

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Components of Net Periodic Other Post-Retirement Benefit Costs as allocated by Duke Energy

(in millions)	For the Years Ended December 31,		
	2011	2010	2009
Service cost	\$ 1	\$ 1	\$ 1
Interest cost on accumulated post-retirement benefit obligation	7	8	11
Expected return on plan assets	(1)	(1)	(1)
Amortization of actuarial loss (gain)	2	1	2
Net periodic other post-retirement benefit costs	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 13</u>

Other Changes in Plan Assets and Projected Benefit Obligations Recognized in Regulatory Assets and Regulatory Liabilities: Other Post-Retirement Benefit Plans

(in millions)	For the year ended December 31,	
	2011	2010
Regulatory assets, net decrease	\$ (7)	\$ (12)
Regulatory liabilities, net increase (decrease)	12	(6)

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Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

(in millions)	As of and for the Years Ended December 31,	
	2011	2010
Change in Benefit Obligation		
Accumulated post-retirement benefit obligation at prior measurement date	\$ 152	\$ 154
Service cost	1	1
Interest cost	7	8
Plan participant's contributions	4	3
Actuarial (gain) loss	(17)	1
Benefits paid	(14)	(15)
Transfers	-	(1)
Early retiree reinsurance program subsidy	1	-
Accrued retiree drug subsidy	1	1
Accumulated post-retirement benefit obligation at measurement date	\$ 135	\$ 152
Change in Fair Value of Plan Assets		
Plan assets at prior measurement date	\$ 14	\$ 13
Actual return on plan assets	-	2
Benefits paid	(14)	(15)
Employer contributions	10	11
Plan participants' contributions	4	3
Plan assets at measurement date	\$ 14	\$ 14

Amounts Recognized in the Consolidated Balance Sheets: Other Post-Retirement Benefit Plans

The following table provides the amounts related to Duke Energy Indiana's other post-retirement benefit plans that are reflected in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

(in millions)	As of December 31,	
	2011	2010
Accrued other post-retirement liability ^(a)	\$ (121)	\$ (138)

- (a) Includes an insignificant amount recognized in Other within Current Liabilities on the Consolidated Balance Sheets as of both December 31, 2011 and 2010.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table provides the amounts related to Duke Energy Indiana's other post-retirement benefit plans that are reflected in Other within Regulatory Assets and Deferred Debits and within Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets at December 31, 2011 and 2010:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2010</u>
	(in millions)	
Regulatory assets	\$ 83	\$ 90
Regulatory liabilities	70	58

Assumptions Used for Other Post-retirement Benefits Accounting

(percentages)	<u>As of December 31,</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Benefit Obligations			
Discount rate	5.10	5.00	5.50
Net Periodic Benefit Cost			
Discount rate	5.00	5.50	6.50
Expected long-term rate of return on plan assets	8.25	8.50	8.50

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for the projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

Assumed Health Care Cost Trend Rate

	<u>2011</u>	<u>2010</u>
Health care cost trend rate assumed for next year	8.75%	8.50%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2020	2020

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Sensitivity to Changes in Assumed Health Care Cost Trend Rates

(in millions)	<u>1-Percentage- Point Increase</u>	<u>1-Percentage- Point Decrease</u>
Effect on total service and interest costs	\$ 1	\$ (1)
Effect on post-retirement benefit obligation	18	(16)

Expected Benefit Payments

The following table presents Duke Energy's expected benefit payments to participants on behalf of Duke Energy Indiana in its qualified, non-qualified and other post-retirement benefit plans over the next 10 years, which are primarily paid out of the assets of the various trusts. These benefit payments reflect expected future service, as appropriate.

(in millions)	<u>Qualified Plans</u>	<u>Non- Qualified Plans</u>	<u>Other Post- Retirement Plans^(a)</u>	<u>Total</u>
Years Ended December 31,				
2012	\$ 46	\$ 1	\$ 12	\$ 59
2013	43	1	13	57
2014	42	1	13	56
2015	42	1	13	56
2016	43	1	13	57
2017 – 2021	223	3	61	287

- (a) Duke Energy expects to receive future subsidies under Medicare Part D on behalf of Duke Energy Indiana of \$1 million in each of the years 2012-2016 and a total of \$5 million during the years 2017-2021.

Employee Savings Plans

Duke Energy sponsors, and Duke Energy Indiana participates in, an employee savings plan that covers substantially all U.S. employees. Duke Energy contributes a matching contribution equal to 100% of employee before-tax and Roth 401(k) employee contributions, of up to 6% of eligible pay per period. Duke Energy Indiana expensed pre-tax plan contributions, as allocated by Duke Energy, of \$8 million in 2011, \$6 million in 2010 and \$5 million in 2009.

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22. INCOME TAXES

Duke Energy and its subsidiaries file income tax returns in the U.S. with federal and various state governmental authorities, and in certain foreign jurisdictions. The taxable income of Duke Energy and its subsidiaries is reflected in Duke Energy's U.S. federal and state income tax returns. These subsidiaries have a tax sharing agreement with Duke Energy where the separate return method is used to allocate tax expenses and benefits to the subsidiaries whose investments or results of operations provide these tax expenses and benefits. The accounting for income taxes essentially represents the income taxes that each of these subsidiaries would incur if it were a separate company filing its own tax return as a C-Corporation.

The following details the components of income tax expense:

INCOME TAX EXPENSE

(in millions)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current income taxes				
Federal	\$ (37)	\$ (122)	\$ (95)	\$ 95
State	21	30	1	42
Foreign	164	-	-	-
Total current income taxes	148	(92)	(94)	137
Deferred income taxes				
Federal	526	531	194	(38)
State	56	40	(2)	(23)
Foreign	32	-	-	-
Total deferred income taxes	614	571	192	(61)
Investment tax credit amortization	(10)	(7)	(2)	(2)
Total income tax expense included in Consolidated Statements of Operations ^(a)	<u>\$ 752</u>	<u>\$ 472</u>	<u>\$ 96</u>	<u>\$ 74</u>

- (a) Included in the "Total current income taxes" line above are uncertain tax benefits relating primarily to certain temporary differences of \$43 million at Duke Energy, \$43 million at Duke Energy Carolinas, \$3 million at Duke Energy Ohio and \$3 million at Duke Energy Indiana. The offset to these temporary differences are included in the "Total deferred income taxes" line above.

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(in millions)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current income taxes				
Federal	\$ (5)	\$ 3	\$ 107	\$ (3)
State	39	(2)	8	16
Foreign	125	-	-	-
Total current income taxes	<u>159</u>	<u>1</u>	<u>115</u>	<u>13</u>
Deferred income taxes				
Federal	639	388	6	123
State	83	75	12	22
Foreign	20	-	-	-
Total deferred income taxes	<u>742</u>	<u>463</u>	<u>18</u>	<u>145</u>
Investment tax credit amortization	(11)	(7)	(1)	(2)
Total income tax expense from continuing operations	890	457	132	156
Total income tax benefit from discontinued operations	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income tax expense included in Consolidated Statements of Operations ^(a)	<u>\$ 889</u>	<u>\$ 457</u>	<u>\$ 132</u>	<u>\$ 156</u>

- (a) Included in the "Total current income taxes" line above are uncertain tax benefits relating primarily to certain temporary differences of \$392 million at Duke Energy, \$300 million at Duke Energy Carolinas, \$3 million at Duke Energy Ohio and \$7 million at Duke Energy Indiana. The offset to these temporary differences are included in the "Total deferred income taxes" line above.

(in millions)	For the Year Ended December 31, 2009			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current income taxes				
Federal	\$ (271)	\$ (196)	\$ 77	\$ 2
State	3	(27)	7	5
Foreign	96	-	-	-
Total current income taxes	<u>(172)</u>	<u>(223)</u>	<u>84</u>	<u>7</u>
Deferred income taxes				
Federal	767	518	97	89
State	148	89	7	22
Foreign	27	-	-	-
Total deferred income taxes	<u>942</u>	<u>607</u>	<u>104</u>	<u>111</u>
Investment tax credit amortization	(12)	(7)	(2)	(2)
Total income tax expense from continuing operations	758	377	186	116
Total income tax benefit from discontinued operations	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income tax expense included in Consolidated Statements of Operations ^(a)	<u>\$ 756</u>	<u>\$ 377</u>	<u>\$ 186</u>	<u>\$ 116</u>

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- (a) Included in the "Total current income taxes" line above are uncertain tax benefits relating primarily to certain temporary differences of \$91 million at Duke Energy, uncertain tax expenses of \$42 million, \$22 million and \$20 million at Duke Energy Carolinas, Duke Energy Ohio, and Duke Energy Indiana, respectively. The offset to these temporary differences are included in the "Total deferred income taxes" line above.

Duke Energy Income from Continuing Operations before Income Taxes

(in millions)	For the Years Ended December 31,		
	2011	2010	2009
Domestic	\$ 1,780	\$ 1,731	\$ 1,433
Foreign	685	479	398
Total income from continuing operations before income taxes	<u>\$ 2,465</u>	<u>\$ 2,210</u>	<u>\$ 1,831</u>

Reconciliation of Income Tax Expense at the U.S. Federal Statutory Tax Rate to the Actual Tax Expense from Continuing Operations (Statutory Rate Reconciliation)

(in millions)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35%	\$ 863	\$ 457	\$ 102	\$ 85
State income tax, net of federal income tax effect	50	46	(1)	13
Tax differential on foreign earnings	(44)	—	—	—
AFUDC equity income	(91)	(59)	(2)	(31)
Other items, net	(26)	28	(3)	7
Total income tax expense from continuing operations	<u>\$ 752</u>	<u>\$ 472</u>	<u>\$ 96</u>	<u>\$ 74</u>
Effective tax rate	30.5%	36.1%	33.1%	30.6%

(in millions)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35%	\$ 774	\$ 454	\$ (108)	\$ 155
State income tax, net of federal income tax effect	82	48	14	26
Tax differential on foreign earnings	(22)	-	-	-
Goodwill impairment charges	175	-	237	-
AFUDC equity income	(82)	(61)	(2)	(20)
Other items, net	(37)	16	(9)	(5)
Total income tax expense from continuing operations	<u>\$ 890</u>	<u>\$ 457</u>	<u>\$ 132</u>	<u>\$ 156</u>
Effective tax rate	40.3%	35.3%	(43.0)%	35.5%

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(in millions)	For the Year Ended December 31, 2009			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35%	\$ 641	\$ 378	\$ (84)	\$ 111
State income tax, net of federal income tax effect	98	40	9	18
Tax differential on foreign earnings	(16)	-	-	-
Goodwill impairment charges	130	-	254	-
AFUDC equity income	(53)	(44)	1	(10)
Other items, net	(42)	3	6	(3)
Total income tax expense from continuing operations	<u>\$ 758</u>	<u>\$ 377</u>	<u>\$ 186</u>	<u>\$ 116</u>
Effective tax rate	41.4%	34.9%	(77.5)%	36.7%

Valuation allowances have been established for certain foreign and state net operating loss carryforwards that reduce deferred tax assets to an amount that will be realized on a more-likely-than-not basis. The net change in the total valuation allowance is included in Tax differential on foreign earnings and State income tax, net of federal income tax effect in the above table.

Net Deferred Income Tax Liability Components

(in millions)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	\$ 790	\$ 228	\$ 68	\$ 92
Tax Credits and NOL Carry forwards ^(a)	930	199	-	95
Investments and other assets	-	-	3	-
Other	137	18	31	5
Total deferred income tax assets	<u>1,857</u>	<u>445</u>	<u>102</u>	<u>192</u>
Valuation allowance	(144)	-	-	-
Net deferred income tax assets	1,713	445	102	192
Investments and other assets	(809)	(720)	-	(2)
Accelerated depreciation rates	(6,989)	(3,576)	(1,706)	(968)
Regulatory assets and deferred debits	(1,219)	(658)	(216)	(136)
Total deferred income tax liabilities	<u>(9,017)</u>	<u>(4,954)</u>	<u>(1,922)</u>	<u>(1,106)</u>
Net deferred income tax liabilities	<u>\$ (7,304)</u>	<u>\$ (4,509)</u>	<u>\$ (1,820)</u>	<u>\$ (914)</u>

(a) See Tax Credits and NOL Carryforwards table below.

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Tax Credits and NOL Carryforwards

(in millions) Description	For the Year Ended December 31, 2011	
	Amount	Expiration Year
Investment Tax Credits	\$ 362	2029 – 2031
Alternative Minimum Tax Credits	145	Indefinite
Federal NOL	274	2031
State NOL ^(a)	47	2016 – 2031
Foreign NOL ^(b)	102	2015 – 2029; Indefinite

- (a) A valuation allowance of \$41 million has been recorded on the State NOL Carryforwards, as presented in the Net Deferred Income Tax Liability Components table.
- (b) A valuation allowance of \$102 million has been recorded on the Foreign NOL Carryforwards, as presented in the Net Deferred Income Tax Liability Components table.

(in millions)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	\$ 679	\$ 204	\$ 61	\$ 70
Tax Credits and NOL Carryforwards	554	52	-	100
Other	100	15	19	5
Total deferred income tax assets	1,333	271	80	175
Valuation allowance	(145)	-	-	-
Net deferred income tax assets	1,188	271	80	175
Investments and other assets	(781)	(675)	(11)	(41)
Accelerated depreciation rates	(6,052)	(2,990)	(1,529)	(973)
Regulatory assets and deferred debits	(996)	(513)	(171)	(93)
Total deferred income tax liabilities	(7,829)	(4,178)	(1,711)	(1,107)
Net deferred income tax liabilities	\$ (6,641)	\$ (3,907)	\$ (1,631)	\$ (932)

The above amounts have been classified in the Consolidated Balance Sheets as follows:

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Deferred Tax Assets (Liabilities)

(in millions)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current deferred tax assets, included in other current assets	\$ 210	\$ 46	\$ 33	\$ 13
Non-current deferred tax assets, included in other investments and other assets	67	-	-	-
Non-current deferred tax liabilities	<u>(7,581)</u>	<u>(4,555)</u>	<u>(1,853)</u>	<u>(927)</u>
Total net deferred income tax liabilities	<u>\$ (7,304)</u>	<u>\$ (4,509)</u>	<u>\$ (1,820)</u>	<u>\$ (914)</u>

(in millions)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Current deferred tax assets, included in other current assets	\$ 236	\$ 81	\$ 9	\$ 41
Non-current deferred tax assets, included in other investments and other assets	101	-	-	-
Non-current deferred tax liabilities	<u>(6,978)</u>	<u>(3,988)</u>	<u>(1,640)</u>	<u>(973)</u>
Total net deferred income tax liabilities	<u>\$ (6,641)</u>	<u>\$ (3,907)</u>	<u>\$ (1,631)</u>	<u>\$ (932)</u>

Deferred income taxes and foreign withholding taxes have not been provided on undistributed earnings of Duke Energy's foreign subsidiaries when such amounts are deemed to be indefinitely reinvested. The cumulative undistributed earnings as of December 31, 2011 on which Duke Energy has not provided deferred income taxes and foreign withholding taxes is \$1.7 billion. The amount of unrecognized deferred tax liability related to these undistributed earnings is estimated at between \$250 million and \$325 million.

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Changes to Unrecognized Tax Benefits

(in millions) Increase/(Decrease)	For the Year Ended December 31, 2011			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Unrecognized Tax Benefits — January 1,	\$ 342	\$ 217	\$ 29	\$ 21
Unrecognized Tax Benefits Changes				
Gross increases — tax positions in prior periods	49	42	4	3
Gross decreases — tax positions in prior periods	(18)	(8)	(5)	(3)
Gross increases — current period tax positions	16	9	4	3
Settlements	(4)	-	-	-
Total Changes	43	43	3	3
Unrecognized Tax Benefits — December 31,	<u>\$ 385</u>	<u>\$ 260</u>	<u>\$ 32</u>	<u>\$ 24</u>

(in millions) Increase/(Decrease)	For the Year Ended December 31, 2010			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Unrecognized Tax Benefits — January 1,	\$ 664	\$ 517	\$ 32	\$ 28
Unrecognized Tax Benefits Changes				
Gross increases — tax positions in prior periods	36	14	15	7
Gross decreases — tax positions in prior periods	(43)	(7)	(21)	(13)
Gross increases — current period tax positions	5	3	1	1
Settlements	(320)	(310)	2	(2)
Total Changes	(322)	(300)	(3)	(7)
Unrecognized Tax Benefits — December 31,	<u>\$ 342</u>	<u>\$ 217</u>	<u>\$ 29</u>	<u>\$ 21</u>

(in millions) Increase/(Decrease)	For the Year Ended December 31, 2009			
	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Unrecognized Tax Benefits — January 1,	\$ 572	\$ 462	\$ 15	\$ 9
Unrecognized Tax Benefits Changes				
Gross increases — tax positions in prior periods	132	58	30	22
Gross decreases — tax positions in prior periods	(38)	(11)	(9)	(1)
Gross increases — current period tax positions	11	8	1	2
Settlements	(13)	-	(5)	(4)
Total Changes	92	55	17	19
Unrecognized Tax Benefits — December 31,	<u>\$ 664</u>	<u>\$ 517</u>	<u>\$ 32</u>	<u>\$ 28</u>

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The following table includes information regarding the Duke Energy Registrants unrecognized tax benefits^(a).

(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
December 31, 2011				
Amount that if recognized, would affect the effective tax rate or regulatory liability ^(b)	121	115	-	-
Amount that if recognized, would be recorded as a component of discontinued operations	11	-	-	-

- (a) The Duke Registrants do not anticipate a material increase or decrease in unrecognized tax benefits in the next 12 months.
- (b) Duke Energy and Duke Energy Carolinas are unable to estimate the specific amounts that would affect the effective tax rate or regulatory liability.

The following tables include interest and penalties recognized in the consolidated statements of operations and the consolidated balance sheets:

(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
December 31, 2011				
Net interest income recognized related to income taxes	\$ 12	\$ 5	\$ -	\$ -
Net interest expense recognized related to income taxes	-	-	1	1
Interest receivable related to income taxes included in the consolidated balance sheets	8	5	-	-
Interest payable related to income taxes included in the consolidated balance sheets	-	-	3	3
Accruals for the payment of penalties included in the consolidated balance sheets	-	-	-	-

(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
December 31, 2010				
Net interest income recognized related to income taxes	\$ 26	\$ 18	\$ 4	\$ 5
Interest receivable related to income taxes included in the consolidated balance sheets	33	34	-	-
Interest payable related to income taxes included in the consolidated balance sheets	-	-	1	2
Accruals for the payment of penalties included in the consolidated balance sheets	3	-	-	-

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(in millions)	<u>Duke Energy</u>	<u>Duke Energy Carolinas</u>	<u>Duke Energy Ohio</u>	<u>Duke Energy Indiana</u>
December 31, 2009				
Net interest expense recognized related to income taxes	\$ 7	\$ -	\$ 8	\$ 5

Duke Energy and its subsidiaries are no longer subject to U.S. federal examination for years before 2004. The years 2004 and 2005 are in Appeals. The Internal Revenue Service (IRS) is currently auditing the federal income tax returns for years 2006 and 2007. With few exceptions, Duke Energy and its subsidiaries are no longer subject to state, local or non-U.S. income tax examinations by tax authorities for years before 1999.

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23. SUBSEQUENT EVENTS

For information on subsequent events related to acquisitions, regulatory matters, commitments and contingencies, debt and credit facilities and joint ownership of generating and transmission facilities, see Notes 2, 4, 5, 6 and 8 respectively.

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24. QUARTERLY FINANCIAL DATA (UNAUDITED)

Duke Energy

(In millions, except share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2011					
Operating revenues	\$ 3,663	\$ 3,534	\$ 3,964	\$ 3,368	\$ 14,529
Operating income	814	679	767	517	2,777
Net income attributable to Duke Energy Corporation	511	435	472	288	1,706
Earnings per share:					
Basic ^(a)	\$ 0.38	\$ 0.33	\$ 0.35	\$ 0.22	\$ 1.28
Diluted ^(a)	\$ 0.38	\$ 0.33	\$ 0.35	\$ 0.22	\$ 1.28
2010					
Operating revenues	\$ 3,594	\$ 3,287	\$ 3,946	\$ 3,445	\$ 14,272
Operating income (loss)	761	(14)	1,033	681	2,461
Net income (loss) attributable to Duke Energy Corporation	445	(222)	670	427	1,320
Earnings (loss) per share:					
Basic ^(a)	\$ 0.34	\$ (0.17)	\$ 0.51	\$ 0.32	\$ 1.00
Diluted ^(a)	\$ 0.34	\$ (0.17)	\$ 0.51	\$ 0.32	\$ 1.00

(a) Quarterly EPS amounts are meant to be stand-alone calculations and are not always additive to full-year amount due to rounding.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table includes unusual or infrequently occurring items recorded by Duke Energy in each quarter during the two most recently completed fiscal years. All amounts discussed below are pre-tax unless otherwise noted.

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2011				
Edwardsport IGCC impairment (see Note 4)	\$ -	\$ -	\$ (222)	\$ -
Emission Allowance impairment (see Note 12)	-	-	(79)	-
Energy efficiency revenue adjustment ^(a)	-	-	-	59
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (301)</u>	<u>\$ (59)</u>
2010				
Voluntary severance program expenses (see Note 19)	\$ (68)	\$ (76)	\$ (20)	\$ (8)
Commercial Power non-regulated Midwest generation goodwill impairment (see Note 12)	-	(500)	-	-
Midwest generation asset and emission allowance impairment (see Note 12)	-	(160)	-	-
Edwardsport IGCC impairment (see Note 4)	-	-	(44)	-
Gain on sale of investment in Q-Comm (see Note 13)	-	-	-	109
Gain on sale of DukeNet (see Note 3)	-	-	-	139
Total	<u>\$ (68)</u>	<u>\$ (736)</u>	<u>\$ (64)</u>	<u>\$ 240</u>

- (a) In the fourth quarter of 2011, Duke Energy recorded \$59 million of previously deferred revenue resulting from the receipt of an order from the NCUC which allowed the recognition of revenue in excess of amounts billed to customers.

Duke Energy Carolinas

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2011					
Operating revenues	\$ 1,552	\$ 1,607	\$ 1,868	\$ 1,466	\$ 6,493
Operating income	363	331	541	245	1,480
Net income	205	193	311	125	834
2010					
Operating revenues	\$ 1,545	\$ 1,513	\$ 1,877	\$ 1,489	\$ 6,424
Operating income	347	313	521	264	1,445
Net income	192	202	315	129	838

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table includes unusual or infrequently occurring items recorded by Duke Energy Carolinas in each quarter during 2011 and 2010. All amounts discussed below are pre-tax unless otherwise noted.

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2011				
Energy efficiency revenue adjustment ^(a)				\$ 59
2010				
Voluntary severance program expenses (see Note 19)	\$ (42)	\$ (43)	\$ (13)	\$ (1)

- (a) In the fourth quarter of 2011, Duke Energy Carolinas recorded \$59 million of previously deferred revenue resulting from the receipt of an order from the NCUC which allowed the recognition of revenue in excess of amounts billed to customers.

Duke Energy Ohio

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2011					
Operating revenues	\$ 879	\$ 694	\$ 838	\$ 770	\$ 3,181
Operating income	135	59	116	65	375
Net income	73	33	51	37	194
2010					
Operating revenues	\$ 977	\$ 649	\$ 923	\$ 780	\$ 3,329
Operating income (loss)	222	(781)	279	55	(225)
Net income (loss)	130	(759)	176	12	(441)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table includes unusual or infrequently occurring items recorded by Duke Energy Ohio in each quarter during the two most recently completed fiscal years. All amounts discussed below are pre-tax unless otherwise noted.

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2011				
Emission Allowance impairment (see Note 12)	\$ -	\$ -	\$ (79)	\$ -
2010				
Voluntary severance program expenses (see Note 19)	\$ (11)	\$ (10)	\$ (2)	\$ (1)
Commercial Power non-regulated Midwest generation goodwill impairment (see Note 12)	-	(461)	-	-
FE&G Ohio T&D goodwill impairment (see Note 12)	-	(216)	-	-
Midwest generation asset and emission allowance impairment (see Note 12)	-	(160)	-	-
Disallowance of previously deferred storm costs	-	-	-	(17)
Total	\$ (11)	\$ (847)	\$ (2)	\$ (18)

Duke Energy Indiana

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2011					
Operating revenues	\$ 659	\$ 620	\$ 718	\$ 625	\$ 2,622
Operating income (loss)	130	109	(42)	85	282
Net income (loss)	76	68	(31)	55	168
2010					
Operating revenues	\$ 610	\$ 579	\$ 694	\$ 637	\$ 2,520
Operating income	121	109	149	127	506
Net income	70	57	92	66	285

The following table includes unusual or infrequently occurring items recorded by Duke Energy Indiana in each quarter during the two most recently completed fiscal years. All amounts discussed below are pre-tax unless otherwise noted.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

(In millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2011				
Edwardsport IGCC impairment (see Note 4)	\$ -	\$ -	\$ (222)	\$ -
2010				
Voluntary severance program expenses (see Note 19)	\$ (10)	\$ (16)	\$ (3)	\$ (4)
Edwardsport IGCC impairment (see Note 4)	-	-	(44)	-
Total	\$ (10)	\$ (16)	\$ (47)	\$ (4)

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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1		1,781,128	(28,472,983)		
2		(498,224)	(498,224)		
3		(1,282,904)	7,307,830		
4		(1,781,128)	6,809,606	(440,568,022)	(433,758,416)
5			(21,663,377)		
6			(21,663,377)		
7			(41,455)		
8			(6,054,975)		
9			(6,096,430)	194,332,094	188,235,664
10			(27,759,807)		

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	6,632,785,549	5,310,528,442
4	Property Under Capital Leases	98,610,602	54,696,283
5	Plant Purchased or Sold		
6	Completed Construction not Classified	1,201,461,628	717,461,322
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	7,932,857,779	6,082,686,047
9	Leased to Others		
10	Held for Future Use	4,714,585	4,714,585
11	Construction Work in Progress	205,967,460	163,812,990
12	Acquisition Adjustments	269,453,622	269,453,622
13	Total Utility Plant (8 thru 12)	8,412,993,446	6,520,667,244
14	Accum Prov for Depr, Amort, & Depl	2,863,162,818	2,299,627,635
15	Net Utility Plant (13 less 14)	5,549,830,628	4,221,039,609
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,550,661,360	2,112,366,097
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	198,908,184	73,313,181
22	Total In Service (18 thru 21)	2,749,569,544	2,185,679,278
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation	132,987	132,987
29	Amortization		
30	Total Held for Future Use (28 & 29)	132,987	132,987
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	113,460,287	113,815,370
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,863,162,818	2,299,627,635

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
1,076,203,065				246,054,042	3
38,641,042				5,273,277	4
					5
437,077,469				46,922,837	6
					7
1,551,921,576				298,250,156	8
					9
					10
9,893,858				32,260,612	11
					12
1,561,815,434				330,510,768	13
419,718,643				143,816,540	14
1,142,096,791				186,694,228	15
					16
					17
405,483,451				32,811,812	18
					19
					20
14,235,192				111,359,811	21
419,718,643				144,171,623	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
				-355,083	32
419,718,643				143,816,540	33

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	76,063,040	2,470,362
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	76,063,040	2,470,362
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	16,682,926	-3,260,556
9	(311) Structures and Improvements	469,928,779	8,215,283
10	(312) Boiler Plant Equipment	2,125,613,520	62,627,536
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	386,471,932	18,596,974
13	(315) Accessory Electric Equipment	249,692,230	1,567,906
14	(316) Misc. Power Plant Equipment	80,435,030	-12,317,867
15	(317) Asset Retirement Costs for Steam Production	1,346,170	-115,176
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	3,330,170,587	75,314,100
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	8,822,784	
38	(341) Structures and Improvements	137,323,898	109,984
39	(342) Fuel Holders, Products, and Accessories	29,309,787	-619,586
40	(343) Prime Movers	285,276,454	-3,530,151
41	(344) Generators	1,178,146,803	-418,271
42	(345) Accessory Electric Equipment	95,004,655	111,846
43	(346) Misc. Power Plant Equipment	-16,809,560	399,938
44	(347) Asset Retirement Costs for Other Production	234,211	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	1,717,309,032	-3,946,240
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	5,047,479,619	71,367,860

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	33,117,295	73,833
49	(352) Structures and Improvements	10,857,028	423,021
50	(353) Station Equipment	407,357,345	6,075,775
51	(354) Towers and Fixtures	40,593,454	39,633
52	(355) Poles and Fixtures	67,300,881	5,211,610
53	(356) Overhead Conductors and Devices	102,516,365	176,773
54	(357) Underground Conduit	4,697,897	197,750
55	(358) Underground Conductors and Devices	4,670,793	197,747
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	671,111,058	12,396,142
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	35,960,875	3,193,495
61	(361) Structures and Improvements	7,569,150	645,365
62	(362) Station Equipment	271,021,049	15,101,369
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	237,274,591	4,253,711
65	(365) Overhead Conductors and Devices	369,312,684	19,995,332
66	(366) Underground Conduit	81,025,868	6,487,792
67	(367) Underground Conductors and Devices	260,984,675	17,896,115
68	(368) Line Transformers	359,674,666	16,107,361
69	(369) Services	62,511,776	2,948,102
70	(370) Meters	93,519,605	17,805,317
71	(371) Installations on Customer Premises	819,944	129,596
72	(372) Leased Property on Customer Premises	102,503	
73	(373) Street Lighting and Signal Systems	64,583,958	3,955,767
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,844,361,344	108,519,322
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	951,856	
87	(390) Structures and Improvements	26,120,659	1,607,175
88	(391) Office Furniture and Equipment	22,398,481	2,108,584
89	(392) Transportation Equipment	4,411,994	107,112
90	(393) Stores Equipment		
91	(394) Tools, Shop and Garage Equipment	12,701,584	1,510,269
92	(395) Laboratory Equipment	245,493	
93	(396) Power Operated Equipment	1,088,311	
94	(397) Communication Equipment	36,401,372	5,522,162
95	(398) Miscellaneous Equipment	55,816	15,930
96	SUBTOTAL (Enter Total of lines 86 thru 95)	104,375,566	10,871,232
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	104,375,566	10,871,232
100	TOTAL (Accounts 101 and 106)	7,743,390,627	205,624,918
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	7,743,390,627	205,624,918

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
			33,191,128	48
			11,280,049	49
102,158		-74,404,420	338,926,542	50
14,195			40,618,892	51
47,470			72,465,021	52
109,980			102,583,158	53
			4,895,647	54
			4,868,540	55
				56
				57
273,803		-74,404,420	608,828,977	58
				59
7,884		73,135	39,219,621	60
			8,214,515	61
436,483		391,774	286,077,709	62
				63
1,626,524		-345	239,901,433	64
4,137,918		3,749,419	388,919,517	65
4,359			87,509,301	66
1,378,595		-587,478	276,914,717	67
3,312,937		-4,312,934	368,156,156	68
115,160			65,344,718	69
13,623,940		-1,385,112	96,315,870	70
154,394			795,146	71
			102,503	72
419,399		345	68,120,671	73
				74
25,217,593		-2,071,196	1,925,591,877	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			951,856	86
		-2,856,914	24,870,920	87
176,269		-21,318,704	3,012,092	88
		-269,807	4,249,299	89
				90
234,583			13,977,270	91
120,383			125,110	92
			1,088,311	93
			41,923,534	94
			71,746	95
531,235		-24,445,425	90,270,138	96
				97
				98
531,235		-24,445,425	90,270,138	99
85,991,873		-1,780,337,625	6,082,686,047	100
				101
				102
				103
85,991,873		-1,780,337,625	6,082,686,047	104

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 204 Line No.: 58 Column: b

\$420,071.70 of Account 561 can be further classified into account number 561.BA for Balancing Authority costs, incurred by Control Area Operators as a result of implementing the Market and Services pursuant to Midwest-ISO's Schedule 24.

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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3	East Bend Station	01/2006		1,959,275
4				
5	J. M Stuart Station	12/1974		272,173
6				
7	Woodsdale Station	01/2006		2,012,790
8				
9	Other Projects			127,879
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23	East Bend Station	05/2006		251,236
24				
25	J. M. Stuart Station	12/1974		91,232
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
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42				
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46				
47	Total			4,714,585

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2011/Q4
FOOTNOTE DATA			

Schedule Page: 214 Line No.: 3 Column: d

Split for MISO Attachment O as transmission versus non-transmission related

2011

121,217 Transmission Land

4,593,368 Non-transmission

4,714,585

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Conesville FGD Landfill	2,336,322
2	Conesville JBR Retrofit Engineering	1,975,410
3	Conesville Unit 4 Turbine Upgrade	7,863,304
4	Carter Hollow Landfill	1,903,250
5	Zimmer Replace Furnace Right Hand Side Wall	1,100,810
6	West End 138kV Circuit Breakers Install	1,567,809
7	Rochelle Terminate 138kV Cable Circuit	1,687,405
8	Zimmer Replace Horizontal Reheater	3,157,825
9	Fleet Off Road Vehicles	1,144,257
10	Zimmer Replace Gas Insulated Sub	2,882,066
11	Smart Grid Electric Nodes	27,843,804
12	Mack Install TB 3 22.4 MVA 69-12.47kV	1,185,411
13	Red Bank 345kV Gas Bus Replacement	1,495,749
14	Whittier Install 2 33.6 MVA Transformers	3,631,257
15	Ashland Replace TB7 with a 56MVA LTC Bank	1,932,097
16	Killen Fossil Miscellaneous Assets	1,589,652
17	Lawrenceburg Road Landfill	3,297,196
18	Smart Grid Distribution Management Systems	2,068,567
19	Stuart Landfill	1,134,108
20	Stuart Generation Enterprise Asset System	1,332,950
21	Stuart General Plant Items	5,034,571
22	Distribution Line Clr Removal	4,602,100
23	Transmission Line Clr Removal	1,086,015
24	Zimmer Replace Superheat Outlet	2,829,993
25	Zimmer Chimney Brick Liner Protection	1,040,729
26	Zimmer Blade Replacement	1,536,002
27	Zimmer LPT Rotor Replacement	17,852,340
28	Zimmer New Burners Phase 1	1,008,874
29	Zimmer Mitigation Optimization	1,988,462
30	Zimmer Replace Turbine Controls	3,405,636
31	Projects Less than \$1,000,000	52,299,019
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	163,812,990

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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	2,525,100,502	2,524,965,976	134,526	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	150,391,482	150,391,482		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	-9,286	-9,286		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	309,121	309,121		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	150,691,317	150,691,317		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	85,460,639	85,460,639		
13	Cost of Removal	2,576,950	2,576,950		
14	Salvage (Credit)	140,863	140,863		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	87,896,726	87,896,726		
16	Other Debit or Cr. Items (Describe, details in footnote):	-475,392,140	-475,390,601	-1,539	
17	Gain / (Loss)	-3,869	-3,869		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	2,112,499,084	2,112,366,097	132,987	

Section B. Balances at End of Year According to Functional Classification

20	Steam Production	1,208,704,115	1,208,571,128	132,987	
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	18,311,235	18,311,235		
25	Transmission	222,775,806	222,775,806		
26	Distribution	641,367,306	641,367,306		
27	Regional Transmission and Market Operation				
28	General	21,340,622	21,340,622		
29	TOTAL (Enter Total of lines 20 thru 28)	2,112,499,084	2,112,366,097	132,987	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Ohio, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2011/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c

ARO \$309,121

Schedule Page: 219 Line No.: 16 Column: c

Common Utility Plant Provision	\$(5,146,873)
Generation Assets Transferred to Duke Energy Commercial Asset Management	(473,714,267)
Deferral of Smartgrid projects	3,746,330
Transfers and Adjustments	(275,791)
Total	<u>\$(475,390,601)</u>

Schedule Page: 219 Line No.: 16 Column: d

Transfers and Adjustments (Held for future use) \$(1,539)

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	MIAMI POWER CORPORATION	9/30/1945		
2	INVESTMENT AT COST			40,980
3	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			60,986
4	PURCHASE ACCOUNTING GOODWILL ALLOCATION			6,553
5	ADVANCES-OPEN ACCOUNT			6,090
6	SUBTOTAL			114,609
7				
8	DUKE ENERGY KENTUCKY, INC.	9/30/1945		
9	INVESTMENT AT COST			27,397,284
10	DUKE ENERGY KENTUCKY, INC & PURCH ACCTG UNAPPROPRIATED			292,046,953
11	PURCHASE ACCOUNTING GOODWILL ALLOCATION			172,312,903
12	CLEARING OF PURCHASE ACCOUNTING I&D & WORKERS COMP RESERVES			48,089
13	DUKE ENERGY KENTUCKY, INC AND PURCH ACCTG ADOPTION OF SFAS			-164,697
14	DEFERRED TAX RECONCILIATION ADJUSTMENTS			880,824
15	TRANSFER OF GENERATION PLANTS (CALEB)			140,061,362
16	ADVANCES-OPEN ACCOUNT			3,183,706
17	CONTRIBUTION FROM PARENT TO FUND PENSION CONTRIBUTION			3,150,000
18	KENTUCKY DIVIDEND TO PARENT			
19	SUBTOTAL			638,916,424
20				
21	TRI-STATE IMPROVEMENT COMPANY	1/14/1964		
22	INVESTMENT AT COST			25,000
23	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			-3,158,824
24	PURCHASE ACCOUNTING ADJUSTMENTS			2,690,629
25	PURCHASE ACCOUNTING GOODWILL ALLOCATION			-168,780
26	ADVANCES-OPEN ACCOUNT			360,924
27	SUBTOTAL			-251,051
28				
29	KO TRANSMISSION COMPANY	4/11/1994		
30	INVESTMENT AT COST			10
31	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			4,096,500
32	DEFERRED TAX RECONCILIATION ADJUSTMENTS			43,869
33	ADVANCES-OPEN ACCOUNT			617,865
34	SUBTOTAL			4,758,244
35				
36	DUKE ENERGY COMMERCIAL ASSET MANAGEMENT			
37	INVESTMENT AT COST (FAYETTE, LEE, WASHINGTON, & HANGING ROCK)	4/01/2011		
38	INVESTMENT AT COST (VERMILLION)	5/01/2011		
39	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			
40	ADVANCES-OPEN ACCOUNT			
41	SUBTOTAL			
42	Total Cost of Account 123.1 \$	1,797,817,121	TOTAL	643,538,226

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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
		40,980		2
14,361		75,347		3
		6,553		4
		6,090		5
14,361		128,970		6
				7
				8
		27,397,284		9
24,386,893		316,433,846		10
		172,312,903		11
		48,089		12
		-164,697		13
		880,824		14
		140,061,362		15
		3,183,706		16
		3,150,000		17
	135,000,000	-135,000,000		18
24,386,893	135,000,000	528,303,317		19
				20
				21
		25,000		22
435,139		-2,723,685		23
		2,690,629		24
		-168,780		25
		360,924		26
435,139		184,088		27
				28
				29
		10		30
705,794		4,802,294		31
		43,869		32
		617,865		33
705,794		5,464,038		34
				35
				36
	-1,032,299,496	1,032,299,496		37
	-138,400,465	138,400,465		38
92,609,785		92,609,785		39
	-426,962	426,962		40
92,609,785	-1,171,126,923	1,263,736,708		41
118,151,972	-1,036,126,923	1,797,817,121		42

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FOOTNOTE DATA			

Schedule Page: 224 Line No.: 37 Column: f

Transfer authorized by 126 FERC ¶ 61,146

Schedule Page: 224 Line No.: 38 Column: f

Transfer authorized by 126 FERC ¶ 61,146

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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2011/Q4</u>
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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	84,025,280	83,305,297	Gas and Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	48,099,268	40,712,928	Gas and Electric
8	Transmission Plant (Estimated)	7,698,844	15,567,661	Electric
9	Distribution Plant (Estimated)	23,830,152	53,246,189	Gas and Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	79,628,264	109,526,778	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	207,716	2,369,522	Gas and Electric
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	163,861,260	195,201,597	

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FOOTNOTE DATA			

Schedule Page: 227 Line No.: 16 Column: c
2010 - 163 Account

functionalization for use with MISO Attachment O:
Transmission 20,083

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in

Case No(s). 12-0001-EL-RPT

Summary: Annual Report Duke Energy Ohio Form 1 (Part 7 of 11) electronically filed by Ms. Sharon L Hood on behalf of Duke Energy Ohio, Inc.