion	-	-	-	-	-	-	-
Nuclear (Jamil) Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fossil-Hydro Operations	$ 4.1	$ 5.9	$ 1.7	$ (14.0)	$ 18.6	$ 6.3	$ (12.3)
Fossil-Hydro NCCap	-	-	-	-	-	-	-
Fossil-Hydro Env Additions Midwest (Reg Treatment)	-	-	-	-	-	-	-
Fossil-Hydro Expansion	-	-	-	-	-	-	-
Fossil-Hydro (Pulskamp) Total	$ 4.1	$ 5.9	$ 1.7	$ (14.0)	$ 18.6	$ 6.3	$ (12.3)
Power Delivery	$ 3.2	$ 4.9	$ 1.7	$ (2.5)	$ 13.9	$ 13.1	$ (0.8)
Power Delivery - Expansion	1.1	1.8	0.8	(0.6)	5.3	5.5	0.2
Power Delivery (Meyer) Total	$ 4.2	$ 6.7	$ 2.5	$ (3.1)	$ 19.2	$ 18.6	$ (0.6)
Gas Operations	$ 9.1	$ 7.4	$ (1.7)	$ 1.7	$ 28.0	$ 28.0	$ -
Gas Operations - Expansion	0.6	1.5	0.9	(0.9)	5.7	5.7	-
Gas Operations (Walker) Total	$ 9.7	$ 8.9	$ (0.8)	$ 0.8	$ 33.7	$ 33.7	$ -
Customer Service (Manes) Total	$ 0.0	$ 0.2	$ 0.2	$ (0.2)	$ 0.5	$ 0.5	$ -
Remaining FE&G (Note 1)	$ 0.1	$ 1.3	$ 1.2	$ (1.2)	$ 3.9	$ 3.9	$ -
Unidentified Mitigation Efforts Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FE&G Function Total	$ 18.2	$ 22.9	$ 4.8	$ (17.7)	$ 75.9	$ 63.0	$ (12.9)
Plus: AFDC - Debt Component	$ (0.1)	$ -	$ 0.1	$ (0.1)	$ 0.9	$ 0.9	$ -
FE&G Cap Ex Total (Accrual Basis)	$ 18.1	$ 22.9	$ 4.9	$ (17.8)	$ 76.8	$ 63.9	$ (12.9)
Plus: Timing of Cash Payments	$ (0.7)	$ -	$ 0.7	$ (0.7)	$ -	$ -	$ -
FE&G Cap Ex Total (Cash Basis) Tie Point	$ 17.4	$ 22.9	$ 5.6	$ (18.5)	$ 76.8	$ 63.9	$ (12.9)

Note 1: Remaining FE&G Capital budget comprised of IT projects and Real Estate facility projects.

Duke Energy Kentucky (ULH&P) Franchised Electric & Gas

11 & 1 2008 Capital Turn / Year-end Projected Variance Status

$ Millions

Duke Energy Kentucky (ULH&P) 4 & 8 2009

Year-end Key Variance Drivers (Accrual Basis - Function Total)	Total	Nuclear *Jamil*	F/H *Pulskamp*	PD *Meyer*	GO *Walker*	CS *Manes*	Corp & SS	Un-ID *Mitig.*
Fossil-Hydro Operations: *Woodsdale CT - $(9.4) - Overhaul of U5 originally planned in 2010; Misc - $(2.9)*	(12.3)	-	(12.3)	-	-	-	-	-
Power Delivery Operations: *Re-deployment of expansion funds to maintenance capex*	(0.8)	-	-	(0.8)	-	-	-	-
Power Delivery Expansion: *Less customer addition volume than expected*	0.2	-	-	0.2	-	-	-	-
Year-end Total	$ (12.9)	$ -	$ (12.3)	$ (0.6)	$ -	$ -	$ -	$ -

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
April 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 11.3	$ 2.7	$ 91.7	$ 9.7
EBITDA, from continuing operations	$ 28.2	$ 2.8	$ 161.2	$ 11.1

Key Messages

Current Month - Actual vs Plan

April results were favorable compared to plan primarily due to timing of operation and maintenance costs, partially offset by lower weather-normal sales volumes.

Year to Date - Actual vs. Plan

The YTD EBIT variance was favorable compared to plan primarily due to decreased operation and maintenance costs primarily due to timing, favorable pricing and riders, favorable weather and favorable gas storage carrying costs. These drivers were partially offset by lower weather-normal sales volumes.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 49.0	$ (3.1)	$ 233.2	$ 4.0
Weather		0.1		0.9
Volume		(3.1)		(4.3)
Pricing / Riders		(0.1)		6.7
Other net revenue margin - retail		(0.0)		0.7
Net Gas Revenue Margin - retail	$ 20.3	$ (0.1)	$ 112.6	$ 1.3
Weather		0.6		1.0
Volume		(1.2)		1.2
Pricing / Riders		0.2		(3.2)
Revenue give-backs		0.0		(0.0)
Other net revenue margin - retail		0.3		2.3
Bulk Power Marketing (net of sharing)	0.1	(0.2)	0.1	(0.4)
Operation and Maintenance	(29.2)	5.0	(136.8)	4.1
AFUDC - Equity	(0.2)	(0.4)	(1.5)	(2.1)
Other	(28.7)	1.5	(115.9)	2.8
Total	$ 11.3	$ 2.7	$ 91.7	$ 9.7

Key Operational Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	199	20	2,257	98
Cooling Degree Days	39	20	39	16

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Ohio
April 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	**$ 8.0**	**$ 2.3**	**$ 64.2**	**$ 6.1**
EBITDA, from continuing operations	**$ 21.5**	**$ 2.3**	**$ 119.4**	**$ 6.8**

Key Messages

April results were favorable compared to plan primarily due to timing of operation and maintenance costs, partially offset by lower weather-normal sales volumes.

The YTD EBIT variance was favorable compared to plan primarily due to decreased operation and maintenance costs primarily due to timing, favorable pricing and riders, favorable weather and favorable gas storage carrying costs. These drivers were partially offset by lower weather-normal sales volumes.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 36.6	**$ (2.9)**	$ 173.9	**$ 0.9**
Weather		0.1		0.6
Volume		(2.5)		(4.5)
Pricing / Riders		(0.2)		6.1
Other net revenue margin - retail		(0.3)		(1.3)
Net Gas Revenue Margin - retail	$ 17.2	**$ (0.1)**	$ 91.7	**$ 0.3**
Weather		0.4		0.6
Volume		(0.6)		0.9
Pricing / Riders		-		(2.5)
Other net revenue margin - retail		0.1		1.3
Operation and Maintenance	(21.4)	4.2	(103.3)	2.8
Other	(24.4)	1.1	(98.1)	2.1
Total	**$ 8.0**	**$ 2.3**	**$ 64.2**	**$ 6.1**

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
April 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 3.2	$ 0.3	$ 27.6	$ 3.2
EBITDA, from continuing operations	$ 6.8	$ 0.5	$ 41.9	$ 4.2

Key Messages

April results were favorable compared to plan primarily due to timing of operation and maintenance costs.

Year to date results were favorable compared to plan primarily due to favorable results in weather and volume and decreased operation and maintenance costs due to timing.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 13.4	$ **(0.5)**	$ 64.1	**2.7**
Weather		0.1		0.3
Volume		(0.6)		0.3
Pricing / Riders		-		0.6
Other net revenue margin - retail		-		1.5
Net Gas Revenue Margin - retail	$ 3.2	$ **(0.1)**	$ 20.8	$ **0.5**
Weather		0.3		0.4
Volume		(0.6)		0.3
Pricing / Riders		0.1		(0.6)
Other net revenue margin - retail		0.1		0.4
Bulk power marketing (net of sharing)	0.1	(0.2)	0.1	(0.4)
Operation and maintenance	(8.9)	1.1	(38.6)	1.6
Other	(4.6)	-	(18.8)	(1.2)
Total	$ **3.2**	**0.3**	$ **27.6**	**3.2**

U.S. Franchised Electric & Gas
Components of "Other"
April CM EBIT - AvB

	AvB
	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	**(0.1)**
Other Gas Margins	**0.3**
Fuel	**0.2**
Miscellaneous other	**(0.1)**
Total Other Net Revenue Margin - Retail	0.3
Other - Non Retail	
General taxes - net of riders	**0.3**
Depreciation and amortization	**(0.1)**
Budget Conservatism	**1.3**
Total Other - Non Retail	$ 1.5

April YTD EBIT - AvB

	AvB
	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	**(0.7)**
Other gas margins	**2.3**
Fuel	**1.7**
Miscellaneous other	**(0.3)**
Total Other Net Revenue Margin - Retail	3.0
Other - Non Retail	
General taxes - net of riders	**(0.6)**
Depreciation	**(1.5)**
Budget Conservatism	**5.0**
Miscellaneous other	**(0.1)**
Total Other - Non Retail	$ 2.8

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
March 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
EBIT, from continuing operations	$ 18.2	$ (0.9)	$ 80.4	$ 7.0	$ (16.1)
EBITDA, from continuing operations	$ 34.8	$ (1.3)	$ 133.0	$ 8.4	$ (21.5)

Key Messages

Current Month - Actual vs Plan

March results were unfavorable compared to plan primarily due to unfavorable weather, mostly offset by increased electric volume and pricing, an unfavorable equity AFUDC variance due primarily to clean-up of in-service dates for projects, and an unfavorable variance related to timing of the Ohio excise tax. These results were largely offset by decreased operation and maintenance costs due to a reduction in the estimate for the January ice storm.

Year to Date - Actual vs. Plan

The YTD EBIT variance was favorable compared to plan primarily due to favorable Ohio electric pricing

Year to Date - Actual vs. Prior Year

The YTD EBIT variance was unfavorable compared to the same period in 2008 primarily due to unfavorable weather, decreased volume and increased O&M cost due to the January 2009 ice storm ($8M).

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
Net Electric Revenue Margin - retail	$ 59.5	$ 1.9	$ 184.6	$ 7.6	$ (5.0)
Weather		(2.1)		0.7	(3.6)
Volume		0.9		(1.1)	(4.8)
Pricing / Riders		2.4		6.8	(0.6)
Revenue give-backs		0.0		(0.0)	0.0
Other net revenue margin - retail		0.7		1.2	4.0
Net Gas Revenue Margin - retail	$ 24.2	$ (2.4)	$ 91.9	$ 1.4	$ 1.0
Weather		(2.2)		0.3	(3.2)
Volume		0.0		2.4	(1.1)
Pricing / Riders		(0.7)		(2.8)	3.3
Revenue give-backs		0.0		(0.0)	-
Other net revenue margin - retail		0.5		1.5	2.0
Bulk Power Marketing (net of sharing)	0.1	-	-	(0.2)	(0.8)
Operation and Maintenance	(33.7)	3.2	(107.6)	(1.0)	(9.4)
AFUDC - Equity	(1.7)	(1.9)	(1.3)	(1.7)	(2.7)
Other	(30.2)	(1.7)	(87.2)	0.9	0.8
Total	$ 18.2	$ (0.9)	$ 80.4	$ 7.0	$ (16.1)

Key Operational Drivers	CURRENT MONTH		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
DE Midwest:					
Heating Degree Days	382	(119)	2,058	78	(143)
Cooling Degree Days	-	(4)	-	(4)	-

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Ohio
March 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 12.3	$ (2.1)	$ 56.1	$ 3.7
EBITDA, from continuing operations	$ 25.2	$ (2.7)	$ 97.9	$ 4.6

Key Messages

March results were unfavorable compared to plan primarily due to unfavorable weather, mostly offset by increased electric volume and pricing, an unfavorable equity AFUDC variance due primarily to clean-up of in-service dates for projects, and an unfavorable variance related to timing of the Ohio excise tax. These results were largely offset by decreased operation and maintenance costs due to a reduction in the estimate for the January ice storm.

The YTD EBIT variance was favorable compared to plan primarily due to favorable Ohio electric pricing.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 43.9	$ **0.4**	$ 137.3	$ **3.8**
Weather		(1.5)		0.5
Volume		0.1		(2.1)
Pricing / Riders		2.0		6.3
Other net revenue margin - retail		(0.2)		(0.9)
Net Gas Revenue Margin - retail	$ 20.1	$ **(1.8)**	$ 74.5	$ **0.9**
Weather		(1.4)		0.2
Volume		0.1		1.5
Pricing / Riders		(0.9)		(2.0)
Other net revenue margin - retail		0.4		1.2
Operation and Maintenance	(25.0)	2.1	(81.9)	(1.3)
Other	(26.7)	(2.8)	(73.8)	0.3
Total	**$ 12.3**	**$ (2.1)**	**$ 56.1**	**$ 3.7**

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
March 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 5.9	$ 1.1	$ 24.4	$ 3.0
EBITDA, from continuing operations	$ 9.6	$ 1.5	$ 35.1	$ 3.8

Key Messages

March results were favorable compared to plan primarily due to favorable results in Electric Retail Margins and O&M, due to timing of generation outage work.

Year to date results were favorable compared to plan primarily due to favorable results in weather and volume.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 16.6	$ **1.3**	$ 50.6	**3.0**
Weather		(0.6)		0.2
Volume		0.8		0.9
Pricing / Riders		0.4		0.6
Other net revenue margin - retail		0.7		1.3
Net Gas Revenue Margin - retail	$ 4.2	$ **(0.7)**	$ 17.6	$ **0.5**
Weather		(0.8)		0.1
Volume		(0.1)		0.9
Pricing / Riders		0.2		(0.8)
Other net revenue margin - retail		0.0		0.3
Bulk power marketing (net of sharing)	0.1	-	-	(0.2)
Operation and maintenance	(9.9)	1.1	(29.7)	0.5
Other	(5.1)	(0.6)	(14.1)	(0.8)
Total	$ **5.9**	**1.1**	$ **24.4**	**3.0**

U.S. Franchised Electric & Gas
Components of "Other"
March CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	**(0.1)**
Other Gas Margins	**0.6**
Fuel	**0.7**
Miscellaneous other	**-**
Total Other Net Revenue Margin - Retail	1.2
Other - Non Retail	
General taxes - net of riders	**(3.3)**
Depreciation and amortization	**0.3**
Budget Conservatism	**1.3**
Total Other - Non Retail	$ (1.7)

March YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	**(0.6)**
Other gas margins	**2.0**
Fuel	**1.5**
Miscellaneous other	**(0.2)**
Total Other Net Revenue Margin - Retail	2.7
Other - Non Retail	
General taxes - net of riders	**(1.4)**
Depreciation	**(1.4)**
Budget Conservatism	**3.8**
Miscellaneous other	**(0.1)**
Total Other - Non Retail	$ 0.9

U.S. Franchised Electric & Gas
Components of "Other"
March QTD EBIT - AvA

	AvA
	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	**(0.6)**
Other Gas Margins	**2.0**
Fuel	**3.6**
Miscellaneous other	**1.0**
Total Other Net Revenue Margin - Retail	6.0
Other - Non Retail	
General taxes - net of riders	**(4.8)**
Depreciation and amortization	**5.4**
Miscellaneous other	**0.2**
Total Other - Non Retail	$ 0.8

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
February 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 27.4	$ 7.0	$ 62.2	$ 7.9
EBITDA, from continuing operations	$ 43.8	$ 6.4	$ 98.2	$ 9.6

Key Messages

Current Month - Actual vs Plan

February results were favorable compared to plan primarily due to timing of operation and maintenance costs.

Year to Date - Actual vs. Plan

The YTD EBIT variance was favorable compared to plan primarily due to favorable weather and increased Ohio electric pricing and riders. These results were largely offset by increased operation and maintenance costs mainly due to the January ice storm.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 56.8	$ (0.6)	$ 125.0	$ 5.0
Weather		(0.3)		2.9
Volume		0.7		(2.1)
Pricing / Riders		(1.2)		4.4
Revenue give-backs		(0.0)		(0.0)
Other net revenue margin - retail		0.2		(0.2)
Net Gas Revenue Margin - retail	$ 29.5	$ 0.6	$ 67.8	$ 4.5
Weather		(0.1)		2.5
Volume		1.0		2.3
Pricing / Riders		(0.9)		(2.1)
Revenue give-backs		(0.0)		(0.0)
Other net revenue margin - retail		0.6		1.7
Bulk Power Marketing (net of sharing)	0.6	0.5	(0.1)	(0.2)
Operation and Maintenance	(31.1)	4.2	(74.0)	(4.2)
AFUDC - Equity	(0.1)	(0.2)	0.4	0.2
Other	(28.3)	2.5	(56.9)	2.6
Total	$ 27.4	$ 7.0	$ 62.2	$ 7.9

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	654	(22)	1,676	197
Cooling Degree Days	-	-	-	-

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
February 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 9.6	$ 3.3	$ 18.4	$ 1.8
EBITDA, from continuing operations	$ 13.1	$ 3.5	$ 25.5	$ 2.3

Key Messages

February results were favorable compared to plan primarily due to favorable results in volume, Bulk Power Marketing (net of sharing) and O&M.

Year to date results were favorable compared to plan primarily due to favorable results in weather and volume.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 16.5	$ **1.2**	$ 34.1	**1.7**
Weather		-		0.9
Volume		0.5		0.1
Pricing / Riders		(0.1)		0.2
Other net revenue margin - retail		0.8		0.5
Net Gas Revenue Margin - retail	$ 5.7	$ **0.5**	$ 13.4	$ **1.3**
Weather		-		0.9
Volume		0.6		1.0
Pricing / Riders		(0.1)		(0.9)
Other net revenue margin - retail		0.0		0.3
Bulk power marketing (net of sharing)	0.6	0.5	(0.1)	(0.2)
Operation and maintenance	(8.8)	1.0	(19.8)	(0.6)
Other	(4.4)	0.1	(9.2)	(0.4)
Total	$ **9.6**	**3.3**	$ **18.4**	**1.8**

U.S. Franchised Electric & Gas
Components of "Other"
February CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	(0.5)
Other Gas Margins	0.4
Fuel	0.9
Miscellaneous other	-
Total Other Net Revenue Margin - Retail	0.8
Other - Non Retail	
General taxes - net of riders	0.7
Depreciation	0.6
Budget Conservatism	1.3
Miscellaneous other	(0.1)
Total Other - Non Retail	$ 2.5

February YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	(0.3)
Other gas margins	1.2
Fuel	0.7
Miscellaneous other	(0.1)
Total Other Net Revenue Margin - Retail	1.5
Other - Non Retail	
General taxes - net of riders	1.9
Depreciation	(1.7)
Budget Conservatism	2.5
Miscellaneous other	(0.1)
Total Other - Non Retail	$ 2.6

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
January 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 34.8	$ 0.9	$ 34.8	$ 0.9
EBITDA, from continuing operations	$ 54.4	$ 3.2	$ 54.4	$ 3.2

Key Messages

Current Month - Actual vs Plan

January results were favorable compared to plan primarily due to favorable weather and increased Ohio electric pricing and riders. The positive retail margin variance was largely offset by increased operation and maintenance costs mainly due to the January ice storm of approximately $10M.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 68.2	$ 5.8	$ 68.2	$ 5.8
Weather		3.1		3.1
Volume		(2.7)		(2.7)
Pricing / Riders		5.6		5.6
Revenue give-backs		(0.0)		(0.0)
Other net revenue margin - retail		(0.2)		(0.2)
Net Gas Revenue Margin - retail	$ 38.2	$ 3.8	$ 38.2	$ 3.8
Weather		2.6		2.6
Volume		1.4		1.4
Pricing / Riders		(1.2)		(1.2)
Revenue give-backs		(0.0)		(0.0)
Other net revenue margin - retail		1.0		1.0
Bulk Power Marketing (net of sharing)	(0.7)	(0.8)	(0.7)	(0.8)
Operation and Maintenance	(42.9)	(8.4)	(42.9)	(8.4)
AFUDC - Equity	0.5	0.5	0.5	0.5
Other	(28.5)	-	(28.5)	-
Total	$ 34.8	$ 0.9	$ 34.8	$ 0.9

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	1,022	219	1,022	219
Cooling Degree Days	-	-	-	-

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
January 2009
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 8.8	$ (1.5)	$ 8.8	$ (1.5)
EBITDA, from continuing operations	$ 12.4	$ (1.2)	$ 12.4	$ (1.2)

Key Messages

January results were unfavorable compared to plan primarily due to unfavorable O&M due to ice storm costs and unfavorable Bulk Power Marketing (net of sharing). This was partially offset by favorable weather.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 17.6	$ **0.6**	$ 17.6	**0.6**
Weather		0.8		0.8
Volume		(0.4)		(0.4)
Pricing / Riders		0.2		0.2
Other net revenue margin - retail		-		-
Net Gas Revenue Margin - retail	$ 7.6	$ **0.6**	$ 7.6	$ **0.6**
Weather		0.9		0.9
Volume		0.4		0.4
Pricing / Riders		(0.8)		(0.8)
Other net revenue margin - retail		0.1		0.1
Bulk power marketing (net of sharing)	(0.7)	(0.8)	(0.7)	(0.8)
Operation and maintenance	(11.0)	(1.6)	(11.0)	(1.6)
Other	(4.7)	(0.3)	(4.7)	(0.3)
Total	$ **8.8**	**(1.5)**	$ **8.8**	**(1.5)**

U.S. Franchised Electric & Gas
Components of "Other"
January CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	**0.1**
Other Gas Margins	**0.8**
Fuel	**(0.1)**
Miscellaneous other	
Total Other Net Revenue Margin - Retail	0.8
Other - Non Retail	
General taxes - net of riders	**1.1**
Depreciation	**(2.4)**
Budget Conservatism	**1.3**
Miscellaneous other	**-**
Total Other - Non Retail	$ 0.0

January YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	**0.1**
Other gas margins	**0.8**
Fuel	**(0.1)**
Miscellaneous other	
Total Other Net Revenue Margin - Retail	0.8
Other - Non Retail	
General taxes - net of riders	**1.1**
Depreciation	**(2.4)**
Budget Conservatism	**1.3**
Miscellaneous other	**-**
Total Other - Non Retail	$ 0.0

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
December 2008
(Dollars in millions)

	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
EBIT, from continuing operations	$ 51.0	$ 21.4	$ 94.3	$ 20.4	$ 291.0	$ 68.5	$ 34.1
EBITDA, from continuing operations	$ 74.4	$ 23.0	$ 156.0	$ 26.1	$ 533.8	$ 60.8	$ 48.4

Key Messages

Current Month - Actual vs Plan

December results were favorable compared to plan primarily due to the deferral of Hurricane Ike costs which reduced O&M costs by ($36) million offset by $5 million for true-ups of vacation-related benefits This favorable O&M variance was offset by DE Kentucky recording an ($8) million gas provision for revenue reduction in response to an unfavorable court ruling regarding the refund of Accelerated Main Replacement Program (AMRP) rider revenues In addition, the impact of favorable weather was offset by actual Ohio gas pricing below plan assumptions with lower usage charges offsetting the higher monthly fixed charges established in the new rate structure

Quarter to Date - Actual vs. Prior Year

EBIT for the fourth quarter of 2008 was favorable compared to the same period in 2007 primarily due to the deferral of Hurricane Ike costs which reduced O&M costs by ($36) million offset by $3 million of additional vacation-related costs. This favorable O&M variance was offset by DE Kentucky recording an ($8) million gas provision for revenue reduction in response to an unfavorable court ruling regarding the refund of Accelerated Main Replacement Program (AMRP) rider revenues Additionally, depreciation expense was unfavorable due to higher RTC and DSM amortization ($4) million The impact of favorable weather was largely offset by lower sales volumes to retail customers

Year to Date - Actual vs. Plan

The favorable YTD EBIT variance compared to plan was primarily due to favorable weather, the new Ohio gas rates offset by lower volumes and a favorable impact to O&M from an adjustment to the OPEB liability ($12) million and reduced Power and Gas Delivery costs ($24) million offset by $5 million of additional vacation-related benefits costs. These favorable variances were offset by DE Kentucky recording an ($8) million gas provision for revenue reduction in response to an unfavorable court ruling regarding the refund of Accelerated Main Replacement Program (AMRP) rider revenues.

Year to Date - Actual vs. Prior Year

The YTD EBIT variance was favorable compared to the same period in 2007 primarily due to the new Ohio gas rates and higher electric rates, partially offset by lower volumes Additionally, favorable O&M costs, due primarily to the adjustment to the OPEB liability, were offset by unfavorable depreciation expense due to higher RTC and DSM amortization ($14) million

Key EBIT Variance Drivers	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
Net Electric Revenue Margin - retail	$ 66.4	$ 1.3	$ 179.4	$ (5.2)	$ 759.1	$ 20.0	$ 7.0
Weather		3.1		2.7		11.1	(10.3)
Volume		(2.4)		(6.9)		(10.1)	(15.5)
Pricing / Riders		(1.5)		1.7		8.3	27.6
Revenue give-backs		(0.0)		(0.0)		(0.0)	0.1
Other net revenue margin - retail		2.1		(2.7)		10.7	5.0
Net Gas Revenue Margin - retail	$ 22.2	$ (9.6)	$ 69.9	$ 2.0	$ 260.3	$ 5.8	$ 21.7
Weather		3.1		6.2		7.7	8.7
Volume		0.3		0.5		(10.7)	0.3
Pricing / Riders		(6.1)		1.6		13.2	18.6
Revenue give-backs		(0.0)		(0.0)		-	0.4
Other net revenue margin - retail		(6.8)		(6.2)		(4.3)	(6.3)
Bulk Power Marketing (net of sharing)	0 3	0 1	1 7	(0 3)	4 2	2.4	2 2
Operation and Maintenance	(13 2)	24 8	(78 7)	28 9	(386 5)	25 6	15 0
AFUDC - Equity	0 2	(0 1)	1 6	0 8	6 9	3 6	3 7
Other	(24.9)	4.9	(79.6)	(5.8)	(352.9)	11.0	(15.4)
Total	$ 51.0	$ 21.4	$ 94.3	$ 20.4	$ 291.0	$ 68.5	$ 34.1

	CURRENT MONTH		QUARTER TO DATE (b)		YEAR TO DATE		
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
DE Midwest:							
Heating Degree Days	792	36	1,459	203	3,877	300	269
Cooling Degree Days	-	-	23	(54)	1,092	53	(521)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
December 2008
(Dollars in millions)

	CURRENT MONTH Actual	CURRENT MONTH Plan Variance F(U)	YEAR TO DATE Actual	YEAR TO DATE Plan Variance F(U)
EBIT, from continuing operations	$ 12.5	$ 5.8	$ 81.1	$ 14.0
EBITDA, from continuing operations	$ 14.1	$ 3.6	$ 118.3	$ 9.1

Key Messages

December results were favorable compared to plan primarily due to the deferral of Hurricane Ike costs which reduced O&M costs which were partially offset by true-ups of vacation-related benefits. This favorable O&M variance was offset by DE Kentucky recording an ($8) million gas provision for revenue reduction in response to an unfavorable court ruling regarding the refund of Accelerated Main Replacement Program (AMRP) rider revenues. Additionally, depreciation expense was favorable due to lower DSM amortization and property tax expense was favorable due to a positive settlement with the Kentucky Department of Revenue.

The favorable YTD EBIT variance was primarily due to favorable weather and increased electric pricing and riders. This favorable net margin variance was offset by DE Kentucky recording an ($8) million gas provision for revenue reduction in response to an unfavorable court ruling regarding the refund of Accelerated Main Replacement Program (AMRP) rider revenues. Additionally, depreciation expense was favorable due to lower DSM amortization and property tax expense was favorable due to a positive settlement with the Kentucky Department of Revenue.

Key EBIT Variance Drivers	CURRENT MONTH Actual	CURRENT MONTH Plan Variance F(U)	YEAR TO DATE Actual	YEAR TO DATE Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 19.4	$ **2.8**	$ 196.9	**7.7**
Weather		0.9		2.9
Volume		0.4		0.9
Pricing / Riders		-		3.3
Other net revenue margin - retail		1.5		0.6
Net Gas Revenue Margin - retail	$ (1.3)	$ **(7.2)**	$ 37.4	$ **(6.4)**
Weather		0.8		1.9
Volume		0.2		(1.8)
Pricing / Riders		(0.8)		-
Other net revenue margin - retail		(7.4)		(6.5)
Bulk power marketing (net of sharing)	0.3	0.1	4.2	2.4
Operation and maintenance	(8.1)	3.1	(113.8)	0.9
Other	2.2	7.0	(43.6)	9.4
Total	$ **12.5**	**5.8**	$ **81.1**	**14.0**

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
December 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	**$ 12.5**	**$ 5.8**	**$ 81.1**	**$ 14.0**
EBITDA, from continuing operations	**$ 14.1**	**$ 3.6**	**$ 118.3**	**$ 9.1**

Key Messages

December results were favorable compared to plan primarily due to the deferral of Hurricane Ike costs which reduced O&M costs which were partially offset by true-ups of vacation-related benefits. This favorable O&M variance was offset by DE Kentucky recording an ($8) million gas provision for revenue reduction in response to an unfavorable court ruling regarding the refund of Accelerated Main Replacement Program (AMRP) rider revenues. Additionally, depreciation expense was favorable due to lower DSM amortization and property tax expense was favorable due to a positive settlement with the Kentucky Department of Revenue.

The favorable YTD EBIT variance was primarily due to favorable weather and increased electric pricing and riders. This favorable net margin variance was offset by DE Kentucky recording an ($8) million gas provision for revenue reduction in response to an unfavorable court ruling regarding the refund of Accelerated Main Replacement Program (AMRP) rider revenues. Additionally, depreciation expense was favorable due to lower DSM amortization and property tax expense was favorable due to a positive settlement with the Kentucky Department of Revenue.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 19.4	$ **2.8**	$ 196.9	**7.7**
Weather		0.9		2.9
Volume		0.4		0.9
Pricing / Riders		-		3.3
Other net revenue margin - retail		1.5		0.6
Net Gas Revenue Margin - retail	$ (1.3)	$ **(7.2)**	$ 37.4	$ **(6.4)**
Weather		0.8		1.9
Volume		0.2		(1.8)
Pricing / Riders		(0.8)		-
Other net revenue margin - retail		(7.4)		(6.5)
Bulk power marketing (net of sharing)	0.3	0.1	4.2	2.4
Operation and maintenance	(8.1)	3.1	(113.8)	0.9
Other	2.2	7.0	(43.6)	9.4
Total	**$ 12.5**	**5.8**	**$ 81.1**	**14.0**

U.S. Franchised Electric & Gas
Components of "Other"
December CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	**0.5**
Other Gas Margins	**0.8**
Fuel	**1.4**
Provision for Revenue Reduction	**(7.6)**
Miscellaneous other	**0.2**
Total Other Net Revenue Margin - Retail	(4.7)
Other - Non Retail	
General taxes - net of riders	**6.4**
Depreciation and amortization	**(1.6)**
Miscellaneous other	**0.1**
Total Other - Non Retail	$ 4.9

December YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	**10.1**
Other gas margins	**2.5**
Fuel	**0.2**
Provision for Revenue Reduction	**(7.6)**
Miscellaneous other	**1.2**
Total Other Net Revenue Margin - Retail	6.4
Other - Non Retail	
General taxes - net of riders	**7.2**
Depreciation	**7.7**
Corporate Budget Challenge	**(3.0)**
Miscellaneous other	**(0.9)**
Total Other - Non Retail	$ 11.0

U.S. Franchised Electric & Gas
Components of "Other"
December QTD EBIT - AvA

	AvA Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	**(7.6)**
Other Gas Margins	**1.4**
Fuel	**4.2**
Provision for Revenue Reduction	**(7.6)**
Miscellaneous other	**0.6**
Total Other Net Revenue Margin - Retail	(9.0)
Other - Non Retail	
General taxes - net of riders	**(0.1)**
Depreciation and amortization	**(5.7)**
Miscellaneous other	**-**
Total Other - Non Retail	$ (5.8)

December YTD EBIT - AvA

	AvA Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	**(1.7)**
Other Gas Margins	**1.5**
Fuel	**4.0**
Provision for Revenue Reduction	**(7.6)**
Miscellaneous other	**2.5**
Total Other Net Revenue Margin - Retail	(1.3)
Other - Non Retail	
General taxes - net of riders	**(2.3)**
Depreciation	**(14.3)**
Miscellaneous other	**1.2**
Total Other - Non Retail	$ (15.4)

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
November 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	**$ 17.8**	**$ (1.8)**	**$ 240.0**	**$ 47.1**
EBITDA, from continuing operations	**$ 36.9**	**$ (2.8)**	**$ 459.3**	**$ 37.8**

Key Messages

Current Month - Actual vs Plan

November results were unfavorable compared to plan primarily due to a Manufactured Gas Plant (MGP) reserve adjustment and lower sales volumes to retail customers. These results were partially offset by favorable weather.

Year to Date - Actual vs. Plan

The favorable YTD EBIT variance compared to plan was primarily due to favorable weather and the new Ohio gas rates.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 59.1	$ **1.5**	$ 692.7	$ **18.7**
Weather		2.0		8.1
Volume		(3.3)		(7.8)
Pricing / Riders		2.0		9.8
Revenue give-backs		-		-
Other net revenue margin - retail		0.8		8.6
Net Gas Revenue Margin - retail	$ 19.1	$ **(3.8)**	$ 238.0	$ **15.4**
Weather		1.9		4.6
Volume		(4.0)		(11.0)
Pricing / Riders		(2.5)		19.3
Revenue give-backs		-		-
Other net revenue margin - retail		0.8		2.5
Bulk Power Marketing (net of sharing)	0.9	0.6	3.9	2.2
Operation and Maintenance	(35.6)	(1.4)	(373.3)	0.8
AFUDC - Equity	0.9	0.4	6.8	3.8
Other	(26.7)	0.9	(328.1)	6.2
Total	**$ 17.8**	**$ (1.8)**	**$ 240.0**	**$ 47.1**

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	502	97	3,085	264
Cooling Degree Days	-	-	1,092	53

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
November 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	**$ 6.8**	**$ 1.6**	**$ 68.7**	**$ 8.1**
EBITDA, from continuing operations	**$ 10.3**	**$ 1.4**	**$ 104.2**	**$ 5.4**

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, increased pricing and riders and favorable BPM results, net of sharing.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 15.2	**$ 0.9**	$ 177.6	**5.0**
Weather		0.4		2.0
Volume		(0.5)		0.5
Pricing / Riders		0.6		3.4
Other net revenue margin - retail		0.4		(0.9)
Net Gas Revenue Margin - retail	$ 3.6	**$ (0.6)**	$ 38.7	**$ 0.9**
Weather		0.5		1.1
Volume		(0.9)		(2.1)
Pricing / Riders		(0.3)		0.8
Other net revenue margin - retail		0.1		1.1
Bulk power marketing (net of sharing)	0.9	0.6	3.9	2.2
Operation and maintenance	(8.5)	0.6	(105.7)	(2.2)
Other	(4.4)	0.1	(45.8)	2.2
Total	**$ 6.8**	**1.6**	**$ 68.7**	**8.1**

U.S. Franchised Electric & Gas
Components of "Other"
November CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	0.4
Other Gas Margins	0.7
Fuel	0.3
Miscellaneous other	0.2
Total Other Net Revenue Margin - Retail	1.6
Other - Non Retail	
General taxes - net of riders	0.3
Depreciation and amortization	1.0
Corporate Budget Challenge	(0.3)
Miscellaneous other	(0.1)
Total Other - Non Retail	$ 0.9

November YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	9.6
Other Gas Margins	1.7
Fuel	(1.2)
Miscellaneous other	1.0
Total Other Net Revenue Margin - Retail	11.1
Other - Non Retail	
General taxes - net of riders	0.8
Depreciation	9.3
Corporate Budget Challenge	(2.8)
Miscellaneous other	(1.1)
Total Other - Non Retail	$ 6.2

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
October 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	**$ 25.5**	**$ 12.2**	**$ 222.2**	**$ 48.9**
EBITDA, from continuing operations	**$ 44.6**	**$ 11.1**	**$ 422.4**	**$ 40.6**

Key Messages

Current Month - Actual vs Plan

October results were favorable compared to plan primarily due to favorable pricing due to the new Ohio gas rates and decreased operation and maintenance costs.

Year to Date - Actual vs. Plan

The favorable YTD EBIT variance compared to plan was primarily due to favorable weather and the new Ohio gas rates.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 53.9	**$ (2.6)**	$ 633.6	**$ 17.2**
Weather		0.1		6.1
Volume		(3.1)		(4.5)
Pricing / Riders		0.3		7.9
Revenue give-backs		-		-
Other net revenue margin - retail		0.1		7.8
Net Gas Revenue Margin - retail	$ 28.6	**$ 9.5**	$ 218.9	**$ 19.2**
Weather		(0.2)		2.8
Volume		(2.2)		(7.1)
Pricing / Riders		11.1		21.8
Revenue give-backs		-		-
Other net revenue margin - retail		0.7		1.7
Bulk Power Marketing (net of sharing)	0.5	0.3	3.0	1.7
Operation and Maintenance	(29.9)	4.2	(337.7)	2.1
AFUDC - Equity	0.6	0.1	6.0	3.4
Other	(28.2)	0.7	(301.6)	5.2
Total	**$ 25.5**	**$ 12.2**	**$ 222.2**	**$ 48.9**

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	165	(11)	2,583	167
Cooling Degree Days	23	5	1,092	53

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
October 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 4.5	$ 0.5	$ 61.9	$ 6.6
EBITDA, from continuing operations	$ 8.0	$ 0.3	$ 93.9	$ 4.1

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, increased pricing and riders and favorable BPM results, net of sharing.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 14.4	$ **0.2**	$ 162.4	**4.0**
Weather		(0.1)		1.6
Volume		(0.1)		1.1
Pricing / Riders		0.5		2.7
Other net revenue margin - retail		(0.1)		(1.4)
Net Gas Revenue Margin - retail	$ 3.9	$ **0.8**	$ 35.1	$ **1.5**
Weather		(0.0)		0.6
Volume		(0.4)		(1.2)
Pricing / Riders		1.2		1.0
Other net revenue margin - retail		0.0		1.1
Bulk power marketing (net of sharing)	0.5	0.3	3.0	1.7
Operation and maintenance	(9.7)	(0.8)	(97.2)	(2.7)
Other	(4.6)	(0.0)	(41.4)	2.1
Total	$ **4.5**	**0.5**	$ **61.9**	**6.6**

U.S. Franchised Electric & Gas
Components of "Other"
October CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	0.3
Other Gas Margins	0.7
Fuel	(0.2)
Miscellaneous other	-
Total Other Net Revenue Margin - Retail	0.8
Other - Non Retail	
General taxes - net of riders	(0.3)
Depreciation and amortization	1.2
Corporate Budget Challenge	(0.3)
Miscellaneous other	0.1
Total Other - Non Retail	$ 0.7

October YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	9.2
Fuel	(1.6)
Miscellaneous other	1.9
Total Other Net Revenue Margin - Retail	9.5
Other - Non Retail	
General taxes - net of riders	0.4
Depreciation	8.3
Corporate Budget Challenge	(2.5)
Miscellaneous other	(1.0)
Total Other - Non Retail	$ 5.2

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
September 2008
(Dollars in millions)

	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
EBIT, from continuing operations	$ 0.1	$ (10.4)	$ 58.9	$ 5.1	$ 196.7	$ 36.7	$ 13.6
EBITDA, from continuing operations	$ 20.6	$ (12.7)	$ 123.5	$ 4.6	$ 377.7	$ 29.6	$ 22.3

Key Messages

Current Month - Actual vs Plan

September results were unfavorable to plan primarily due to the Hurricane Ike storm which increased operation and maintenance costs by approximately $34 million. These costs were offset by a favorable impact to O&M from an adjustment to the OPEB liability ($13M), favorable weather and favorable pricing due to the new Ohio gas rates

Quarter to Date - Actual vs. Prior Year

EBIT for the third quarter of 2008 was favorable compared to the same period in 2007 primarily due to new Ohio gas rates and higher electric rates This was partially offset by increased operation and maintenance costs due to the September 2008 storm as mentioned above

Year to Date - Actual vs. Plan

The favorable YTD EBIT variance compared to plan was primarily due to favorable weather and the new Ohio gas rates

Year to Date - Actual vs. Prior Year

The YTD EBIT variance was favorable compared to the same period in 2007 primarily due to the new Ohio gas rates and higher electric rates These increases were partially offset by higher operation and maintenance costs due to the September 2008 storm as mentioned above and unfavorable weather

Key EBIT Variance Drivers	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
Net Electric Revenue Margin - retail	$ 65.2	$ 4.8	$ 214.7	$ 5.7	$ 579.7	$ 19.8	$ 12.2
Weather		4 4		(10 7)		6 0	(13 0)
Volume		(5 4)		(1 5)		(1 4)	(8 7)
Pricing / Riders		0 1		9 3		7 6	26 0
Revenue give-backs		-		-		-	0 1
Other net revenue margin - retail		5.7		- 8.6		7.7	7.7
Net Gas Revenue Margin - retail	$ 16.7	$ 0.9	$ 51.9	$ 16.2	$ 190.3	$ 9.7	$ 19.6
Weather		(0 9)		0 2		2 9	2 5
Volume		(1 0)		0 6		(4 9)	(0 3)
Pricing / Riders		2 1		13 5		10 7	17 0
Revenue give-backs		-		-		-	0 4
Other net revenue margin - retail		0.7		1.8		1.0	(0.1)
Bulk Power Marketing (net of sharing)	0 4	0 3	0 8	0 7	2.5	1 3	2 5
Operation and Maintenance	(51 6)	(18 2)	(116 0)	(18 4)	(307 8)	(2 1)	(13 9)
AFUDC - Equity	0 7	0 3	2 0	1 2	5 4	3 3	2 9
Other	(31.2)	1.5	(94.5)	(0.3)	(273.4)	4.7	(9.7)
Total	**$ 0.2**	**$ (10.4)**	**$ 58.8**	**$ 5.2**	**$ 196.7**	**$ 36.7**	**$ 13.6**

	CURRENT MONTH		QUARTER TO DATE (b)		YEAR TO DATE		
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
DE Midwest:							
Heating Degree Days	-	(16)	-	(2)	2,418	178	66
Cooling Degree Days	180	57	773	(290)	1.069	48	(467)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Ohio
September 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	**$ 19.0**	**$ 5.0**	**$ 142.2**	**$ 39.8**
EBITDA, from continuing operations	**$ 37.8**	**$ 4.5**	**$ 277.8**	**$ 37.6**

Key Messages

August results were favorable compared to plan due to favorable pricing primarily due to the new Ohio gas rates.

The favorable YTD EBIT variance compared to plan was primarily driven by favorable O&M variances, due to timing, the new Ohio gas rates, and favorable weather.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 56.5	**$ 1.8**	$ 393.5	**$ 11.8**
Weather		(0.2)		1.1
Volume		0.2		1.9
Pricing / Riders		1.3		5.4
Other net revenue margin - retail		0.5		3.4
Net Gas Revenue Margin - retail	$ 14.3	**$ 1.5**	$ 144.2	**$ 7.9**
Weather		-		2.9
Volume		(0.8)		(3.3)
Pricing / Riders		2.0		8.9
Other net revenue margin - retail		0.3		(0.6)
Operation and Maintenance	(25.8)	-	(191.4)	15.7
Other	(26.0)	1.7	(204.1)	4.4
Total	**$ 19.0**	**$ 5.0**	**$ 142.2**	**$ 39.8**

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
September 2008
(Dollars in millions)

	CURRENT MONTH Actual	CURRENT MONTH Plan Variance F(U)	YEAR TO DATE Actual	YEAR TO DATE Plan Variance F(U)
EBIT, from continuing operations	**$ 2.8**	**$ (1.6)**	**$ 57.5**	**$ 6.1**
EBITDA, from continuing operations	**$ 6.2**	**$ (2.0)**	**$ 85.9**	**$ 3.7**

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, increased sales volume, increased pricing and riders, and favorable BPM results, net of sharing.

Key EBIT Variance Drivers	CURRENT MONTH Actual	CURRENT MONTH Plan Variance F(U)	YEAR TO DATE Actual	YEAR TO DATE Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 16.2	**$ 0.9**	$ 147.9	**3.8**
Weather		1.2		1.7
Volume		(0.9)		1.2
Pricing / Riders		0.2		2.2
Other net revenue margin - retail		0.4		(1.3)
Net Gas Revenue Margin - retail	$ 2.1	**$ (0.4)**	$ 31.3	**$ 0.8**
Weather		(0.2)		0.7
Volume		(0.2)		(0.7)
Pricing / Riders		0.1		(0.2)
Other net revenue margin - retail		(0.1)		1.0
Bulk power marketing (net of sharing)	0.4	0.3	2.5	1.3
Operation and maintenance	(11.6)	(2.7)	(87.5)	(1.9)
Other	(4.3)	0.3	(36.7)	2.1
Total	**$ 2.8**	**(1.6)**	**$ 57.5**	**6.1**

U.S. Franchised Electric & Gas
Components of "Other"
September CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	5.2
Other Gas Margins	0.7
Fuel	0.3
Miscellaneous other	0.2
Total Other Net Revenue Margin - Retail	6.4
Other - Non Retail	
General taxes - net of riders	(0.5)
Depreciation and amortization	2.3
Miscellaneous other	(0.3)
Total Other - Non Retail	$ 1.5

September YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	8.9
Fuel	(1.4)
Miscellaneous other	1.2
Total Other Net Revenue Margin - Retail	8.7
Other - Non Retail	
General taxes - net of riders	0.7
Depreciation	7.1
Corporate Budget Challenge	(2.3)
Miscellaneous other	(0.8)
Total Other - Non Retail	$ 4.7

U.S. Franchised Electric & Gas
Components of "Other"
September QTD EBIT - AvA

	AvA
	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	7.3
Other Gas Margins	2.0
Fuel	0.4
Miscellaneous other	0.7
Total Other Net Revenue Margin - Retail	10.4
Other - Non Retail	
General taxes - net of riders	(2.4)
Depreciation and amortization	0.5
Miscellaneous other	1.6
Total Other - Non Retail	$ (0.3)

September YTD EBIT - AvA

	AvA
	Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	6.0
Fuel	(0.2)
Miscellaneous other	1.8
Total Other Net Revenue Margin - Retail	7.6
Other - Non Retail	
General taxes - net of riders	(2.2)
Depreciation	(8.6)
Miscellaneous other	1.1
Total Other - Non Retail	$ (9.7)

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
August 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 26.4	$ 6.3	$ 196.5	$ 47.1
EBITDA, from continuing operations	$ 48.8	$ 5.5	$ 357.2	$ 42.3

Key Messages

Current Month - Actual vs Plan

August results were favorable compared to plan due to favorable pricing primarily due to the the new Ohio gas rates.

Year to Date - Actual vs. Plan

The favorable YTD EBIT variance compared to plan was primarily driven by favorable O&M variances, the new Ohio gas rates and favorable weather. The favorable O&M variance is expected to turn around by year end.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 74.1	$ 2.8	$ 514.5	$ 15.0
Weather		(0.3)		1.6
Volume		1.1		4.0
Pricing / Riders		1.3		7.4
Other net revenue margin - retail		0.7		2.0
Net Gas Revenue Margin - retail	$ 16.5	$ 1.4	$ 173.6	$ 8.8
Weather		-		3.8
Volume		(1.2)		(3.8)
Pricing / Riders		2.1		8.6
Other net revenue margin - retail		0.5		0.2
Bulk Power Marketing (net of sharing)	0.0	0.0	2.1	1.0
Operation and Maintenance	(33.7)	0.1	(256.2)	16.1
AFUDC - Equity	0.6	0.2	4.7	3.0
Other	(31.1)	1.7	(242.2)	3.2
Total	$ 26.4	$ 6.3	$ 196.5	$ 47.1

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	-	-	2,418	194
Cooling Degree Days	289	3	889	(9)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
August 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 7.5	$ 1.2	$ 54.7	$ 7.7
EBITDA, from continuing operations	$ 11.0	$ 1.0	$ 79.7	$ 5.7

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, increased sales volume, increased pricing and riders, and favorable BPM results, net of sharing.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 2.2	$ **(0.1)**	$ 29.0	**1.0**
Weather		-		0.9
Volume		(0.3)		(0.5)
Pricing / Riders		0.2		(0.3)
Other net revenue margin - retail		(0.0)		0.9
Net Gas Revenue Margin - retail	$ 19.1	$ **0.7**	$ 131.8	$ **3.1**
Weather		(0.1)		0.4
Volume		0.9		2.1
Pricing / Riders		0.0		2.0
Other net revenue margin - retail		(0.1)		(1.4)
Bulk power marketing (net of sharing)	0.0	0.0	2.1	1.0
Operation and maintenance	(9.3)	0.5	(75.9)	0.8
Other	(4.5)	0.1	(32.3)	1.8
Total	$ **7.5**	**1.2**	$ **54.7**	**7.7**

U.S. Franchised Electric & Gas
Components of "Other"
August CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	0.8
Other Gas Margins	0.4
Fuel	(0.2)
Miscellaneous other	0.2
Total Other Net Revenue Margin - Retail	1.2
Other - Non Retail	
General taxes - net of riders	0.8
Depreciation and amortization	0.9
Miscellaneous other	
Total Other - Non Retail	$ 1.7

August YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	3.7
Fuel	(1.7)
Miscellaneous other	0.2
Total Other Net Revenue Margin - Retail	2.2
Other - Non Retail	
General taxes - net of riders	1.2
Depreciation	4.9
Corporate Budget Challenge	(2.0)
Miscellaneous other	(0.9)
Total Other - Non Retail	$ 3.2

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
July 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 32.4	$ 8.7	$ 170.1	$ 40.8
EBITDA, from continuing operations	$ 54.1	$ 7.8	$ 308.4	$ 36.8

Key Messages

Current Month - Actual vs Plan

July results were favorable compared to plan primarily due to increased price, including a $3M increase from new Ohio gas rates, and favorable sales volumes, primarily due to residential customers. These increases were partially offset by mild weather.

Year to Date - Actual vs. Plan

The favorable YTD EBIT variance compared to plan was primarily driven by favorable O&M variances, due to timing, the new Ohio gas rates and favorable weather.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 75.4	$ 4.0	$ 440.4	$ 12.2
Weather		(3.3)		1.9
Volume		2.9		2.9
Pricing / Riders		2.3		6.1
Other net revenue margin - retail		2.1		1.3
Net Gas Revenue Margin - retail	$ 18.7	$ 3.0	$ 157.1	$ 7.4
Weather		0.1		3.8
Volume		(0.3)		(2.6)
Pricing / Riders		2.9		6.5
Other net revenue margin - retail		0.3		(0.3)
Bulk Power Marketing (net of sharing)	0.3	0.3	2.1	1.0
Operation and Maintenance	(30.8)	1.4	(222.5)	15.9
AFUDC - Equity	0.7	0.4	4.1	2.8
Other	(31.9)	(0.4)	(211.1)	1.5
Total	$ 32.4	$ 8.7	$ 170.1	$ 40.8

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	-	-	2,418	194
Cooling Degree Days	304	(19)	600	(12)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
July 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 7.7	$ 0.8	$ 47.2	$ 6.4
EBITDA, from continuing operations	$ 11.2	$ 0.5	$ 68.7	$ 4.7

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, increased sales volume, increased pricing and riders, and favorable BPM results, net of sharing.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 2.4	$ 0.1	$ 26.8	1.0
Weather		-		0.9
Volume		-		(0.2)
Pricing / Riders		-		(0.4)
Other net revenue margin - retail		0.1		0.7
Net Gas Revenue Margin - retail	$ 19.2	$ 0.7	$ 112.8	$ 2.5
Weather		(0.9)		0.5
Volume		1.1		1.3
Pricing / Riders		0.1		2.0
Other net revenue margin - retail		0.4		(1.3)
Bulk power marketing (net of sharing)	0.3	0.3	2.1	1.0
Operation and maintenance	(9.8)	(0.4)	(66.5)	0.3
Other	(4.4)	0.1	(28.0)	1.6
Total	$ 7.7	0.8	$ 47.2	6.4

U.S. Franchised Electric & Gas
Components of "Other"
July CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other Electric Margins	0.8
Other Gas Margins	0.3
Fuel	0.1
Miscellaneous other	1.2
Total Other Net Revenue Margin - Retail	2.4
Other - Non Retail	
General taxes - net of riders	(1.1)
Depreciation and amortization	0.9
Miscellaneous other	(0.2)
Total Other - Non Retail	$ (0.4)

July YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	3.4
Fuel	(1.5)
Miscellaneous other	(0.9)
Total Other Net Revenue Margin - Retail	1.0
Other - Non Retail	
General taxes - net of riders	0.4
Depreciation	4.0
Budget stretch goal	(1.8)
Miscellaneous other	(1.1)
Total Other - Non Retail	$ 1.5

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
June 2008
(Dollars in millions)

	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
EBIT, from continuing operations	$ 16.3	$ 1.5	$ 41.0	$ (9.6)	$ 137.5	$ 31.9	$ 8.2
EBITDA, from continuing operations	$ 37.2	$ 1.3	$ 99.6	$ (5.5)	$ 254.0	$ 28.8	$ 17.3
Capital expenditures							
Expansion	$ 6.0	$ 2.4	$ 14.9	N/A	$ 26.9	$ 22.1	N/A
Maintenance	23.9	(3.3)	61.8	N/A	106.6	5.9	N/A
Total capital expenditures (accrual basis) (a)	29.9	(0.9)	76.7	N/A	133.5	28.0	N/A
Cash basis adjustment	2.5	(2.5)	(1.1)	N/A	5.8	(5.8)	N/A
Total capital expenditures (cash basis)	$ 32.4	$ (3.4)	$ 75.6	N/A	$ 139.3	$ 22.2	N/A

(a) Excludes the non-cash item AFUDC-equity component.

Key Messages

Current Month - Actual vs Plan
June results were favorable compared to plan primarily due to $4M increase from new Ohio gas rates which were not included in the plan until July.

Quarter to Date - Actual vs. Prior Year
EBIT for the second quarter of 2008 was unfavorable compared to the same period in 2007 primarily due to mild weather, lower sales volumes and increased O&M costs partially offset by increased price primarily due to the new Ohio gas rates.

Year to Date - Actual vs. Plan
The favorable YTD EBIT variance compared to plan was primarily driven by favorable O&M variances, due to timing, new Ohio gas rates and favorable weather.

Year to Date - Actual vs. Prior Year
The YTD EBIT variance was favorable compared to the same period in 2007 primarily due to increased pricing and decreased O&M costs partially offset by lower sales volumes.

Key EBIT Variance Drivers	CURRENT MONTH		QUARTER TO DATE		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
Net Electric Revenue Margin - retail	$ 65.9	$ (0.1)	$ 175.8	$ (2.4)	$ 365.0	$ 8.2	$ 6.5
Weather		4.0		(8.0)		5.2	(2.2)
Volume		(4.0)		(5.3)		-	(7.2)
Pricing / Riders		0.6		9.9		3.8	16.6
Revenue give-backs		-		(0.3)		-	0.1
Other net revenue margin - retail		(0.7)		1.3		(0.8)	(0.8)
Net Gas Revenue Margin - retail	$ 15.4	$ 2.0	$ 47.1	$ (0.2)	$ 138.4	$ 4.5	$ 3.4
Weather		(0.5)		(1.7)		3.7	2.3
Volume		(0.6)		(0.7)		(2.3)	(0.8)
Pricing / Riders		3.7		4.0		3.6	3.5
Revenue give-backs		-		(0.1)		-	0.4
Other net revenue margin - retail		(0.6)		(1.7)		(0.5)	(2.0)
Bulk Power Marketing (net of sharing)	(0.6)	(0.7)	1.0	1.9	1.8	0.7	1.8
Operation and Maintenance	(34.1)	0.5	(93.5)	(4.3)	(191.7)	14.5	4.5
AFUDC - Equity	0.7	0.5	2.1	0.9	3.5	2.4	1.7
Other	(31.0)	(0.7)	(91.5)	(5.5)	(179.5)	1.6	(9.7)
Total	$ 16.3	$ 1.5	$ 41.0	$ (9.6)	$ 137.5	$ 31.9	$ 8.2

Key Operational Drivers	CURRENT MONTH		QUARTER TO DATE (b)		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Prior Year Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
DE Midwest:							
Heating Degree Days	-	(3)	217	(73)	2,418	194	68
Cooling Degree Days	251	47	296	(159)	296	7	(177)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
June 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 3.9	$ (1.7)	$ 39.5	$ 5.7
EBITDA, from continuing operations	$ 7.4	$ (1.9)	$ 57.4	$ 4.1
Capital expenditures				
Total capital expenditures (accrual basis) (a)	$ 4.6	$ 1.7	$ 28.0	$ 14.1

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, increased electric price, and favorable depreciation expense.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 16.6	$ (0.9)	$ 93.6	1.8
Weather		1.1		1.4
Volume		(1.1)		0.2
Pricing / Riders		0.2		1.9
Other net revenue margin - retail		(1.1)		(1.7)
Net Gas Revenue Margin - retail	$ 2.0	$ (0.3)	$ 24.4	$ 1.0
Weather		(0.1)		0.9
Volume		(0.2)		(0.2)
Pricing / Riders		(0.1)		(0.4)
Other net revenue margin - retail		0.1		0.7
Bulk power marketing (net of sharing)	(0.6)	(0.7)	1.8	0.7
Operation and maintenance	(9.8)	(0.1)	(56.7)	0.8
Other	(4.3)	0.3	(23.6)	1.4
Total	**$ 3.9**	**(1.7)**	**$ 39.5**	**5.7**

U.S. Franchised Electric & Gas
Components of "Other"
June CM EBIT - AvB

	AvB **Consolidated** **Ohio & Kentucky**
Other Net Revenue Margin - Retail	
Fuel	(1.3)
Total Other Net Revenue Margin - Retail	(1.3)
Other - Non Retail	
Miscellaneous other	(0.7)
Total Other - Non Retail	$ (0.7)

June YTD EBIT - AvB

	AvB **Consolidated** **Ohio & Kentucky**
Other Net Revenue Margin - Retail	
Other electric margins	2.7
Miscellaneous other	(0.2)
Fuel	(3.8)
Total Other Net Revenue Margin - Retail	(1.3)
Other - Non Retail	
Depreciation	3.1
Budget stretch goal	(1.5)
Total Other - Non Retail	$ 1.6

U.S. Franchised Electric & Gas
Components of "Other"
June QTD EBIT - AvA

	AvA Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	1.2
Other gas margins	(1.6)
Total Other Net Revenue Margin - Retail	(0.4)
Other - Non Retail	
Depreciation	(4.1)
General taxes (excl offset by OET , ETR, STR riders)	(0.8)
Miscellaneous other	(0.6)
Total Other - Non Retail	$ (5.5)

June YTD EBIT - AvA

	AvA Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	1.1
Other electric margins	(1.4)
Other gas margins	(1.9)
Fuel	(0.6)
Total Other Net Revenue Margin - Retail	(2.8)
Other - Non Retail	
Depreciation	(9.1)
Miscellaneous other	(0.6)
Total Other - Non Retail	$ (9.7)

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
May 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 10.4	$ 1.4	$ 121.2	$ 30.4
EBITDA, from continuing operations	$ 29.1	$ 0.8	$ 216.8	$ 27.5
Capital expenditures				
Expansion	$ 5.3	$ 3.4	$ 20.9	$ 19.7
Maintenance	21.9	(2.6)	82.7	9.1
Total capital expenditures (accrual basis) (a)	27.2	0.8	103.6	28.8
Cash basis adjustment	(1.9)	1.9	3.3	(3.3)
Total capital expenditures (cash basis)	$ 25.3	$ 2.7	$ 106.9	$ 25.5

(a) Excludes the non-cash item AFUDC-equity component.

Key Messages

May results were favorable compared to plan primarily due to favorable BPM results, net of sharing, and favorable O&M partially offset by the impact of mild weather on electric sales. Also, retail volumes were below plan but pricing was favorable due to spreading the fixed portion of customers' bills over the lower sales volumes.

The favorable YTD EBIT variance was primarily driven by favorable O&M variances, due to timing, and favorable weather

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 55.3	$ (0.3)	$ 299.1	$ 7.9
Weather		(2.5)		1.2
Volume		(0.1)		4.1
Pricing / Riders		1.4		2.9
Other net revenue margin - retail		0.9		(0.3)
Net Gas Revenue Margin - retail	$ 14.0	$ (1.7)	$ 123.0	$ 2.5
Weather		0.3		4.2
Volume		(1.9)		(1.8)
Pricing / Riders		(0.1)		(0.1)
Other net revenue margin - retail		-		0.2
Bulk Power Marketing (net of sharing)	1.7	1.4	2.4	1.4
Operation and Maintenance	(32.0)	1.6	(157.6)	14.0
AFUDC - Equity	0.7	0.4	2.7	1.9
Other	(29.3)	-	(148.4)	2.7
Total	$ 10.4	$ 1.4	$ 121.2	$ 30.4

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	41	(2)	2,418	197
Cooling Degree Days	30	(35)	45	(40)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
May 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 5.3	$ 2.6	$ 35.5	$ 7.4
EBITDA, from continuing operations	$ 8.6	$ 2.5	$ 50.0	$ 6.1
Capital expenditures				
Total capital expenditures (accrual basis) (a)	$ 5.3	$ 1.4	$ 23.4	$ 12.4

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather and sales volume.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 15.2	$ 0.7	$ 76.9	2.7
Weather		(0.7)		0.3
Volume		0.2		1.3
Pricing / Riders		0.3		1.7
Other net revenue margin - retail		0.9		(0.6)
Net Gas Revenue Margin - retail	$ 2.5	$ -	$ 22.5	$ 1.3
Weather		0.1		1.0
Volume		(0.5)		-
Pricing / Riders		0.3		(0.4)
Other net revenue margin - retail		0.1		0.7
Bulk power marketing (net of sharing)	1.7	1.4	2.4	1.4
Operation and maintenance	(9.9)	0.4	(47.0)	0.9
Other	(4.2)	0.1	(19.3)	1.1
Total	**$ 5.3**	**2.6**	**$ 35.5**	**7.4**

U.S. Franchised Electric & Gas
Components of "Other"
May CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	0.1
Other electric margins	0.4
Fuel	0.4
Total Other Net Revenue Margin - Retail	0.9
Other - Non Retail	
Depreciation	0.6
General taxes (excl offset by OET , ETR, STR riders)	(0.2)
Budget stretch goal	(0.3)
Miscellaneous other	(0.1)
Total Other - Non Retail	$ -

May YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	2.2
Other gas margins	0.2
Fuel	(2.5)
Total Other Net Revenue Margin - Retail	(0.1)
Other - Non Retail	
Depreciation	3.0
General taxes (excl offset by OET , ETR, STR riders)	1.6
Budget stretch goal	(1.3)
Miscellaneous other	(0.6)
Total Other - Non Retail	$ 2.7

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
April 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 14.3	$ 8.5	$ 110.8	$ 29.0
EBITDA, from continuing operations	$ 33.2	$ 8.1	$ 187.7	$ 26.7
Capital expenditures				
Expansion	$ 3.6	$ 3.9	$ 15.6	$ 16.3
Maintenance	16.0	(0.8)	60.8	11.7
Total capital expenditures (accrual basis) (a)	19.6	3.1	76.4	28.0
Cash basis adjustment	(1.8)	1.8	5.2	(5.2)
Total capital expenditures (cash basis)	$ 17.8	$ 4.9	$ 81.6	$ 22.8

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

April results were favorable compared to plan primarily due to a favorable true-up to the 2007 incentive accruals of approximately $3 million and other temporary favorable O&M variances.

The positive YTD EBIT variance compared to plan was primarily driven by temporary favorable O&M variances and favorable weather.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 54.6	$ 1.5	$ 243.8	$ 8.2
Weather		(0.7)		3.7
Volume		1.6		4.2
Pricing / Riders		0.6		1.5
Other net revenue margin - retail		-		(1.2)
Net Gas Revenue Margin - retail	$ 17.7	$ (0.1)	$ 109.0	$ 3.9
Weather		(0.2)		3.9
Volume		(0.1)		0.1
Pricing / Riders		0.3		0.1
Other net revenue margin - retail		(0.1)		0.1
Bulk Power Marketing (net of sharing)	(0.1)	(0.4)	0.7	-
Operation and Maintenance	(27.4)	7.2	(125.7)	12.4
AFUDC - Equity	0.7	0.5	2.1	1.5
Other	(31.2)	(0.2)	(119.1)	2.8
Total	$ 14.3	$ 8.5	$ 110.8	$ 29.1

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest:				
Heating Degree Days	176	(7)	2,377	199
Cooling Degree Days	15	(3)	15	(5)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
April 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	**$ 4.8**	**$ 2.5**	**$ 30.2**	**$ 4.8**
EBITDA, from continuing operations	**$ 7.9**	**$ 2.4**	**$ 41.4**	**$ 3.6**
Capital expenditures				
Total capital expenditures (accrual basis) (a)	**$ 5.3**	**$ 0.4**	**$ 18.0**	**$ 11.0**

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather and favorable sales volume.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Gas Revenue Margin - retail	$ 3.2	$ -	$ 20.0	**1.4**
Weather		(0.1)		0.9
Volume		-		0.5
Pricing / Riders		0.1		(0.7)
Revenue give-backs		-		-
Other net revenue margin - retail		-		0.7
Net Electric Revenue Margin - retail	$ 14.0	**$ 0.4**	$ 61.6	**$ 1.9**
Weather		(0.2)		1.0
Volume		0.5		1.1
Pricing / Riders		0.2		1.4
Other net revenue margin - retail		(0.1)		(1.6)
Bulk power marketing (net of sharing)	(0.1)	(0.4)	0.7	-
Operation and maintenance	(8.2)	2.4	(37.0)	0.5
Other	(4.1)	0.1	(15.1)	1.0
Total	**$ 1.6**	**2.5**	**$ 10.2**	**4.8**

U.S. Franchised Electric & Gas
Components of "Other"
March CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	0.1
Other electric margins	0.5
Fuel	(0.7)
Total Other Net Revenue Margin - Retail	(0.1)
Other - Non Retail	
Depreciation	0.4
General taxes (excl offset by OET , ETR, STR riders)	(0.3)
Budget stretch goal	(0.3)
Miscellaneous other	-
Total Other - Non Retail	$ (0.2)

March YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	(0.1)
Other electric margins	1.8
Other gas margins	0.2
Fuel	(2.9)
Total Other Net Revenue Margin - Retail	(1.0)
Other - Non Retail	
Depreciation	2.4
General taxes (excl offset by OET , ETR, STR riders)	1.9
Budget stretch goal	(1.0)
Miscellaneous other	(0.6)
Total Other - Non Retail	$ 2.7

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky
March 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 23.1	$ 1.5	$ 96.5	$ 20.5
EBITDA, from continuing operations	$ 41.5	$ 0.1	$ 154.5	$ 18.6
Capital expenditures				
Expansion	$ 4.3	$ 4.1	$ 12.0	$ 12.4
Maintenance	15.1	5.2	44.8	12.5
Total capital expenditures (accrual basis) (a)	19.4	9.3	56.8	24.9
Cash basis adjustment	1.2	(1.2)	6.9	(6.9)
Total capital expenditures (cash basis)	$ 20.6	$ 8.1	$ 63.7	$ 18.0

(a) Excludes the non-cash item AFUDC-equity component.

Key Messages

March results were favorable compared to plan primarily due to weather and partially offset by unfavorable timing of general taxes of $2.6M.

The favorable YTD EBIT variance was primarily due to weather, favorable sales volume, and lower operation and maintenance costs primarily related to the timing of charges.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 61.1	$ 0.9	$ 189.2	$ 6.7
Weather		2 2		4 5
Volume		(0 1)		2.6
Pricing / Riders		0 3		0 9
Other net revenue margin - retail		(1.5)		(1.3)
Net Gas Revenue Margin - retail	$ 25.6	$ 0.4	$ 91.3	$ 4.2
Weather		2 0		4 1
Volume		(0.9)		0.3
Pricing / Riders		(0 5)		(0 3)
Other net revenue margin - retail		(0.2)		0.1
Bulk Power Marketing (net of sharing)	1.3	1 1	0 8	0 3
Operation and Maintenance	(34.7)	0.3	(98 2)	5.2
AFUDC - Equity	0 6	0 4	1.4	1.0
Other	(30.8)	(1.6)	(88.0)	3.1
Total	$ 23.1	$ 1.5	$ 96.5	$ 20.5

Key Operational Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
DE Midwest.				
Heating Degree Days	550	37	2,201	206
Cooling Degree Days	-	(3)	-	(3)

(b) Quarter to date EBIT impact for weather, as compared to plan, was $1.8M

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
March 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 7.3	$ 0.3	$ 25.5	$ 2.3
EBITDA, from continuing operations	$ 9.6	$ (0.5)	$ 33.5	$ 1.2
Capital expenditures				
Total capital expenditures (accrual basis) (a)	$ 4.8	$ 1.5	$ 12.8	$ 10.6

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, favorable sales volume & increased electric pricing riders. This was offset by decreased opreation and maintenance and decreased gas pricing riders.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 14.8	$ **(0.8)**	$ 47.6	$ **1.6**
Weather		0.6		1.2
Volume		(0.1)		0.6
Pricing / Riders		(0.5)		1.2
Other net revenue margin - retail		(0.8)		(1.4)
Net Gas Revenue Margin - retail	$ 4.7	$ **0.1**	$ 16.8	**1.4**
Weather		0.5		1.0
Volume		(0.2)		0.5
Pricing / Riders		(0.2)		(0.7)
Other net revenue margin - retail		-		0.6
Bulk power marketing (net of sharing)	1.3	1.1	0.8	0.3
Operation and maintenance	(10.2)	(0.9)	(28.7)	(1.9)
Other	(3.3)	0.8	(11.0)	0.9
Total	$ **7.3**	**0.3**	$ **25.5**	**2.3**

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
March 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 7.3	$ 0.3	$ 25.5	$ 2.3
EBITDA, from continuing operations	$ 9.6	$ (0.5)	$ 33.5	$ 1.2
Capital expenditures				
Total capital expenditures (accrual basis) (a)	$ 4.8	$ 1.5	$ 12.8	$ 10.6

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, favorable sales volume & increased electric pricing riders. This was offset by decreased opreation and maintenance and decreased gas pricing riders.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 14.8	$ (0.8)	$ 47.6	$ 1.6
Weather		0.6		1.2
Volume		(0.1)		0.6
Pricing / Riders		(0.5)		1.2
Other net revenue margin - retail		(0.8)		(1.4)
Net Gas Revenue Margin - retail	$ 4.7	$ 0.1	$ 16.8	1.4
Weather		0.5		1.0
Volume		(0.2)		0.5
Pricing / Riders		(0.2)		(0.7)
Other net revenue margin - retail		-		0.6
Bulk power marketing (net of sharing)	1.3	1.1	0.8	0.3
Operation and maintenance	(10.2)	(0.9)	(28.7)	(1.9)
Other	(3.3)	0.8	(11.0)	0.9
Total	$ 7.3	0.3	$ 25.5	2.3

U.S. Franchised Electric & Gas
Components of "Other"
March CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	(0.1)
Fuel	(1.6)
Total Other Net Revenue Margin - Retail	(1.7)
Other - Non Retail	
Depreciation	1.4
General taxes (excl offset by OET , ETR, STR riders)	(2.6)
Budget stretch goal	(0.3)
Miscellaneous other	(0.1)
Total Other - Non Retail	$ (1.6)

March YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	(0.3)
Other electric margins	1.3
Other gas margins	0.1
Fuel	(2.3)
Total Other Net Revenue Margin - Retail	(1.2)
Other - Non Retail	
Depreciation	1.9
General taxes (excl offset by OET , ETR, STR riders)	2.2
Budget stretch goal	(0.8)
Miscellaneous other	(0.2)
Total Other - Non Retail	$ 3.1

U.S. FRANCHISED ELECTRIC & GAS - Ohio & Kentucky

February 2008

(Dollars in millions)

	CURRENT MONTH Actual	CURRENT MONTH Plan Variance F(U)	YEAR TO DATE Actual	YEAR TO DATE Plan Variance F(U)
EBIT, from continuing operations	$ 36.6	$ 16.1	$ 73.4	$ 19.0
EBITDA, from continuing operations	$ 56.2	$ 15.7	$ 113.0	$ 18.4
Capital expenditures				
Expansion	$ 3.5	$ 4.5	$ 7.7	$ 8.3
Environmental	-	-	-	-
Maintenance	18.5	(3.3)	29.7	7.3
Total capital expenditures (accrual basis) (a)	22.0	1.2	37.4	15.6
Cash basis adjustment	(2.2)	2.2	5.7	(5.7)
Total capital expenditures (cash basis)	$ 19.8	$ 3.4	$ 43.1	$ 9.9

(a) Excludes the non-cash item AFUDC-equity component.

Key Messages

February results were favorable compared to plan primarily due to weather, increased residential and commercial sales volumes, and favorable timing of general taxes of $3.4M.

The favorable YTD EBIT variance was primarily due to weather, favorable sales volume, favorable timing of general taxes of $4.7M and lower operation and maintenance costs primarily related to the timing of charges

Key EBIT Variance Drivers	CURRENT MONTH Actual	CURRENT MONTH Plan Variance F(U)	YEAR TO DATE Actual	YEAR TO DATE Plan Variance F(U)
Net Electric Revenue Margin - retail	$ 63.0	$ 5.4	$ 128.7	$ 6.4
Weather		1.1		1.3
Volume		4.5		2.8
Pricing / Riders		(0.4)		1.0
Revenue give-backs		-		-
Other net revenue margin - retail		0.2		1.3
Net Gas Revenue Margin - retail	$ 34.8	$ 6.5	$ 65.8	$ 3.8
Weather		2.0		2.2
Volume		2.5		1.1
Pricing / Riders		0.3		0.2
Revenue give-backs		-		-
Other net revenue margin - retail		1.7		0.3
Bulk Power Marketing (net of sharing)	(0.7)	(0.8)	(1.1)	(1.3)
Wholesale Origination	-	-	-	-
Operation and Maintenance	(32.5)	1.3	(63.5)	4.9
AFUDC - Equity	0.5	0.4	0.8	0.6
Other	(28.5)	3.3	(57.3)	4.6
Total	$ 36.6	$ 16.1	$ 73.4	$ 19.0

Key Operational Drivers	CURRENT MONTH Actual	CURRENT MONTH Plan Variance F(U)	YEAR TO DATE Actual	YEAR TO DATE Plan Variance F(U)
DE Midwest:				
Heating Degree Days	767	111	1,651	169
Cooling Degree Days	-	-	-	-

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
February 2008
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 8.4	$ 2.0	$ 18.2	$ 2.0
EBITDA, from continuing operations	$ 11.2	$ 1.8	$ 23.8	$ 1.7
Capital expenditures				
Total capital expenditures (accrual basis) (a)	$ 4.9	$ 0.5	$ 8.0	$ 9.1

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather, favorable sales volume & increased electric riders. This was offset by increased opreation and maintenance and bulk power marketing.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Gas Revenue Margin - retail	$ 6.0	$ 1.1	$ 12.2	$ 1.2
Weather		0.5		0.5
Volume		0.8		0.7
Pricing / Riders		(0.3)		(0.5)
Revenue give-backs		-		-
Other net revenue margin - retail		0.1		0.5
Net Electric Revenue Margin - retail	$ 16.6	$ 2.1	$ 33.4	2.9
Weather		0.3		0.6
Volume		1.2		0.7
Pricing / Riders		1.4		2.5
Revenue give-backs		-		-
Other net revenue margin - retail		(0.8)		(0.9)
Bulk power marketing (net of sharing)	(0.7)	(0.8)	(1.1)	(1.3)
Operation and maintenance	(9.7)	(0.5)	(18.6)	(0.9)
Other	(3.8)	0.1	(7.7)	0.1
Total	$ 8.4	2.0	$ 18.2	2.0

U.S. Franchised Electric & Gas
Components of "Other"
February CM EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Other electric margins	0.8
Other gas margins	1.7
Fuel	(0.6)
Total Other Net Revenue Margin - Retail	1.9
Other - Non Retail	
Depreciation	0.4
General taxes (excl offset by OET , ETR, STR riders)	3.4
Budget stretch goal	(0.3)
Miscellaneous other	(0.2)
Total Other - Non Retail	$ 3.3

February YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	(0.2)
Other electric margins	2.2
Other gas margins	0.3
Fuel / IMPA settlement	(0.7)
Total Other Net Revenue Margin - Retail	1.6
Other - Non Retail	
Depreciation	0.6
General taxes (excl offset by OET , ETR, STR riders)	4.7
Budget stretch goal	(0.5)
Miscellaneous other	(0.2)
Total Other - Non Retail	$ 4.6

Duke Energy Ohio/Kentucky Consolidated
January 2008
(Dollars in millions)

	CURRENT MONTH	
	Actual	**Plan Variance F(U)**
EBIT, from continuing operations	**$ 36.8**	**$ 2.9**
EBITDA, from continuing operations	**$ 56.7**	**$ 2.7**
Capital expenditures		
Expansion	**$ 4.2**	**$ 3.8**
Maintenance	**11.2**	**10.6**
Total capital expenditures (accrual basis)	**15.4**	**14.4**

Key Messages

January results were favorable due largely to a temporary favorable variance in operating and maintenance costs.

Key EBIT Variance Drivers	CURRENT MONTH	
	Actual	**Plan Variance F(U)**
Net Revenue Margin-retail	**$ 96.7**	**$ (1.7)**
Weather-Gas		(0.5)
Weather- Electric		0.2
Volume		(1.5)
Pricing / Riders		0.4
Other net revenue margin - retail		(0.3)
Bulk Power Marketing (net of sharing)	(0.4)	(0.5)
Operation and Maintenance	(31.1)	3.6
AFUDC - Equity	0.3	0.3
Other	(28.7)	1.2
Total	**$ 36.8**	**$ 2.9**

	CURRENT MONTH	
Key Operational Drivers	**Actual**	**Plan Variance F(U)**
Heating Degree Days	884	58
Cooling Degree Days	-	-

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
January 2008
(Dollars in millions)

	CURRENT MONTH	
	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 9.8	$ 0.0
EBITDA, from continuing operations	$ 12.6	$ (0.1)
Capital expenditures		
Expansion	$ 0.7	$ 1.3
Maintenance	2.4	7.3
Total capital expenditures (accrual basis)	3.1	8.6

Key Messages

January EBIT results for Duke Energy Kentucky were in line with plan

Key EBIT Variance Drivers	CURRENT MONTH	
	Actual	Plan Variance F(U)
Net revenue margin - retail	$ 23.0	$ 1.0
Weather-Gas		(0.1)
Weather-Electric		0.3
Volume		(0.4)
Pricing / Riders		0.9
Other net revenue margin - retail		0.3
Bulk power marketing (net of sharing)	(0.4)	(0.5)
Operation and maintenance	(8.9)	(0.4)
Other	(3.9)	-
Total	$ 9.8	$ 0.0

Duke Energy Ohio/Kentucky Consolidated
December 2007
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
EBIT, from continuing operations	$ 37.1	$ 7.4	$ 256.9	$ 24.3	$ 127.6
EBITDA, from continuing operations	$ 55.8	$ 7.0	$ 485.4	$ 33.5	$ 196.3
Capital expenditures					
Expansion	$ 5.7	$ (0.1)	$ 58.4	$ 0.9	N/A
Environmental	0.2	(0.2)	1.1	(0.5)	N/A
Maintenance	23.0	6.2	217.1	6.5	N/A
Total capital expenditures (accrual basis)	28.9	5.9	276.6	6.9	N/A
Cash basis adjustment	(7.9)	7.9	(1.0)	1.0	N/A
Total capital expenditures (cash basis)	$ 21.0	$ 13.8	$ 275.6	$ 7.9	N/A

Key Messages

December results were favorable to plan primarily due to higher base transmission rates and the addition of Ohio's DSM Rider which was not in the plan. $1.2M of disallowed forced outages in Duke Energy Kentucky's results from November was reversed in December after it was determined that these costs were recoverable. These favorable results were offset by higher O&M costs.

The favorable YTD EBIT variance was primarily driven by strong weather and an increase in pricing related to the electric base transmission. These results were partially offset by lower sales volumes.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE		
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
Net Revenue Margin-retail	$ 97.3	$ 7.3	$ 990.8	$ 37.9	$ 93.6
Weather-Gas		(0.1)		(0.1)	2.4
Weather-Electric		0.1		20.5	19.0
Volume		0.2		(9.4)	4.6
Pricing / Riders		4.1		24.2	29.3
Revenue give-backs		-		(1.3)	14.5
Other net revenue margin - retail		3.0		4.0	23.8
Bulk Power Marketing (net of sharing)	0.8	0.7	2.1	1.1	(1.9)
Operation and Maintenance	(37.1)	(2.9)	(401.5)	(6.8)	(30.0)
Cinergy impact (AvA YTD only)		-			78.8
Other	(23.9)	2.3	(334.5)	(7.9)	(12.9)
Total	$ 37.1	$ 7.4	$ 256.9	$ 24.3	$ 127.6

	CURRENT MONTH		YEAR TO DATE		
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)	Prior Year Variance F(U)
Heating Degree Days	703	(53)	3,608	51	N/A
Cooling Degree Days	-	-	1,613	574	N/A

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
December 2007
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 11.4	$ 2.6	$ 76.1	$ (4.4)
EBITDA, from continuing operations	$ 13.3	$ 1.4	$ 115.8	$ (1.3)
Capital expenditures				
Expansion	$ 1.0	$ 0.5	$ 12.4	$ 1.3
Environmental	0.2	(0.2)	1.1	(0.5)
Maintenance	5.9	0.9	50.6	6.0
Total capital expenditures (accrual basis) (a)	7.2	1.2	64.1	6.8

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The unfavorable YTD EBIT variance was primarily due to higher operation and maintenance costs partially offset by favorable weather.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net revenue margin - retail	$ 24.7	$ 3.2	$ 241.8	$ 6.4
Weather-Gas		(0.0)		(0.1)
Weather-Electric		0.1		6.2
Volume		0.4		(0.3)
Pricing / Riders		0.5		(2.3)
Revenue give-backs		0.0		0.0
Other net revenue margin - retail		2.2		2.8
Bulk power marketing (net of sharing)	0.8	0.7	2.1	1.1
Operation and maintenance	(11.5)	(2.9)	(117.1)	(11.0)
Other	(2.7)	1.6	(50.6)	(0.9)
Total	$ 11.4	$ 2.6	$ 76.1	$ (4.4)

U.S. Franchised Electric & Gas
Components of "Other"
December 2007 EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	0.2
Fuel	1.8
Other	1.0
Total Other Net Revenue Margin - Retail	3.0
Other - Non Retail	
Depreciation\Amortization	0.4
General taxes (excl offset by OET , ETR, STR riders)	1.7
Miscellaneous	0.2
Total Other - Non Retail	$ 2.3

December YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	1.4
Other electric margins	9.0
Other gas margins	1.2
Fuel	(7.6)
Total Other Net Revenue Margin - Retail	4.0
Other - Non Retail	
Depreciation\Amortization	(9.3)
General taxes (excl offset by OET , ETR, STR riders)	1.9
AFUDC - equity	1.1
Miscellaneous other	(1.6)
Total Other - Non Retail	$ (7.9)

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
November 2007
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ (0.6)	$ (7.3)	$ 64.7	$ (6.9)
EBITDA, from continuing operations	$ 2.7	$ (7.1)	$ 102.4	$ (2.7)
Capital expenditures				
Expansion	$ 1.2	$ 0.0	$ 11.4	$ 0.8
Environmental	0.1	(0.1)	0.9	(0.3)
Maintenance	1.6	2.1	44.7	5.1
Total capital expenditures (accrual basis) (a)	2.9	2.0	57.0	5.6

(a) Excludes the non-cash item AFUDC-equity component

Key Messages

The unfavorable YTD EBIT variance was primarily due to favorable weather partially offset by higher operation and maintenace costs; decreased volume & pricing rider revenue margin & increased depreciation costs.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net revenue margin - retail	$ 13.6	$ (5.5)	$ 217.1	$ 3.3
Weather-Gas		0.4		(0.1)
Weather-Electric		(0.1)		8.1
Volume		(1.8)		(2.7)
Pricing / Riders		(0.4)		(2.7)
Revenue give-backs		0.0		0.0
Other net revenue margin - retail		(3.6)		0.7
Bulk power marketing (net of sharing)	0.5	0.2	1.2	0.4
Operation and maintenance	(10.4)	(1.9)	(105.6)	(8.1)
Other	(4.3)	(0.1)	(48.0)	(2.5)
Total	$ (0.6)	$ (7.3)	$ 64.7	$ (6.9)

Duke Energy Ohio/Kentucky Consolidated
October 2007
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 18.3	$ 4.3	$ 201.3	$ 22.7
EBITDA, from continuing operations	$ 37.0	$ 5.6	$ 392.5	$ 31.3
Capital expenditures				
Expansion	$ 3.6	$ 1.9	$ 45.5	$ 2.8
Environmental	0.1	(0.1)	0.8	(0.2)
Maintenance	19.6	(1.3)	181.4	(2.8)
Total capital expenditures (accrual basis)	23.3	0.5	227.7	(0.2)
Cash basis adjustment	-	-	3.3	(3.3)
Total capital expenditures (cash basis)	$ 23.3	$ 0.5	$ 231.0	$ (3.5)

Key Messages

EBIT for October 2007 was favorable compared to plan. Favorable electric sales due to favorable cooling degree days were offset by unfavorable weather related to the gas business and increased operation and maintenance costs. Pricing and riders also contributed positively for October driven in part by higher base transmission rates, higher gas rates due to seasonal price variations and the addition of Ohio's DSM Rider which was not in the plan.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net Revenue Margin-retail	$ 77.8	$ 8.1	$ 816.1	$ 32.4
Weather-Gas		(2.0)		(1.5)
Weather- Electric		2.5		28.6
Volume		(0.3)		(9.7)
Pricing / Riders		6.9		17.8
Revenue give-backs		-		(1.3)
Other net revenue margin - retail		1.0		(1.5)
Bulk Power Marketing (net of sharing)	0.6	0.4	0.7	0.1
Operation and Maintenance	(36.6)	(5.1)	(330.5)	(3.1)
Other	(23.5)	0.9	(285.0)	(6.7)
Total	$ 18.3	$ 4.3	$ 201.3	$ 22.7

	CURRENT MONTH		YEAR TO DATE	
Key Operational Drivers	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Heating Degree Days	95	(81)	2,447	(30)
Cooling Degree Days	77	59	1,613	574

U.S. FRANCHISED ELECTRIC & GAS - Duke Energy Kentucky Consolidated
October 2007
(Dollars in millions)

	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
EBIT, from continuing operations	$ 7.3	$ 2.8	$ 65.3	$ 0.4
EBITDA, from continuing operations	$ 10.7	$ 3.2	$ 99.7	$ 4.4
Capital expenditures				
Expansion	$ 2.3	$ (1.0)	$ 10.1	$ 0.8
Environmental	0.2	(0.2)	0.8	(0.2)
Maintenance	7.6	(3.2)	43.1	3.0
Total capital expenditures (accrual basis) (a)	10.2	(4.4)	54.0	3.6

(a) Excludes the non-cash item AFUDC-equity component.

Key Messages

The favorable YTD EBIT variance was primarily due to favorable weather partially offset by higher operation and maintenace costs.

Key EBIT Variance Drivers	CURRENT MONTH		YEAR TO DATE	
	Actual	Plan Variance F(U)	Actual	Plan Variance F(U)
Net revenue margin - retail	$ 19.4	$ 2.6	$ 203.5	$ 8.8
Weather-Gas		(0.5)		(0.4)
Weather-Electric		0.6		8.3
Volume		0.5		(1.0)
Pricing / Riders		1.4		(0.1)
Revenue give-backs		-		(1.3)
Other net revenue margin - retail		0.6		3.3
Bulk power marketing (net of sharing)	0.6	0.4	0.7	0.1
Operation and maintenance	(10.2)	(1.8)	(95.2)	(6.1)
Other	-	-	-	-
Total	$ 9.8	$ 1.2	$ 109.0	$ 2.8

U.S. Franchised Electric & Gas
Components of "Other"
October 2007 EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	0.2
Other Gas margins	1.0
Other	(0.2)
Total Other Net Revenue Margin - Retail	1.0
Other - Non Retail	
Depreciation\Amortization	(1.3)
General taxes (excl offset by OET , ETR, STR riders)	2.1
Miscellaneous	0.1
Total Other - Non Retail	$ 0.9

October YTD EBIT - AvB

	AvB Consolidated Ohio & Kentucky
Other Net Revenue Margin - Retail	
Native Emission Allowances	1.9
Other electric margins	1.1
Other gas margins	1.2
Fuel	(5.7)
Total Other Net Revenue Margin - Retail	(1.5)
Other - Non Retail	
Depreciation\Amortization	(8.6)
General taxes (excl offset by OET , ETR, STR riders)	2.6
AFUDC - equity	1.3
Miscellaneous other	(2.0)
Total Other - Non Retail	$ (6.7)