THIS FILING IS	
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____

Form 2 Approved
OMB No.1902-0028
(Expires 10/31/2014)

Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)	Year/Period of Report
Duke Energy Ohio, Inc.	End of 2013/Q4

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Deloitte.

Deloitte & Touche LLP
550 South Tryon Street
Charlotte, NC 28202
USA
Tel: 704 887 1500
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Duke Energy Ohio, Inc.
Charlotte, North Carolina

We have audited the accompanying financial statements of Duke Energy Ohio, Inc. (the "Company"), which comprise the balance sheet — regulatory basis as of December 31, 2013, and the related statements of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year then ended, included on pages 110 through 122 of the accompanying Federal Energy Regulatory Commission Form 2, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of Duke Energy Ohio, Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

Basis of Accounting

As discussed in the opening paragraph in the notes to the financial statements, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restricted Use

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

Deloitte & Touche LLP

April 15, 2014

THIS PAGE WAS INTENTIONALLY LEFT BLANK

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent	Year/Period of Report
Duke Energy Ohio, Inc.	End of 2013/Q4

03 Previous Name and Date of Change (If name changed during year)

04 Address of Principal Office at End of Year (Street, City, State, Zip Code)
139 East Fourth Street, Cincinnati, OH 45202

05 Name of Contact Person	06 Title of Contact Person
Mark Outten	Accounting Analyst

07 Address of Contact Person (Street, City, State, Zip Code)
550 South Tryon Street, Charlotte, NC 28202

08 Telephone of Contact Person, Including Area Code	This Report Is:	10 Date of Report
704-382-0254	(1) [X] An Original (2) [ ] A Resubmission	*(Mo, Da, Yr)*

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name	12 Title
Brian D. Savoy	VP/Controller/Chief Acctg Officer
13 Signature	14 Date Signed 4/15/14

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		
15	Gas Property and Capacity Leased to Others	213		N/A
16	Gas Plant Held for Future Use	214		N/A
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		N/A
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		
23	Investments in Subsidiary Companies	224-225		
24	Prepayments	230		
25	Extraordinary Property Losses	230		N/A
26	Unrecovered Plant and Regulatory Study Costs	230		N/A
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		N/A
32	Other Paid-in Capital	253		
33	Discount on Capital Stock	254		N/A
34	Capital Stock Expense	254		N/A
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Reacquired Debt	260		
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		
44	Accumulated Deferred Income Taxes-Other	276-277		
45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		N/A
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		N/A
50	Revenues from Storage Gas of Others	306-307		N/A
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		N/A
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		
55	Gas Used in Utility Operations	331		N/A
56	Transmission and Compression of Gas by Others	332		N/A
57	Other Gas Supply Expenses	334		N/A
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
	COMMON SECTION			
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		N/A
67	Gas Storage Projects	512-513		N/A
68	Transmission Lines	514		N/A
69	Transmission System Peak Deliveries	518		N/A
70	Auxiliary Peaking Facilities	519		
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		N/A
73	System Map	522		N/A
74	Footnote Reference	551		N/A
75	Footnote Text	552		N/A
76	Stockholder's Reports (check appropriate box)			
	[ ] Four copies will be submitted [ ] No annual report to stockholders is prepared			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Brian D. Savoy
Controller, Chief Accounting Officer & Vice President
550 South Tryon Street
Charlotte, NC 28202

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Ohio
Date of Incorporation: April 3, 1837

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not applicable

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Ohio - Gas and Electric

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes... Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.
2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.
3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Cinergy Corp	M	DE	100.00
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Corporations Controlled by Respondent

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. In column (b) designate type of control of the respondent as "D" for direct, an "I" for indirect, or a "J" for joint control.

DEFINITIONS

---

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1	DECAM Generation Holdco, LLC	D	Public Utility	100	Not used
2	Duke Energy Beckjord, LLC	I	Public Utility	100	Not used
3	Duke Energy Commercial Asset Management	D	Public Utility	100	Not used
4	Duke Energy Conesville, LLC	I	Public Utility	100	Not used
5	Duke Energy Dicks Creek, LLC	I	Public Utility	100	Not used
6	Duke Energy Kentucky, Inc	D	Public Utility	100	Not used
7	Duke Energy Killen, LLC	I	Public Utility	100	Not used
8	Duke Energy Miami Fort, LLC	I	Public Utility	100	Not used
9	Duke Energy Piketon, LLC	I	Public Utility	100	Not used
10	Duke Energy Stuart, LLC	I	Public Utility	100	Not used
11	Duke Energy Zimmer, LLC	I	Public Utility	100	Not used
12	KO Transmission Company	D	Transportation of Energy	100	Not used
13	Miami Power Corporation	D	Transmission of Electric	100	Not used
14	Ohio Valley Electric Corporation	J	Owns Generating Facility	9	Not used
15	Tri-State Improvement Company	D	Real Estate	100	Not used
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Security Holders and Voting Powers

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants,

1. Give date of the latest closing of the stock book prior to end of year, and, in a footnote, state the purpose of such closing:	2. State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy. Total: 89663086 By Proxy:	3. Give the date and place of such meeting:

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES 4. Number of votes as of (date): Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
5	TOTAL votes of all voting securities	89,663,086	89,663,086		
6	TOTAL number of security holders	1	1		
7	TOTAL votes of security holders listed below	89,663,086	89,663,086		
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Important Changes During the Quarter/Year

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

1. None

2. See Notes to Financial Statements, Note 2, "Acquisitions, Dispositions and Sales of Other Assets"

3. See Notes to Financial Statements, Note 2, "Acquisitions, Dispositions and Sales of Other Assets" and Note 4, "Regulatory Matters"

4. None

5. None

6. See Notes to Financial Statements, Note 6, "Debt and Credit Facilities"

7. None

8. During the first quarter 2013, non-represented employees received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled $110,947 in annualized costs or a monthly amount of approximately $9,246.

9. See Notes to Financial Statements, Note 4, "Regulatory Matters" and Note 5, "Commitments and Contingencies"

10. None

11. The Ohio Public Utilities Commission (PUCO) issued an order in Duke Energy Ohio's gas base rate case (12-1685-GA-AIR) on November 13, 2013. The order provides for no change in base revenues, and amounts previously collected in the Company's Accelerated Main Replacement Program Rider and Advanced Utility Rider were moved into base rates effective December 2, 2013. The PUCO order authorized collection of $55.5 million over five years (2.8%) through a separate rate rider to recover costs associated with the environmental remediation of two Manufactured Gas Plant sites. Duke Energy Ohio serves approximately 420,000 gas distribution customers.

12. The officer and director appointments and resignations that occurred during the year are as follows:

APPOINTMENTS

Effective 1/04/2013	
Heath J. Shuler	Senior Vice President, Federal Affairs
Effective 1/15/2013	
Jeffrey M. Stone	Vice President, Internal Audit, Ethics & Compliance
Effective 1/30/2013	
Jason M. Allen	Senior Vice President, Environmental Health & Safety
Melody Birmingham-Byrd	Senior Vice President, Midwest Delivery Operations
Brett C. Carter	Senior Vice President & Chief Distribution Officer
Effective 7/01/2013	
Lynn J. Good	Chief Executive Officer
Effective 8/06/2013	
Kris C. Duffy	Assistant Treasurer
Steven K. Young	Chief Financial Officer & Executive Vice President

Effective 9/01/2013

Brian D. Savoy	Chief Accounting Officer, Controller & Vice President

Effective 12/01/2013

Russell L. Atkins	Vice President, Design Engineering & Consolidated Planning Midwest
Robert F. Caldwell	Vice President, Wholesale Power & Renewable Generation
Paul Draovitch	Vice President, Outage & Maintenance Services
Rodney E. Gaddy	Vice President, Administrative Services
Mark A. Myers	Vice President, Regulated Utility Financial Planning
L. Stanford Sherrill, Jr.	Vice President, Employee Relations and Labor Relations
Mark L. Short	Vice President, Talent Management
Tom Silinski	Vice President, Human Resources Operations
Robert A. Sipes	Vice President, Customer Operations Services
Catherine B. Stancombe	Vice President, Human Resources Business Partners
Janice L. Walker	Assistant Corporate Secretary

Effective 11/01/2012

David A. Renner	Vice President, Central Engineering and Services, effective 11/1/2012 with a consent date of 6/17/2013
Alexander J. Weintraub	Vice President, Fuels and System Optimization, effective 11/1/2012 with a consent date of 6/17/2013

RESIGNATIONS

Effective 1/31/2013

Beverly K. Marshall	Vice President, Federal Affairs

Effective 3/01/2013

William F. Tyndall	Senior Vice President & Senior Policy Advisor

Effective 7/01/2013

James E. Rogers	Chief Executive Officer

Effective 7/31/2013

Donald E. Faulkner	Vice President, Generation Integration and Transition Projects

Effective 8/06/2013

Donna T. Council	Assistant Treasurer
Lynn J. Good	Chief Financial Officer & Executive Vice President

Effective 8/16/2013

Virginia S. Mackin	Chief Communications Officer & Vice President

Effective 9/01/2013
Steven K. Young — Chief Accounting Officer, Controller & Vice President

Effective 12/31/2013
Mark D. Wyatt — Vice President, Grid Modernization

13. N/A

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	8,913,288,467	8,584,433,367
3	Construction Work in Progress (107)	200-201	100,276,197	156,971,788
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	9,013,564,664	8,741,405,155
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		3,110,485,398	2,974,071,318
6	Net Utility Plant (Total of line 4 less 5)		5,903,079,266	5,767,333,837
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		5,903,079,266	5,767,333,837
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	0	0
13	System Balancing Gas (117.2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	0	0
15	Gas Owed to System Gas (117.4)	220	0	0
16	**OTHER PROPERTY AND INVESTMENTS**			
17	Nonutility Property (121)		11,314,708	6,854,560
18	(Less) Accum. Provision for Depreciation and Amortization (122)		2,360,920	714,943
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	1,489,152,738	1,467,048,803
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	3,201,120	3,201,120
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		1	151,219
28	Long-Term Portion of Derivative Assets (175)		1,726,806	0
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		1,503,034,453	1,476,540,759
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		11,951,105	17,638,861
33	Special Deposits (132-134)		0	0
34	Working Funds (135)		0	0
35	Temporary Cash Investments (136)	222-223	0	0
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		48,547,451	41,461,145
38	Other Accounts Receivable (143)		47,864,135	47,214,174
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		1,531,850	1,631,822
40	Notes Receivable from Associated Companies (145)		144,018,880	74,620,354
41	Accounts Receivable from Associated Companies (146)		54,480,013	1,262,548
42	Fuel Stock (151)		56,751,976	72,061,721
43	Fuel Stock Expenses Undistributed (152)		0	0

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2013/Q4

Comparative Balance Sheet (Assets and Other Debits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		85,292,223	103,431,565
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		1,734,556	1,392,022
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		127,196	1,008,769
52	Gas Stored Underground-Current (164.1)	220	32,644,424	0
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	34,113,864	24,884,178
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		0	(4,658,000)
59	Miscellaneous Current and Accrued Assets (174)		5,100,000	45,015,922
60	Derivative Instrument Assets (175)		3,098,536	1,645,221
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		1,726,806	0
62	Derivative Instrument Assets - Hedges (176)		0	2,163,373
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		522,465,703	427,510,031
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		12,443,761	11,204,104
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	443,770,756	449,263,553
70	Preliminary Survey and Investigation Charges (Electric)(183)		10,481	62,487
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		1,194,318	918,572
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	889,239,402	1,002,815,680
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		4,567,238	5,090,884
78	Accumulated Deferred Income Taxes (190)	234-235	183,707,811	224,728,946
79	Unrecovered Purchased Gas Costs (191)		(1,941,606)	(10,186,259)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		1,532,992,161	1,683,897,967
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		9,461,571,583	9,355,282,594

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Comparative Balance Sheet (Liabilities and Other Credits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued (201)	250-251	762,136,231	762,136,231
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	4,881,891,605	4,881,726,601
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	(837,653,279)	(891,457,345)
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	472,780,021	414,005,574
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	1,638	42,448
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		5,279,156,216	5,166,453,509
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	1,162,000,000	712,000,000
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	0	0
20	Other Long-Term Debt (224)	256-257	697,270,887	949,756,973
21	Unamortized Premium on Long-Term Debt (225)	258-259	5,699,038	6,131,289
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	35,947,000	37,727,210
23	(Less) Current Portion of Long-Term Debt		5,507,630	258,901,001
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,823,515,295	1,371,260,051
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		14,125,025	19,632,656
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		(4,562)	(881)
29	Accumulated Provision for Pensions and Benefits (228.3)		26,781,535	110,484,374
30	Accumulated Miscellaneous Operating Provisions (228.4)		26,218,750	14,265,000
31	Accumulated Provision for Rate Refunds (229)		0	0

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		(180)	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		21,595,025	21,958,544
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		88,715,593	166,339,693
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		5,507,630	258,901,001
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		205,693,453	223,042,581
40	Notes Payable to Associated Companies (233)		0	166,641,000
41	Accounts Payable to Associated Companies (234)		57,654,627	54,504,521
42	Customer Deposits (235)		27,440,764	26,108,559
43	Taxes Accrued (236)	262-263	142,473,254	73,867,578
44	Interest Accrued (237)		15,128,811	14,521,231
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		130,777	123,144
49	Miscellaneous Current and Accrued Liabilities (242)	268	29,701,347	38,333,126
50	Obligations Under Capital Leases-Current (243)		5,507,630	6,420,453
51	Derivative Instrument Liabilities (244)		1,767,982	1,014,132
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		(180)	0
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		491,006,455	863,477,326
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		3,380,230	3,800,150
58	Accumulated Deferred Investment Tax Credits (255)		4,252,003	4,867,218
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	107,800,120	118,050,059
61	Other Regulatory Liabilities (254)	278	11,921,409	13,816,840
62	Unamortized Gain on Reacquired Debt (257)	260	404,469	445,953
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		86,615,578	67,049,053
64	Accumulated Deferred Income Taxes - Other Property (282)		1,411,068,809	1,376,330,152
65	Accumulated Deferred Income Taxes - Other (283)		153,735,406	203,392,590
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		1,779,178,024	1,787,752,015
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		9,461,571,583	9,355,282,594

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Income

Quarterly
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting mehods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	2,148,356,668	2,071,281,634	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	1,374,511,385	1,419,716,947	0	0
5	Maintenance Expenses (402)	317-325	126,838,519	147,574,255	0	0
6	Depreciation Expense (403)	336-338	183,931,822	176,543,867	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	849	4,855	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	21,602,171	23,805,122	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	19,032,000	19,006,130	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		42,647,211	32,202,092	0	0
13	(Less) Regulatory Credits (407.4)		3,863,612	14,427,800	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	243,394,917	202,269,268	0	0
15	Income Taxes-Federal (409.1)	262-263	(24,161,753)	(26,047,535)	0	0
16	Income Taxes-Other (409.1)	262-263	243,828	1,689,326	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	350,422,822	419,564,560	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	302,203,774	397,352,642	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(615,215)	(935,034)	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		452,922	512,551	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		181,240	191,812	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		2,031,509,488	2,003,292,672	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		116,847,180	67,988,962	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Income

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2	1,742,479,921	1,689,223,992	405,876,747	382,057,642	0	0
3						
4	1,167,995,378	1,219,362,957	206,516,007	200,353,990	0	0
5	120,679,697	141,133,823	6,158,822	6,440,432	0	0
6	140,925,314	138,702,981	43,006,508	37,840,886	0	0
7	849	4,855	0	0	0	0
8	17,567,227	20,192,099	4,034,944	3,613,023	0	0
9	19,032,000	19,006,130	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	29,126,859	24,962,734	13,520,352	7,239,358	0	0
13	2,593,667	6,466,534	1,269,945	7,961,266	0	0
14	188,169,359	154,035,122	55,225,558	48,234,146	0	0
15	(17,140,390)	(16,519,919)	(7,021,363)	(9,527,616)	0	0
16	209,215	1,155,612	34,613	533,714	0	0
17	259,759,959	324,089,623	90,662,863	95,474,937	0	0
18	246,270,424	337,719,462	55,933,350	59,633,180	0	0
19	(403,726)	(715,988)	(211,489)	(219,046)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	452,922	512,551	0	0	0	0
23	0	0	0	0	0	0
24	181,240	191,812	0	0	0	0
25	1,676,785,968	1,680,903,294	354,723,520	322,389,378	0	0
26	65,693,953	8,320,698	51,153,227	59,668,264	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		116,847,180	67,988,962	0	0
28	**OTHER INCOME AND DEDUCTIONS**					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		1,380,836	732,703	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		879,505	864,207	0	0
33	Revenues from Nonutility Operations (417)		185,914	108,857	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		4,211,415	15,621,298	0	0
35	Nonoperating Rental Income (418)		(246,972)	(41,852)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	58,774,447	187,803,820	0	0
37	Interest and Dividend Income (419)		3,755,615	4,671,151	0	0
38	Allowance for Other Funds Used During Construction (419.1)		474,622	6,016,006	0	0
39	Miscellaneous Nonoperating Income (421)		(2,602,214)	(14,980,928)	0	0
40	Gain on Disposition of Property (421.1)		110,958	30,203	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		56,742,286	167,854,455	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		348,801	227	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	2,868,727	924,979	0	0
46	Life Insurance (426.2)		(141)	0	0	0
47	Penalties (426.3)		(346,895)	150,002	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		2,269,030	2,625,868	0	0
49	Other Deductions (426.5)		1,903,123	(8,619,127)	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	7,042,645	(4,918,051)	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	716,933	723,156	0	0
53	Income Taxes-Federal (409.2)	262-263	(1,897,890)	(9,705,748)	0	0
54	Income Taxes-Other (409.2)	262-263	(65,120)	913,415	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	1,541,885	2,364,344	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	1,361,918	2,077,340	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(1,066,110)	(7,782,173)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		50,765,751	180,554,679	0	0
61	**INTEREST CHARGES**					
62	Interest on Long-Term Debt (427)		65,558,685	86,255,672	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	3,212,976	4,101,568	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		523,646	523,646	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	473,735	473,735	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	537,405	32,186	0	0
68	Other Interest Expense (431)	340	(2,112,223)	(991,059)	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		12,212,336	15,588,006	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		55,034,418	73,860,272	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		112,578,513	174,683,369	0	0
72	**EXTRAORDINARY ITEMS**					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		112,578,513	174,683,369	0	0

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.

2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.

3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on available-for-sale securities (b)	Minimum Pension liabililty Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(27,759,807)		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income		(3,552)		
3	Preceding Quarter/Year to Date Changes in Fair Value		27,805,807		
4	Total (lines 2 and 3)		27,802,255		
5	Balance of Account 219 at End of Preceding Quarter/Year		42,448		
6	Balance of Account 219 at Beginning of Current Year		42,448		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income		45,007		
8	Current Quarter/Year to Date Changes in Fair Value		(85,817)		
9	Total (lines 7 and 8)		(40,810)		
10	Balance of Account 219 at End of Current Quarter/Year		1,638		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Accumulated Comprehensive Income and Hedging Activities(continued)

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (Insert Category) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 78) (i)	Total Comprehensive Income (j)
1			(27,759,807)		
2			(3,552)		
3			27,805,807		
4			27,802,255	174,683,369	202,485,624
5			42,448		
6			42,448		
7			45,007		
8			(85,817)		
9			(40,810)	112,578,513	112,537,703
10			1,638		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		(891,457,345)	(878,336,894)
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		53,804,066	(13,120,451)
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)			
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)			
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		(837,653,279)	(891,457,345)
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		(837,653,279)	(891,457,345)
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		414,005,574	226,201,754
23	Equity in Earnings for Year (Credit) (Account 418.1)		58,774,447	187,803,820
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year		472,780,021	414,005,574

Schedule Page: 118 Line No.: 20 Column: c

Equity Amounts Available for Dividend to Duke Energy Ohio's Parent(s)

On December 20, 2005, the Federal Energy Regulatory Commission ("FERC") issued an order approving the merger of Cinergy Corp. ("Cinergy"), a holding company and the parent company of Duke Energy Ohio, Inc. ("Duke Ohio"), and Duke Energy Corporation ("Duke Energy"). The merger closed on April 3, 2006 and now Cinergy is wholly owned by Duke Energy and Duke Ohio remains a wholly owned subsidiary of Cinergy. Under generally accepted accounting principles ("GAAP"), mergers resulting in a change of control must be accounted for by using purchase accounting. Purchase accounting treats a business combination, such as the merger of Duke Energy and Cinergy, as an acquisition of one company by another. Consequently, the purchase price paid for the acquired company is allocated to the acquired assets and liabilities based on their fair values. Under purchase accounting, if the acquiring company's purchase price exceeds the fair value of the acquired company's identifiable net assets, the excess is recorded as goodwill on the acquiring company's balance sheets. The goodwill, and any other corresponding adjustments to the values of assets and liabilities of the acquired entity on the acquiring company's balance sheet, must be reviewed to determine whether it must be then assigned or "pushed-down" to the balance sheets of the acquired entity or any of the acquired entity's subsidiaries to the extent those subsidiaries file periodic reports with the Securities and Exchange Commission.

Upon the merger, Duke Energy determined that it needed to apply push-down accounting to Duke Ohio. The application of push-down accounting by Duke Ohio resulted in a one-time adjustment to certain of its assets and liabilities and a resetting of Duke Ohio's retained earnings to zero (immediately prior to the closing, Duke Ohio's retained earnings account was approximately $671 million). This push-down accounting was recorded in Duke Ohio's Uniform System of Accounts balances.

The effects of applying push-down accounting included the recording of approximately $2.9 billion of goodwill and other increases to net assets being pushed down from Duke Energy's balance sheet to the books of Duke Ohio, with offsetting entries to Other Paid-In Capital (accounts 208-211). Since the merger, Duke Ohio has analyzed goodwill for impairment under GAAP, and has written down goodwill on Duke Ohio's books. Moreover, the other increases to net assets added to Duke Ohio's books in purchase accounting have been amortized over time or impaired in accordance with GAAP. These non-cash amortization and impairment charges, in turn, are written off against Duke Ohio's GAAP earnings, thereby decreasing the level of GAAP retained earnings recorded on Duke Ohio's books.

Duke Ohio has received declaratory orders from the FERC (*see Cincinnati Gas and Electric Company, d/b/a Duke Energy Ohio,* et al., 115 FERC ¶ 61,250 (2006) and 137 FERC ¶ 61,137 (2011) with certain conditions, that Duke Ohio will not violate Section 305(a) of the FPA if they pay dividends from their equity accounts that are reflective of the amount that they would have had in their retained earnings account had push-down accounting not been in effect. The conditions of the declaratory orders include a commitment from Duke Ohio that equity, adjusted to remove the amounts that remain from the push-down of purchase accounting ("adjusted equity"), will not fall below 30% of total capital. As of December 31, 2013, Duke Ohio's adjusted equity balance represents approximately 66% of total capital (total capital is calculated as adjusted equity plus long-term debt and current maturities of long-term debt of Duke Energy Ohio and its consolidated subsidiaries).

Additionally, Duke Ohio has committed to separately track, in sub-accounts of Account 211-Miscellaneous Paid-in Capital, the amounts subject to these orders. The purpose of the sub-accounts is to ensure that post-merger dividends that have been paid from equity accounts have not exceeded "adjusted retained earnings." Adjusted retained earnings is defined for these purposes as (a) the amount in Duke Ohio's retained earnings account immediately prior to the closing of the merger plus (b) cumulative "adjusted net income," representing cumulative post-merger reported net income excluding the impact of impairments and amortization of push-down accounting net assets and goodwill impairments, less (c) cumulative post-merger dividends.

As of December 31, 2013, the amount in Duke Ohio's equity accounts available to be paid in the form of dividends to its parent, Cinergy, is as follows:

FOOTNOTE DATA

	In Millions
Retained earnings just prior to the April 3, 2006 merger	$ 671
Post merger adjusted net income, cumulative	2,085
Post-merger dividends, cumulative	(1,355)
Retained earnings as of December 31, 2013, adjusted to remove the affects of push-down accounting ("adjusted retained earnings")	$1,401

The equity accounts in which the adjusting amounts are tracked are as follows:

	In Millions
Retained earnings as of December 31, 2013 – Sum of Lines 11 and 12 on page 112 (Retained Earnings and Unappropriated Undistributed Subsidiary Earnings)	$ (365)
Add: Stated capital account, reflecting pre-merger retained earnings less dividends applied to the account - tracked in a sub account of Account 211 – a component of the amount on line 7 on page 112	0
Add: Net after-tax losses attributable to impairments and amortization of pushdown accounting net assets, cumulative – tracked in a sub account of Account 211 – a component of the amount on line 7 on page 112	1,766
Retained earnings as of December 31, 2013, adjusted to remove the affects of push-down accounting ("adjusted retained earnings")	$ 1,401

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	112,578,513	174,683,369
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	183,932,671	176,548,722
5	Amortization of (Specify) (footnote details)	43,897,058	46,962,731
6	Deferred Income Taxes (Net)	48,399,015	22,498,922
7	Investment Tax Credit Adjustments (Net)	(615,215)	(935,034)
8	Net (Increase) Decrease in Receivables	(68,796,154)	69,714,606
9	Net (Increase) Decrease in Inventory	43,012,489	18,699,542
10	Net (Increase) Decrease in Allowances Inventory	(342,534)	2,691,473
11	Net Increase (Decrease) in Payables and Accrued Expenses	48,433,833	(146,260,687)
12	Net (Increase) Decrease in Other Regulatory Assets	27,923,037	(49,006,687)
13	Net Increase (Decrease) in Other Regulatory Liabilities	(1,092,290)	(5,347,186)
14	(Less) Allowance for Other Funds Used During Construction	474,622	6,016,006
15	(Less) Undistributed Earnings from Subsidiary Companies	58,774,447	187,803,820
16	Other (footnote details):	15,765,566	515,336,028
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	393,846,920	631,765,973
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(333,312,618)	(422,073,713)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant	(42,078,697)	(33,667,506)
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(474,622)	(6,016,006)
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(374,916,693)	(449,725,213)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies	(55,492,000)	306,434,000
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(430,408,693)	(143,291,213)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	450,000,000	
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details):	(166,641,000)	166,641,000
57	Net Increase in Short-term Debt (c)		
58	Other (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	283,359,000	166,641,000
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(250,000,000)	(546,700,000)
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details):	(2,484,983)	(242,721)
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		(175,000,000)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	30,874,017	(555,301,721)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	(5,687,756)	(66,826,961)
75			
76	Cash and Cash Equivalents at Beginning of Period	17,638,861	84,465,822
77			
78	Cash and Cash Equivalents at End of Period	11,951,105	17,638,861

Schedule Page: 120 Line No.: 16 Column: c

OTHER:

Special funds	(151,219)
Prepayments	5,151,620
Miscellaneous current and accrued assets	1,211,888
Preliminary survey and investigation charges	2,021,409
Clearing accounts	(245,583)
Temporary facilities	(233,828)
Miscellaneous deferred debits	7,087,694
Unrecovered purchased gas costs	(7,437,050)
Obligations under capital leases - noncurrent	(6,420,453)
Accumulated provisions	1,169,723
Derivative instrument - hedges	2,836,029
Customer advances for construction	305,475
Other deferred credits	(10,578,789)
Derivative Instruments	1,763,376
Net utility plant and nonutility property	3,539,487
Investment in Subsidiary Companies (Dividend from DECAM)	500,000,000
Investment in Subsidiary Companies (Dividend from DE Kentucky)	10,000,000
Investment in Subsidiary Companies (I/C Equitization)	4,387,362
Debt expenses	125,276
Deferred income taxes	2,670,377
Fair market value adjustment	(4,172,769)
Impairment Charges	2,306,003
Total Other	515,336,028

Schedule Page: 120 Line No.: 16 Column: b

OTHER:

Special funds	151,219
Prepayments	9,847,035
Miscellaneous current and accrued assets	(1,410,331)
Preliminary survey and investigation charges	52,006
Clearing accounts	(275,746)
Miscellaneous deferred debits	16,632,746
Unrecovered purchased gas costs	(8,244,653)
Accumulated Other Comprehensive Income	(40,810)
Obligations under capital leases - noncurrent	(5,507,631)
Accumulated provisions	(16,268,650)
Derivative instrument - hedges	2,163,373
Customer advances for construction	(419,920)
Other deferred credits	(12,139,679)
Derivative Instruments	(699,465)
Net utility plant and nonutility property	31,118
Investment in Subsidiary Companies (Dividend from DE Kentucky)	40,000,000
Investment in Subsidiary Companies (I/C Equitization)	(3,164,484)
Debt expenses	(187,440)
Deferred income taxes	(2,267,036)
Fair market value adjustment	(2,486,086)
Total Other	15,765,566

Schedule Page: 120 Line No.: 5 Column: c

Amortization of:

Plant items	42,811,252
Debt discount, premium, exp, loss on reacq. debt	4,151,479
	46,962,731

Schedule Page: 120 Line No.: 5 Column: b

Amortization of:

Plant items	40,634,171
Debt discount, premium, exp, loss on reacq. debt	3,262,887
	43,897,058

Schedule Page: 120 Line No.: 56 Column: c

Other:

Notes Payable to Associated Companies	166,641,000

Schedule Page: 120 Line No.: 56 Column: b

Other:

Notes Payable to Associated Companies	(166,641,000)

Schedule Page: 120 Line No.: 65 Column: c

Other:

Premium payments and fees on deferred debt	(242,721)

Schedule Page: 120 Line No.: 65 Column: b

Other:

Premium payments and fees on deferred debt	(2,484,983)

Schedule Page: 120 Line No.: 78 Column: b

	2013	2012
Supplemental Disclosures:		
Cash paid for interest, net of amount capitalized	55M	75M
Cash paid / (refund) for income taxes	(83M)	4M
Significant non-cash transactions:		
Accrued Capital Expenditures	22M	26M
Transfer of Vermillion Generating Station to DE Indiana	----	28M
Cash and Cash Equivalents at End of period:		
Cash (131)	11,951,105	17,638,861
Working Fund (135)	0	0
Temporary Cash Investments (136)	0	0
Total	11,951,105	17,638,861

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) X An Original (2) _ A Resubmission	/ /	2013/Q4

Notes to Financial Statements

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

Notes to Financial Statements

This Federal Energy Regulatory Commission (FERC) Form 2 represents the financial statements of Duke Energy Ohio, Inc. (Duke Energy Ohio) as of and for the period ended December 31, 2012. Duke Energy Ohio's financial statements have been prepared in conformity with the requirements of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The following areas represent the significant differences between the Uniform System of Accounts and GAAP: (1) the presentation of significant non-cash transactions, (2) the presentation of business segments, (3) the presentation of the current portion of regulatory assets and liabilities, (4) the presentation of majority-owned subsidiaries, (5) the presentation of current and non-current portions of long-term debt, preferred stock and other liabilities, (6) the presentation of extraordinary deductions, (7) the presentation of removal costs, (8) the presentation of ASC 740-10 (formerly SFAS No. 109) regulatory assets and liabilities, (9) the presentation of the current portion of deferred income taxes, (10) the presentation of purchases and sales of emission allowances, (11) the presentation of realized and unrealized gains and losses on non-hedging transactions, (12) the presentation of credit balances in asset accounts and debit balances in liability accounts, and (13) the presentation of capital leases vs. operating leases.

GAAP requires that the current and non-current portions of long-term debt, preferred stock and other liabilities be appropriately identified and reported on the Balance Sheet. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which does not recognize any segregation between the current and non-current portions of these items for reporting purposes.

GAAP requires that the current portion of regulatory assets be reported as current assets on the Balance Sheet. FERC requires that the current portion of regulatory assets be reported as Regulatory Assets within Deferred Debits. The current portion of regulatory assets was approximately $26 million at December 31, 2013.

GAAP requires that majority-owned subsidiaries be consolidated for financial reporting purposes. FERC requires that majority-owned subsidiaries be separately reported as Investment in Subsidiary Companies.

GAAP requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and certain information about their products and services, which are not required for FERC reporting purposes.

FERC requires that losses of unusual nature and infrequent occurrence, which would significantly distort the current year's income, be recorded as extraordinary deductions.

GAAP requires that removal costs for property that does not have an associated legal retirement obligation be presented as a liability on the Balance Sheet. These costs are presented as accumulated depreciation on the Balance Sheet for FERC reporting purposes. The portion of accumulated depreciation related to removal costs was $191 million at December 31, 2013 and $188 million at December 31, 2012.

GAAP requires the regulatory assets and liabilities resulting from the implementation of ASC 740-10 (formerly SFAS No. 109) be presented as a net amount on the balance sheet. For FERC reporting purposes, these assets and liabilities are presented separately and are included in the other regulatory asset and other regulatory liability line items.

GAAP requires the current portion of deferred income taxes be reported as a current asset or liability on the balance sheet. For FERC reporting purposes, the current portion of deferred income taxes are included in Accumulated Deferred Income Taxes, which is non-current.

GAAP requires that proceeds from the purchase and sale of emission allowances to be presented within the Investing Section of the Statement of Cash Flows. For FERC purposes, these amounts are included within the Operating Section of the Cash Flow Statement.

GAAP requires that the gains and losses recorded to the income statement related to realized and unrealized non-hedging activities be recorded in the revenue or expense line item along with the underlying transaction. For FERC reporting purposes, non-hedging transactions are recorded gross to other revenues and expenses as a below-the-line amount in accordance with FERC Order No. 627.

GAAP requires that certain account balances within financial statement line items which are not in the natural position for that line item (i.e. an account within Accounts Receivable with a credit balance) be reclassed to the appropriate side of the Balance Sheet. FERC does not require certain accounts which are not in a natural position for their respective line item to be reclassed, as long as the line item in total is in its natural position.

GAAP requires the payments related to capital leases to be included within the Financing Section of the Statement of Cash Flows. For FERC purposes, payments related to these capital leases are included within the Operating Section of the Cash Flow Statement.

Duke Energy Ohio's Notes to Financial Statements have been prepared in conformity with GAAP. Accordingly, certain footnotes are not reflective of Duke Energy Ohio's Financial Statements contained herein.

In Docket No. A1-07-2-000, the FERC issued accounting and financial reporting guidance related to the implementation of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" (FIN 48). Duke Energy Ohio reflects this guidance in the FERC Form No. 2.

The Notes to the Financial Statements below are published in the 2012 combined Form 10-K (includes Duke Energy Corporation, Progress Energy, Inc, Carolina Power and Light Company, Florida Power Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc. and Duke Energy Indiana, Inc.) which was filed with the Securities and Exchange Commission on February 28, 2014. See "Index to the Combined Notes to Consolidated Financial Statements" for a listing of applicable notes for Duke Energy Ohio, Inc.

Index to Combined Notes To Consolidated Financial Statements

The notes to the consolidated financial statements are a combined presentation. The following list indicates the registrants to which the notes apply.

	Applicable Notes																								
Registrant	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Duke Energy Corporation	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•
Duke Energy Carolinas, LLC	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•		•	•	•	•	•	•	•
Progress Energy, Inc.	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•		•	•	•	•	•	•	•
Duke Energy Progress, Inc.	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•		•	•	•	•	•	•	•
Duke Energy Florida, Inc.	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•			•	•	•	•	•	•	•
Duke Energy Ohio, Inc.	•	•	•	•	•	•		•	•	•	•		•	•		•	•		•	•	•	•	•	•	•
Duke Energy Indiana, Inc.	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•		•	•	•	•	•	•	•

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS AND BASIS OF CONSOLIDATION

Duke Energy Corporation (collectively with its subsidiaries, Duke Energy), is an energy company headquartered in Charlotte, North Carolina, subject to regulation by the Federal Energy Regulatory Commission (FERC). Duke Energy operates in the U.S. and Latin America primarily through its direct and indirect subsidiaries. Duke Energy's subsidiaries include its wholly owned subsidiary registrants, Duke Energy Carolinas, LLC (Duke Energy Carolinas); Progress Energy, Inc. (Progress Energy); Duke Energy Progress, Inc. (Duke Energy Progress); Duke Energy Florida, Inc. (Duke Energy Florida); Duke Energy Ohio, Inc. (Duke Energy Ohio) and Duke Energy Indiana, Inc. (Duke Energy Indiana). When discussing Duke Energy's consolidated financial information, it necessarily includes the results of its six separate subsidiary registrants (collectively referred to as the Subsidiary Registrants), which, along with Duke Energy, are collectively referred to as the Duke Energy Registrants.

On July 2, 2012, Duke Energy merged with Progress Energy, with Duke Energy continuing as the surviving corporation. Progress Energy became a subsidiary of Duke Energy and Progress Energy's regulated utility subsidiaries, Duke Energy Progress (formerly Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.) and Duke Energy Florida (formerly Florida Power Corporation d/b/a Progress Energy Florida, Inc.), became indirect subsidiaries of Duke Energy. Duke Energy's consolidated financial statements include Progress Energy, Duke Energy Progress and Duke Energy Florida activity beginning July 2, 2012. The impacts of acquisition accounting from Progress Energy's merger with Duke Energy were recorded by Duke Energy and were not reflected on the financial statements of Progress Energy, Duke Energy Progress and Duke Energy Florida. See Note 2 for additional information regarding the merger. On July 2, 2012, just prior to the close of the merger, Duke Energy executed a one-for-three reverse stock split with respect to the issued and outstanding shares of Duke Energy common stock. All per-share amounts included in this Form 10-K are presented as if the stock split had been effective from the beginning of the earliest period presented.

The information in these combined notes relates to each of the Duke Energy Registrants as noted in the Index to the Combined Notes. However, none of the registrants makes any representation as to information related solely to Duke Energy or the subsidiaries of Duke Energy other than itself.

These Consolidated Financial Statements include, after eliminating intercompany transactions and balances, the accounts of the Duke Energy Registrants and subsidiaries where the respective Duke Energy Registrants have control. These Consolidated Financial Statements also reflect the Duke Energy Registrants' proportionate share of jointly owned generation and transmission facilities.

Duke Energy Carolinas is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of North Carolina and South Carolina. Duke Energy Carolinas is subject to the regulatory provisions of the North Carolina Utilities Commission (NCUC), Public Service Commission of South Carolina (PSCSC), U.S. Nuclear Regulatory Commission (NRC) and FERC. Substantially all of Duke Energy Carolinas' operations qualify for regulatory accounting.

Progress Energy is a public utility holding company headquartered in Raleigh, North Carolina, subject to regulation by the FERC. Progress Energy conducts operations through its wholly owned subsidiaries, Duke Energy Progress and Duke Energy Florida. Substantially all of Progress Energy's operations qualify for regulatory accounting.

Duke Energy Progress is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of North Carolina and South Carolina. Duke Energy Progress is subject to the regulatory provisions of the NCUC, PSCSC, NRC and FERC. Substantially all of Duke Energy Progress' operations qualify for regulatory accounting.

Duke Energy Florida is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of Florida. Duke Energy Florida is subject to the regulatory jurisdiction of the Florida Public Service Commission (FPSC), NRC and FERC. Substantially all of Duke Energy Florida's operations qualify for regulatory accounting.

Duke Energy Ohio is a public utility that provides service in portions of Ohio and Kentucky. Operations in Kentucky are conducted through its wholly owned subsidiary, Duke Energy Kentucky, Inc. (Duke Energy Kentucky). Duke Energy Ohio's principal lines of business include transmission and distribution of electricity and the sale of and/or transportation of natural gas. Duke Energy Ohio also generates and sells power into wholesale energy

markets. Duke Energy Ohio conducts competitive auctions for retail electricity supply in Ohio whereby the energy price is recovered from retail customers. Duke Energy Kentucky's principal lines of business include generation, transmission and distribution of electricity, as well as the sale of and/or transportation of natural gas. References herein to Duke Energy Ohio include Duke Energy Ohio and its subsidiaries, unless otherwise noted. Duke Energy Ohio is subject to the regulatory provisions of the Public Utilities Commission of Ohio (PUCO), Kentucky Public Service Commission (KPSC) and FERC. Duke Energy Ohio applies regulatory accounting to a portion of its operations.

Duke Energy Indiana is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of Indiana. Duke Energy Indiana is subject to the regulatory provisions of the Indiana Utility Regulatory Commission (IURC) and the FERC. Substantially all of Duke Energy Indiana's operations qualify for regulatory accounting.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Other Current and Non-Current Assets and Liabilities

Other within Current Assets includes the current portion of deferred tax assets, which are disclosed in Note 22. Additionally, the following are included in Other within Current Assets or Current Liabilities in the Consolidated Balance Sheets of the Duke Energy Registrants at December 31, 2013 and 2012 . The amounts presented exceeded 5 percent of current assets or 5 percent of current liabilities unless otherwise noted.

		December 31,	
(in millions)	Location	2013	2012
Duke Energy			
Accrued compensation	Current Liabilities	$ 621	$ 725
Duke Energy Carolinas			
Accrued compensation	Current Liabilities	$ 198	$ 203
Collateral liabilities	Current Liabilities	120	105
Progress Energy			
Customer deposits	Current Liabilities	$ 349	$ 342
Accrued compensation	Current Liabilities	214	304
Derivative liabilities	Current Liabilities	-	221
Duke Energy Progress			
Customer deposits	Current Liabilities	$ 129	$ 120
Accrued compensation	Current Liabilities	121	160
Duke Energy Florida			
Customer deposits	Current Liabilities	$ 220	$ 222
Accrued compensation	Current Liabilities	65	95
Derivative liabilities	Current Liabilities	-	127
Duke Energy Ohio			
Collateral assets	Current Assets	$ 122	$ 99
Duke Energy Indiana			
Federal income taxes receivable	Current Assets	$ 56	$ -
Accrued compensation[a]	Current Liabilities	25	23
Collateral liabilities[a]	Current Liabilities	40	37
Derivative liabilities	Current Liabilities	-	63

(a) Does not exceed 5 percent of Total current liabilities on the Consolidated Balance Sheets at December 31, 2012.

Preferred Stock

In March 2013, Duke Energy Progress and Duke Energy Florida redeemed all series of their outstanding preferred stock at prices ranging from $101.00 to $110.00 per share for Duke Energy Progress and $101.00 to $104.25 per share for Duke Energy Florida plus accrued dividends for all series. Duke Energy Progress and Duke Energy Florida redeemed the shares for $62 million and $34 million, respectively.

Discontinued Operations

For the year ended December 31, 2013, Duke Energy's and Progress Energy's Income From Discontinued Operations, net of tax was primarily due to

tax benefits related to prior sales of diversified businesses. For the year ended December 31, 2012, Duke Energy's and Progress Energy's Income From Discontinued Operations, net of tax was primarily related to resolution of litigation associated with Progress Energy's former synthetic fuel operations and reversal of certain environmental indemnification liabilities for which the indemnification period expired during 2012. See Note 5 for more information regarding the former synthetic fuel operations.

Amounts Attributable to Controlling Interests

Income From Discontinued Operations, net of tax presented on the respective Consolidated Statements of Operations for Duke Energy and Progress Energy is attributable to controlling interests for all periods presented. Other comprehensive income presented on Progress Energy's Consolidated Statements of Operations and Comprehensive Income are attributable to controlling interests for all periods presented.

SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

In preparing financial statements that conform to generally accepted accounting principles (GAAP) in the U.S., the Duke Energy Registrants must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Regulatory Accounting

The majority of the Duke Energy Registrants' operations are subject to price regulation for the sale of electricity and gas by state utility commissions or FERC. When prices are set on the basis of specific costs of the regulated operations and an effective franchise is in place such that sufficient gas or electric services can be sold to recover those costs, the Duke Energy Registrants apply regulatory accounting. Regulatory accounting changes the timing of the recognition of costs or revenues relative to a company that does not apply regulatory accounting. As a result, Regulatory assets and Regulatory liabilities are recognized on the Consolidated Balance Sheets. Regulatory assets and liabilities are amortized consistent with the treatment of the related cost in the ratemaking process. See Note 4 for further information.

Regulated Fuel Costs and Purchased Power

The Duke Energy Registrants utilize cost-tracking mechanisms, commonly referred to as fuel adjustment clauses. These clauses allow for the recovery of fuel and fuel-related costs and portions of purchased power costs through surcharges on customer rates. The difference between the costs incurred and the surcharge revenues is recorded as an adjustment to Fuel used in electric generation and purchased power — regulated or Operating Revenues – Regulated electric on the Consolidated Statements of Operations with an off-setting impact on regulatory assets or liabilities.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of acquisition are considered cash equivalents. At December 31, 2013, $1,086 million of Duke Energy's total cash and cash equivalents is held by entities domiciled in foreign jurisdictions and is forecasted to be used to fund international operations and investments.

Restricted Cash

The Duke Energy Registrants have restricted cash related primarily to collateral assets, escrow deposits, and variable interest entities (VIEs). Restricted cash balances are reflected in Other within Current Assets and in Other within Investments and Other Assets on the Consolidated Balance Sheets. At December 31, 2013 and 2012, Duke Energy had restricted cash totaling $307 million and $574 million, respectively.

Inventory

Inventory is used for operations and is recorded primarily using the average cost method. Inventory related to regulated operations is valued at historical cost. Inventory related to nonregulated operations is valued at the lower of cost or market. Materials and supplies are recorded as inventory when purchased and subsequently charged to expense or capitalized to property, plant and equipment when installed. Reserves are established for excess and obsolete inventory. The components of inventory are presented in the tables below.

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Materials and supplies	$ 1,901	$ 654	$ 854	$ 567	$ 287	$ 117	$ 193
Coal held for electric generation	1,018	374	334	187	147	65	238
Oil, gas and other fuel held for electric generation	331	37	236	99	137	47	3
Total inventory	$ 3,250	$ 1,065	$ 1,424	$ 853	$ 571	$ 229	$ 434

	December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Materials and supplies	$ 1,691	$ 535	$ 768	$ 499	$ 269	$ 135	$ 161
Coal held for electric generation	1,187	488	392	232	160	82	216
Oil, gas and other fuel held for electric generation	345	39	281	97	184	10	3
Total inventory	$ 3,223	$ 1,062	$ 1,441	$ 828	$ 613	$ 227	$ 380

Investments in Debt and Equity Securities

The Duke Energy Registrants classify investments into two categories — trading and available-for-sale. Both categories are recorded at fair value on the Consolidated Balance Sheets. Realized and unrealized gains and losses on trading securities are included in earnings. For certain investments of regulated operations such as the Nuclear Decommissioning Trust Fund (NDTF), realized and unrealized gains and losses (including any other-than-temporary impairments) on available-for-sale securities are recorded as a regulatory asset or liability. Otherwise, unrealized gains and losses are included in Accumulated Other Comprehensive Income (AOCI), unless other-than-temporarily impaired. Other-than-temporary impairments for equity securities and the credit loss portion of debt securities of nonregulated operations are included in earnings. Investments in debt and equity securities are classified as either current or noncurrent based on management's intent and ability to sell these securities, taking into consideration current market liquidity. See Note 15 for further information.

Goodwill and Intangible Assets

Goodwill

Duke Energy, Progress Energy and Duke Energy Ohio perform annual goodwill impairment tests as of August 31 each year at the reporting unit level, which is determined to be an operating segment or one level below. Duke Energy, Progress Energy and Duke Energy Ohio update these tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying value.

In 2012, Progress Energy changed its goodwill impairment testing date from October 31 to August 31 to better align its annual goodwill impairment testing procedure with those of Duke Energy. The change had no impact on goodwill. Neither the change in the goodwill impairment testing date nor the merger resulted in any changes to the Progress Energy reporting units.

Intangible Assets

Intangible assets are included in Other in Investments and Other Assets on the Consolidated Balance Sheets. Generally, intangible assets are amortized using an amortization method that reflects the pattern in which the economic benefits of the intangible asset are consumed, or on a straight-line basis if that pattern is not readily determinable. Amortization of intangibles is reflected in Depreciation and amortization in the Consolidated Statements of Operations. Intangible assets are subject to impairment testing and if impaired, the carrying value is accordingly reduced.

Emission allowances permit the holder of the allowance to emit certain gaseous by-products of fossil fuel combustion, including sulfur dioxide (SO_2) and nitrogen oxide (NO_X). Allowances are issued by the U.S. Environmental Protection Agency (EPA) at zero cost and may also be bought and sold via third-party transactions. Allowances allocated to or acquired by the Duke Energy Registrants are held primarily for consumption. Carrying amounts for emission allowances are based on the cost to acquire the allowances or, in the case of a business combination, on the fair value assigned in the allocation of the purchase price of the acquired business.

Renewable energy certificates are used to measure compliance with renewable energy standards and are held primarily for consumption.

See Note 11 for further information.

Long-Lived Asset Impairments

The Duke Energy Registrants evaluate long-lived assets, excluding goodwill, for impairment when circumstances indicate the carrying value of those assets may not be recoverable. An impairment exists when a long-lived asset's carrying value exceeds the estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. The estimated cash flows may be based on alternative expected outcomes that are probability weighted. If the carrying value of the long-lived asset is not recoverable based on these estimated future undiscounted cash flows, the carrying value of the asset is written-down to its then-current estimated fair value and an impairment charge is recognized.

The Duke Energy Registrants assess fair value of long-lived assets using various methods, including recent comparable third-party sales, internally developed discounted cash flow analysis and analysis from outside advisors. Significant changes in commodity prices, the condition of an asset or management's interest in selling the asset are generally viewed as triggering events to re-assess cash flows. See Note 11 for further information.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of depreciated historical cost net of any disallowances or fair value, if impaired. The Duke Energy Registrants capitalize all construction-related direct labor and material costs, as well as indirect construction costs such as general engineering, taxes and financing costs. See "Allowance for Funds Used During Construction (AFUDC) and Interest Capitalized" for information on capitalized financing costs. Costs of renewals and betterments that extend the useful life of property, plant and equipment are also capitalized. The cost of repairs, replacements and major maintenance projects, which do not extend the useful life or increase the expected output of the asset, are expensed as incurred. Depreciation is generally computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update composite rates and are approved by state utility commissions and/or the FERC when required. The composite weighted-average depreciation rates, excluding nuclear fuel, are included in the table that follows.

	Years Ended December 31,		
	2013	2012	2011
Duke Energy	2.8 %	2.9 %	3.2 %
Duke Energy Carolinas	2.8 %	2.8 %	2.6 %
Progress Energy	2.5 %	2.6 %	2.3 %
Duke Energy Progress	2.5 %	2.7 %	2.1 %
Duke Energy Florida	2.4 %	2.5 %	2.4 %
Duke Energy Ohio	3.3 %	3.2 %	3.5 %
Duke Energy Indiana	2.8 %	3.3 %	3.4 %

In general, when the Duke Energy Registrants retire regulated property, plant and equipment, original cost plus the cost of retirement, less salvage value, is charged to accumulated depreciation. However, when it becomes probable a regulated asset will be retired substantially in advance of its original expected useful life or is abandoned, the cost of the asset and the corresponding accumulated depreciation is recognized as a separate asset. If the asset is still in operation, the net amount is classified as Generation facilities to be retired, net on the Consolidated Balance Sheets. If the asset is no longer operating, the net amount is classified in Regulatory Assets on the Consolidated Balance Sheets. The carrying value of the asset is based on historical cost if the Duke Energy Registrants are allowed to recover the remaining net book value and a return equal to at least the incremental borrowing rate. If not, an impairment is recognized to the extent the net book value of the asset exceeds the present value of future revenues discounted at the incremental borrowing rate.

When the Duke Energy Registrants sell entire regulated operating units, or retire or sell nonregulated properties, the original cost and accumulated depreciation and amortization balances are removed from Property, Plant and Equipment on the Consolidated Balance Sheets. Any gain or loss is recorded in earnings, unless otherwise required by the applicable regulatory body.

See Note 10 for further information.

Nuclear Fuel

Nuclear fuel is classified as Property, Plant and Equipment on the Consolidated Balance Sheets. Nuclear fuel in the front-end fuel processing phase is considered work in progress and not amortized until placed in service. Amortization of nuclear fuel is included within Fuel used in electric generation and purchased power – regulated in the Consolidated Statements of Operations. Amortization is recorded using the units-of-production method.

Allowance for Funds Used During Construction (AFUDC) and Interest Capitalized

For regulated operations, the debt and equity costs of financing the construction of property, plant and equipment are reflected as AFUDC and capitalized as a component of the cost of property, plant and equipment. AFUDC equity is reported on the Consolidated Statements of Operations as

non-cash income in Other income and expenses, net. AFUDC debt is reported as a non-cash offset to Interest Expense. After construction is completed, the Duke Energy Registrants are permitted to recover these costs through their inclusion in rate base and the corresponding subsequent depreciation or amortization of those regulated assets.

AFUDC equity, a permanent difference for income taxes, reduces the effective tax rate when capitalized and increases the effective tax rate when depreciated or amortized. See Note 22 for additional information.

For nonregulated operations, interest is capitalized during the construction phase with an offsetting non-cash credit to Interest Expense on the Consolidated Statements of Operations.

Asset Retirement Obligations

Asset retirement obligations are recognized for legal obligations associated with the retirement of property, plant and equipment. Substantially all asset retirement obligations are related to regulated operations. When recording an asset retirement obligation, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. The present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset.

The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, selection of discount rates and cost escalation rates, among other factors. These estimates are subject to change. Depreciation expense is adjusted prospectively for any changes to the carrying amount of the associated asset. The Duke Energy Registrants receive amounts to fund the cost of the asset retirement obligation for regulated operations through a combination of regulated revenues and NDTF. As a result, the net of amounts recovered in regulated revenues, earnings on the NDTF, accretion expense and depreciation of the associated asset is deferred as a regulatory asset or liability.

Obligations for nuclear decommissioning are based on site-specific cost studies. Duke Energy Carolinas and Duke Energy Progress assume prompt dismantlement of the nuclear facilities after operations are ceased. Duke Energy Florida assumes Crystal River Nuclear Station – Unit 3 (Crystal River Unit 3) will be placed into a safe storage configuration until eventual dismantlement begins in approximately 60 years. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida also assume that spent fuel will be stored on site until such time that it can be transferred to a U.S. Department of Energy (DOE) facility.

See Note 9 for further information.

Revenue Recognition and Unbilled Revenue

Revenues on sales of electricity and gas are recognized when service is provided. Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy delivered but not yet billed. Unbilled revenues can vary significantly from period to period as a result of seasonality, weather, customer usage patterns and meter reading schedules.

Unbilled revenues are included within Receivables and Restricted receivables of variable interest entities on the Consolidated Balance Sheets as shown in the following table.

	December 31,	
(in millions)	2013	2012
Duke Energy	$ 937	$ 920
Duke Energy Carolinas	323	315
Progress Energy	189	187
Duke Energy Progress	120	112
Duke Energy Florida	69	74
Duke Energy Ohio	55	47
Duke Energy Indiana	5	3

Additionally, Duke Energy Ohio and Duke Energy Indiana sell, on a revolving basis, nearly all of their retail and wholesale accounts receivable, including receivables for unbilled revenues, to an affiliate, Cinergy Receivables Company, LLC (CRC) and account for the transfers of receivables as sales. Accordingly, the receivables sold are not reflected on the Consolidated Balance Sheets of Duke Energy Ohio and Duke Energy Indiana. See Note 17 for further information. These receivables for unbilled revenues are shown in the table below.

	December 31,	
(in millions)	2013	2012
Duke Energy Ohio	$ 89	$ 90
Duke Energy Indiana	144	132

Allowance for Doubtful Accounts

Allowances for doubtful accounts are presented in the following table.

	December 31,		
(in millions)	2013	2012	2011
Allowance for Doubtful Accounts			
Duke Energy	$ 30	$ 34	$ 35
Duke Energy Carolinas	3	3	3
Progress Energy	14	16	27
Duke Energy Progress	10	9	9
Duke Energy Florida	4	7	18
Duke Energy Ohio	2	2	16
Duke Energy Indiana	1	1	1
Allowance for Doubtful Accounts - VIEs			
Duke Energy	$ 43	$ 44	$ 40
Duke Energy Carolinas	6	6	6

Derivatives and Hedging

Derivative and non-derivative instruments may be used in connection with commodity price, interest rate and foreign currency risk management activities, including swaps, futures, forwards and options. All derivative instruments except those that qualify for the normal purchase/normal sale (NPNS) exception are recorded on the Consolidated Balance Sheets at their fair value. Qualifying derivative instruments may be designated as either cash flow hedges or fair value hedges. Other derivative instruments (undesignated contracts) either have not been designated or do not qualify as hedges. The effective portion of the change in the fair value of cash flow hedges is recorded in AOCI. The effective portion of the change in the fair value of a fair value hedge is offset in net income by changes in the hedged item. For activity subject to regulatory accounting, gains and losses on derivative contracts are reflected as regulatory assets or liabilities and not as other comprehensive income or current period income. As a result, changes in fair value of these derivatives have no immediate earnings impact.

Formal documentation, including transaction type and risk management strategy, is maintained for all contracts accounted for as a hedge. At inception and at least every three months thereafter, the hedge contract is assessed to see if it is highly effective in offsetting changes in cash flows or fair values of hedged items.

See Note 14 for further information.

Captive Insurance Reserves

Duke Energy has captive insurance subsidiaries that provide coverage, on an indemnity basis, to the Subsidiary Registrants as well as certain third parties, on a limited basis, for various business risks and losses, such as property, workers' compensation and general liability. Liabilities include provisions for estimated losses incurred but not yet reported (IBNR), as well as estimated provisions for known claims. IBNR reserve estimates are primarily based upon historical loss experience, industry data and other actuarial assumptions. Reserve estimates are adjusted in future periods as actual losses differ from experience.

Duke Energy, through its captive insurance entities, also has reinsurance coverage with third parties for certain losses above a per occurrence and/or aggregate retention. Receivables for reinsurance coverage are recognized when realization is deemed probable.

Unamortized Debt Premium, Discount and Expense

Premiums, discounts and expenses incurred with the issuance of outstanding long-term debt are amortized over the term of the debt issue. Call premiums and unamortized expenses associated with refinancing higher-cost debt obligations used to finance regulated assets are amortized. Amortization expense is recorded as Interest Expense in the Consolidated Statements of Operations and is reflected as Depreciation, amortization and accretion within Net cash provided by operating activities on the Consolidated Statements of Cash Flows.

Loss Contingencies and Environmental Liabilities

Contingent losses are recorded when it is probable a loss has occurred and can be reasonably estimated. When a range of the probable loss exists and no amount within the range is a better estimate than any other amount, the minimum amount in the range is recorded. Unless otherwise required by GAAP, legal fees are expensed as incurred.

Environmental liabilities are recorded on an undiscounted basis when environmental remediation or other liabilities becomes probable and can be reasonably estimated. Environmental expenditures related to past operations that do not generate current or future revenues are expensed.

Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate. Certain environmental expenditures receive regulatory accounting treatment and are recorded as regulatory assets.

See Notes 4 and 5 for further information.

Pension and Other Post-Retirement Benefit Plans

Duke Energy maintains qualified, non-qualified and other post-retirement benefit plans. Eligible employees of the Subsidiary Registrants participate in the respective qualified, non-qualified and other post-retirement benefit plans and are allocated their proportionate share of benefit costs. See Note 21 for further information, including significant accounting policies associated with these plans.

Severance and Special Termination Benefits

Duke Energy has an ongoing severance plan under which, in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits. A liability for involuntary severance is recorded once an involuntary severance plan is committed to by management, or sooner, if involuntary severances are probable and can be reasonably estimated. For involuntary severance benefits incremental to its ongoing severance plan benefits, the fair value of the obligation is expensed at the communication date if there are no future service requirements, or over the required future service period. From time to time, Duke Energy offers special termination benefits under voluntary severance programs. Special termination benefits are recorded immediately upon employee acceptance absent a significant retention period. Otherwise, the cost is recorded over the remaining service period. Employee acceptance of voluntary severance benefits is determined by management based on the facts and circumstances of the benefits being offered. See Note 19 for further information.

Guarantees

Liabilities are recognized at the time of issuance or material modification of a guarantee for the estimated fair value of the obligation it assumes. Fair value is estimated using a probability-weighted approach. The obligation is reduced over the term of the guarantee or related contract in a systematic and rational method as risk is reduced. Any additional contingent loss for guarantee contracts subsequent to the initial recognition of a liability is accounted for and recognized at the time a loss is probable and can be reasonably estimated. See Note 7 for further information.

Stock-Based Compensation

Stock-based compensation represents costs related to stock-based awards granted to employees. Duke Energy recognizes stock-based compensation based upon the estimated fair value of awards, net of estimated forfeitures at the date of issuance. The recognition period for these costs begin at either the applicable service inception date or grant date and continues throughout the requisite service period, or for certain share-based awards until the employee becomes retirement eligible, if earlier. Compensation cost is recognized as expense or capitalized as a component of property, plant and equipment. See Note 20 for further information.

Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and foreign jurisdictional returns. The Subsidiary Registrants entered into a tax-sharing agreement with Duke Energy and income taxes recorded represent amounts the Subsidiary Registrants would incur as separate C-Corporations. Deferred income taxes have been provided for temporary differences between GAAP and tax bases of assets and liabilities because the differences create taxable or tax-deductible amounts for future periods. Deferred taxes are not provided on translation gains and losses when earnings of a foreign operation are expected to be indefinitely reinvested. Investment tax credits (ITC) associated with regulated operations are deferred and amortized as a reduction of income tax expense over the estimated useful lives of the related properties.

Positions taken or expected to be taken on tax returns, including the decision to exclude certain income or transactions from a return, are recognized in the financial statements when it is more likely than not the tax position can be sustained based solely on the technical merits of the position. The largest amount of tax benefit that is greater than 50 percent likely of being effectively settled is recorded. Management considers a tax position effectively settled when: (i) the taxing authority has completed its examination procedures, including all appeals and administrative reviews; (ii) the Duke Energy Registrants do not intend to appeal or litigate the tax position included in the completed examination; and (iii) it is remote the taxing authority would examine or re-examine the tax position. The amount of a tax return position that is not recognized in the financial statements is disclosed as an unrecognized tax benefit. These unrecognized tax benefits may impact the financial statements through increasing income taxes payable, reducing income tax refunds receivable or changing deferred taxes.

Tax-related interest and penalties are recorded in Interest Expense and Other Income and Expenses, net, in the Consolidated Statements of Operations.

See Note 22 for further information.

Accounting for Renewable Energy Tax Credits and Grants

When Duke Energy elects either an ITC or a cash grant on wind or solar facilities, it reduces the basis of the property recorded on the Consolidated Balance Sheets by the amount of the ITC or cash grant and, therefore, the ITC or grant benefit is recognized through reduced depreciation expense. Additionally, certain tax credits and government grants received provide for initial tax depreciable base in excess of the book carrying value equal to one half of the ITC or government grant. Deferred tax benefits are recorded as a reduction to income tax expense in the period that the basis difference is created.

Excise Taxes

Certain excise taxes levied by state or local governments are required to be paid even if not collected from the customer. These taxes are recognized on a gross basis. Otherwise, the taxes are accounted for net. Excise taxes accounted for on a gross basis as Property and other taxes in the Consolidated Statements of Operations were as follows.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Duke Energy	$ 602	$ 466	$ 293
Duke Energy Carolinas	164	161	153
Progress Energy	304	317	315
Duke Energy Progress	115	113	110
Duke Energy Florida	189	205	205
Duke Energy Ohio	105	102	109
Duke Energy Indiana	29	33	31

On July 23, 2013, North Carolina House Bill 998 (HB 998) was signed into law. HB 998 repeals the utility franchise tax effective July 1, 2014. The utility franchise tax was 3.22 percent gross receipts tax on sales of electricity. The result of this change in law will be an annual reduction in excise taxes of approximately $160 million for Duke Energy Carolinas and approximately $110 million for Duke Energy Progress. HB 998 also increases sales tax on electricity from 3 percent to 7 percent effective July 1, 2014. HB 998 requires the NCUC to adjust retail electric rates for the elimination of the utility franchise tax, changes due to the increase in sales tax on electricity, and the resulting change in liability of utility companies under the general franchise tax.

Foreign Currency Translation

The local currencies of most of Duke Energy's foreign operations have been determined to be their functional currencies. However, certain foreign operations' functional currency has been determined to be the U.S. Dollar, based on an assessment of the economic circumstances of the foreign operation. Assets and liabilities of foreign operations whose functional currency is not the U.S. Dollar, are translated into U.S. Dollars at the exchange rates in effect at period end. Translation adjustments resulting from changes in exchange rates are included in AOCI. Revenue and expense accounts are translated at average exchange rates during the year. Gains and losses arising from balances and transactions denominated in currencies other than the local currency are included in the results of operations when they occur.

Dividend Restrictions and Unappropriated Retained Earnings

Duke Energy does not have any legal, regulatory or other restrictions on paying common stock dividends to shareholders. However, as further described in Note 4, due to conditions established by regulators in conjunction with merger transaction approvals, Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio and Duke Energy Indiana have restrictions on paying dividends or otherwise advancing funds to Duke Energy. At December 31, 2013 and 2012, an insignificant amount of Duke Energy's consolidated Retained earnings balance represents undistributed earnings of equity method investments.

NEW ACCOUNTING STANDARDS

The new accounting standards that were adopted for 2013, 2012 and 2011 had no significant impact on the presentation or results of operations, cash flows or financial position of the Duke Energy Registrants. Disclosures have been enhanced to provide a discussion and tables on derivative contracts subject to enforceable master netting agreements and a table of quantitative disclosures about unobservable inputs. See Notes 14 and 16 for further information.

There are no Accounting Standards Updates that have been issued but not yet adopted as of December 31, 2013, that are expected to significantly impact the presentation or results of operations, cash flows or financial position or disclosures of the Duke Energy Registrants.

Notes to Financial Statements

2. ACQUISITIONS, DISPOSITIONS AND SALES OF OTHER ASSETS

ACQUISITIONS

The Duke Energy Registrants consolidate assets and liabilities from acquisitions as of the purchase date, and include earnings from acquisitions in consolidated earnings after the purchase date.

Merger with Progress Energy

On July 2, 2012, Duke Energy completed its merger with Progress Energy, a North Carolina corporation engaged in the regulated utility business of generation, transmission and distribution and sale of electricity in portions of North Carolina, South Carolina and Florida. As a result of the merger, Progress Energy became a wholly owned subsidiary of Duke Energy.

The merger between Duke Energy and Progress Energy provides increased scale and diversity with potentially enhanced access to capital over the long term and a greater ability to undertake the significant construction programs necessary to respond to increasing environmental regulation, plant retirements and customer demand growth. Duke Energy's business risk profile is expected to improve over time due to the increased proportion of the business that is regulated. Additionally, cost savings, efficiencies and other benefits are expected from the combined operations.

Purchase Price

Total consideration transferred was based on the closing price of Duke Energy common shares on July 2, 2012, and was calculated as shown in the following table.

(dollars in millions, except per share amounts; shares in thousands)		
Progress Energy common shares outstanding at July 2, 2012		296,116
Exchange ratio		0.87083
Duke Energy common shares issued for Progress Energy common shares outstanding		257,867
Closing price of Duke Energy common shares on July 2, 2012	$	69.84
Purchase price for common stock	$	18,009
Fair value of outstanding earned stock compensation awards		62
Total purchase price	**$**	**18,071**

Progress Energy's stock-based compensation awards, including performance shares and restricted stock, were replaced with Duke Energy awards upon consummation of the merger. In accordance with accounting guidance for business combinations, a portion of the fair value of these awards is included in the purchase price as it represents consideration transferred in the merger.

Purchase Price Allocation

Fair value of assets acquired and liabilities assumed was determined based on significant estimates and assumptions, including Level 3 inputs, which are judgmental in nature. Estimates and assumptions include the projected timing and amount of future cash flows, discount rates reflecting risk inherent in future cash flows, and future market prices.

Additionally the February 5, 2013 announcement of the decision to retire Crystal River Unit 3 reflects additional information related to facts and circumstances existing as of the acquisition date. See Note 4 for additional information related to Crystal River Unit 3. As such, Duke Energy presents assets acquired and liabilities assumed as if the retirement of Crystal River Unit 3 occurred on the acquisition date.

The majority of Progress Energy's operations are subject to the rate-setting authority of the FERC, NCUC, PSCSC, and FPSC and are accounted for pursuant to U.S. GAAP, including the accounting guidance for regulated operations. Rate-setting and cost recovery provisions currently in place for Progress Energy's regulated operations provide revenues derived from costs, including a return on investment of assets and liabilities included in rate base. Except for long-term debt, asset retirement obligations, capital leases, pension and other post-retirement benefits (OPEB) plans, and the wholesale portion of Crystal River Unit 3, fair values of tangible and intangible assets and liabilities subject to these rate-setting provisions approximate their carrying values. Accordingly, assets acquired and liabilities assumed and pro forma financial information do not reflect any net adjustments related to these amounts. The difference between fair value and pre-merger carrying amounts for long-term debt, asset retirement obligations, capital leases and pension and OPEB plans for regulated operations were recorded as Regulatory assets.

The excess of purchase price over estimated fair values of assets acquired and liabilities assumed was recognized as goodwill at the acquisition date. The goodwill reflects the value paid primarily for long-term potential for enhanced access to capital as a result of increased scale and diversity, opportunities for synergies, and an improved risk profile. Goodwill resulting from the merger was allocated entirely to the Regulated Utilities segment. None of the goodwill recognized is deductible for income tax purposes, and as such, no deferred taxes have been recorded related to goodwill.

The completed purchase price allocation is presented in the following table.

(in millions)	
Current assets	$ 3,204
Property, plant and equipment	23,141
Goodwill	12,469
Other long-term assets	9,990
Total assets	**48,804**
Current liabilities, including current maturities of long-term debt	3,593
Long-term liabilities, preferred stock and noncontrolling interests	10,394
Long-term debt	16,746
Total liabilities and preferred stock	**30,733**
Total purchase price	**$ 18,071**

The purchase price allocation in the table above reflects refinements made to preliminary fair values of assets acquired and liabilities assumed as of December 31, 2012. These refinements include adjustments associated with the retirement of Crystal River Unit 3. The changes resulted in an increase to Goodwill of $2 million, an increase to the fair value of Current liabilities, including current maturities of long-term debt of $12 million, a decrease to Property, plant and equipment of $138 million, a decrease to Other long-term assets of $4 million and a decrease to Long-term liabilities, preferred stock and noncontrolling interests of $152 million. These refinements had no impact on the amortization of purchase accounting adjustments recorded to earnings during the year ended December 31, 2013, or for the six months ended December 31, 2012.

Pro Forma Financial Information

The following unaudited pro forma financial information reflects the consolidated results of operations of Duke Energy and the amortization of purchase price adjustments assuming the merger had taken place on January 1, 2011. The unaudited pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of the consolidated results of operations that would have been achieved or future consolidated results of operations of Duke Energy.

Non-recurring merger consummation, integration and other costs incurred by Duke Energy and Progress Energy during the period have been excluded from pro forma earnings presented below. After-tax non-recurring merger consummation, integration and other costs incurred by both Duke Energy and Progress Energy were $413 million and $85 million for the years ended 2012 and 2011, respectively. The pro forma financial information also excludes potential future cost savings or non-recurring charges related to the merger.

	Years Ended December 31,	
(in millions, except per share amounts)	2012	2011
Revenues	$ 23,976	$ 23,445
Net Income Attributable to Duke Energy Corporation	2,417	2,397
Basic and Diluted Earnings Per Share	3.43	3.41

Accounting Charges Related to the Merger Consummation

The following pretax consummation charges were recognized upon closing of the merger and are included in the Duke Energy Registrants' Consolidated Statements of Operations and Comprehensive Income for the year ended December 31, 2012.

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
FERC Mitigation	$ 117	$ 46	$ 71	$ 71	$ -	$ -	$ -
Severance costs	196	63	82	55	27	21	18
Community support, charitable contributions and other	169	79	74	63	11	7	6
Total	**$ 482**	**$ 188**	**$ 227**	**$ 189**	**$ 38**	**$ 28**	**$ 24**

FERC Mitigation charges reflect the portion of transmission project costs probable of disallowance, impairment of the carrying value of the generation assets serving Interim FERC Mitigation, and mark-to-market losses recognized on power sale agreements upon closing of the merger. Charges related to transmission projects and impairment of the carrying value of generation assets were recorded within Impairment charges in the Consolidated Statements of Operations. Mark-to-market losses on interim power sale agreements was recorded in Regulated electric operating revenues in the Consolidated Statements of Operations. Subsequent changes in fair value of interim power sale agreements over the life of the contracts and realized gains or losses on interim contract sales are also recorded within Regulated electric operating revenues. The ability to successfully defend future recovery of a portion of transmission projects in rates and any future changes to estimated transmission project costs could impact the amount not expected to be recovered.

In conjunction with the merger, in November 2011, Duke Energy and Progress Energy each offered a voluntary severance plan (VSP) to certain eligible employees. VSP and other severance costs incurred were recorded primarily within Operation, maintenance and other in the Consolidated Statements of Operations. See Note 19 for further information related to employee severance expenses.

Community support, charitable contributions and other reflect (i) the unconditional obligation to provide funding at a level comparable to historic practices over the next four years, and (ii) financial and legal advisory costs incurred upon the closing of the merger, retention and relocation costs paid to certain employees. These charges were recorded within Operation, maintenance and other in the Consolidated Statements of Operations.

Impact of Merger

The impact of Progress Energy on Duke Energy's revenues and net income attributable to Duke Energy in the Consolidated Statements of Operations for the year ended December 31, 2012 was an increase of $4,943 million and $368 million, respectively.

Chilean Operations

In December 2012, Duke Energy acquired Iberoamericana de Energía Ibener, S.A. (Ibener) of Santiago, Chile for cash consideration of $415 million. This acquisition included the 140 Megawatt (MW) Duqueco hydroelectric generation complex consisting of two run-of-the-river plants located in southern Chile. Purchase price allocation consisted primarily of $383 million of property, plant and equipment, $30 million of intangible assets, $57 million of deferred income tax liabilities, $54 million of goodwill and $8 million of working capital. In connection with the acquisition, a $190 million six-month bridge loan and a $200 million revolving loan under a credit agreement were executed with a commercial bank. Both loans were fully collateralized with cash deposits, and therefore no net proceeds from the financings existed as of December 31, 2012. The $190 million bridge loan was classified in Current maturities of long-term debt and the related cash collateral deposit was classified as Current Assets on the Consolidated Balance Sheets as of December 31, 2012. The revolving loan is classified as Long-term Debt and the related cash collateral deposit is classified as Investments and Other Assets on the Consolidated Balance Sheets.

In April 2013, the six-month bridge loan executed in connection with the acquisition was replaced with a nonrecourse secured credit facility with a term of thirteen years, and the cash collateral related to the six-month bridge loan was returned to Duke Energy. See Note 6 for additional discussion related to the bridge loan conversion.

Midwest Generation Exit

On February 17, 2014, Duke Energy Ohio announced that it had initiated a process to exit its nonregulated Midwest generation business. Considering a marketing period of several months and potential regulatory approvals, Duke Energy Ohio expects to dispose of the nonregulated Midwest generation business by early to mid-2015. In the first quarter of 2014, Duke Energy Ohio will reclassify approximately $3.5 billion carrying value of its Midwest generation business to assets held for sale and expects to record an estimated pretax impairment charge of $1 billion to $2 billion to reduce the carrying value to estimated sales proceeds less cost to sell.

Vermillion Generating Station

On January 12, 2012, after receiving approvals from the FERC and IURC on August 12, 2011 and December 28, 2011, respectively, Duke Energy Vermillion II, LLC (Duke Energy Vermillion), an indirect wholly owned subsidiary of Duke Energy Ohio, completed the sale of its ownership interest in Vermillion Generating Station (Vermillion) to Duke Energy Indiana and Wabash Valley Power Association (WVPA). Upon closing of the sale, Duke Energy Indiana held a 62.5 percent interest in Vermillion. Duke Energy Ohio received net proceeds of $82 million, of which $68 million was paid by Duke Energy Indiana. Following the transaction, Duke Energy Indiana retired Gallagher Units 1 and 3 effective February 1, 2012.

As Duke Energy Indiana is an affiliate of Duke Energy Vermillion, the transaction was accounted for as a transfer between entities under common control with no gain or loss recorded and did not have a significant impact to Duke Energy Ohio's or Duke Energy Indiana's results of operations. Proceeds received from Duke Energy Indiana are included in Net proceeds from the sales of other assets on Duke Energy Ohio's Consolidated Statements of Cash Flows. Cash paid to Duke Energy Ohio is included in Capital expenditures on Duke Energy Indiana's Consolidated Statements of Cash Flows. Duke Energy Ohio and Duke Energy Indiana recognized non-cash equity transfers of $28 million and $26 million, respectively, in their

Consolidated Statements of Common Stockholder's Equity on the transaction representing the difference between cash exchanged and the net book value of Vermillion. These amounts are not reflected in Duke Energy's Consolidated Statements of Cash Flows or Consolidated Statements of Equity as the transaction is eliminated in consolidation.

Proceeds from WVPA are included in Net proceeds from the sales of other assets, and sale of and collections on notes receivable on Duke Energy's and Duke Energy Ohio's Consolidated Statements of Cash Flows. The sale of the proportionate share of Vermillion to WVPA did not result in a significant gain or loss upon close of the transaction.

Wind Projects Joint Venture

In April 2012, Duke Energy executed a joint venture agreement with Sumitomo Corporation of America (SCOA). Under terms of the agreement, Duke Energy and SCOA each own a 50 percent interest in the joint venture (DS Cornerstone, LLC), which owns two wind generation projects. Duke Energy and SCOA also negotiated a $330 million, Construction and 12-year amortizing Term Loan Facility, on behalf of the borrower, a wholly owned subsidiary of the joint venture. The loan agreement is non-recourse to Duke Energy. Duke Energy received proceeds of $319 million upon execution of the loan agreement. This amount represents reimbursement of a significant portion of Duke Energy's construction costs incurred as of the date of the agreement. DS Cornerstone, LLC was initially consolidated with the sale to SCOA because of a guarantee provided by an indirect wholly owned subsidiary of Duke Energy. With the expiration of the guarantee in 2012, DS Cornerstone, LLC was deconsolidated.

SALES OF OTHER ASSETS

During 2012, Duke Energy received proceeds of $187 million from the sale of non-core business assets within the Commercial Power segment for which no material gain or loss was recognized.

3. BUSINESS SEGMENTS

Duke Energy evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests. Segment income, as discussed below, includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements.

Operating segments are determined based on information used by the chief operating decision maker in deciding how to allocate resources and evaluate the performance.

Products and services are sold between affiliate companies and reportable segments of Duke Energy at cost. Segment assets as presented in the tables that follow exclude all intercompany assets.

DUKE ENERGY

Duke Energy has the following reportable operating segments: Regulated Utilities, International Energy and Commercial Power.

Regulated Utilities conducts operations primarily through Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Indiana, and the regulated transmission and distribution operations of Duke Energy Ohio. These electric and gas operations are subject to the rules and regulations of the FERC, NCUC, PSCSC, FPSC, PUCO, IURC, and KPSC. Substantially all of Regulated Utilities' operations are regulated and, accordingly, these operations qualify for regulatory accounting treatment.

International Energy principally operates and manages power generation facilities and engages in sales and marketing of electric power, natural gas, and natural gas liquids outside the U.S. Its activities principally target power generation in Latin America. Additionally, International Energy owns a 25 percent interest in National Methanol Company (NMC), a large regional producer of Methyl tertiary butyl ether (MTBE) located in Saudi Arabia. The investment in NMC is accounted for under the equity method of accounting.

Commercial Power owns, operates and manages power plants and engages in the wholesale marketing and procurement of electric power, fuel and emission allowances related to these plants as well as other contractual positions. Commercial Power's generation operations consist primarily of Duke Energy Ohio's coal-fired and gas-fired nonregulated generation assets located in the Midwest region of the U.S. and wind and solar generation located throughout the U.S. The asset portfolio has a diversified fuel mix with baseload and mid-merit coal-fired units as well as combined cycle and peaking natural gas-fired units. In addition, Commercial Power operates and develops transmission projects.

The remainder of Duke Energy's operations is presented as Other. While it is not an operating segment, Other primarily includes unallocated corporate interest expense, certain unallocated corporate costs, Bison Insurance Company Limited (Bison), Duke Energy's wholly owned, captive insurance subsidiary, and contributions to the Duke Energy Foundation. On December 31, 2013, Duke Energy sold its interest in DukeNet Communications Holdings, LLC (DukeNet) to Time Warner Cable, Inc. See Note 12 for further information.

	Year Ended December 31, 2013						
(in millions)	Regulated Utilities	International Energy	Commercial Power	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues[a][b][c]	$ 20,871	$ 1,546	$ 2,106	$ 24,523	$ 75	$ -	$ 24,598
Intersegment revenues	39	-	39	78	88	(166)	-
Total revenues	$ 20,910	$ 1,546	$ 2,145	$ 24,601	$ 163	$ (166)	$ 24,598
Interest expense	$ 986	$ 86	$ 64	$ 1,136	$ 417	$ (7)	$ 1,546
Depreciation and amortization	2,323	100	250	2,673	135	-	2,808
Equity in earnings of unconsolidated affiliates	(1)	110	7	116	6	-	122
Income tax expense (benefit)	1,522	166	(104)	1,584	(323)	-	1,261
Segment income[a][b][c][d][e][f][g]	2,504	408	(3)	2,909	(261)	-	2,648
Add back noncontrolling interest component							11
Income from discontinued operations, net of tax							17
Net income							$ 2,676
Capital investments expenditures and acquisitions	$ 5,049	$ 67	$ 268	$ 5,384	$ 223	$ -	$ 5,607
Segment assets	99,884	4,998	6,955	111,837	2,754	188	114,779

(a) In May 2013, Duke Energy Ohio implemented revised customer rates approved by the PUCO. This increase impacts Regulated Utilities. See Note 4 for additional information about the revised customer rates.
(b) In June 2013, Duke Energy Progress implemented revised customer rates approved by the NCUC. This increase impacts Regulated Utilities. See Note 4 for additional information about the revised customer rates.
(c) In September 2013, Duke Energy Carolinas implemented revised rates approved by the NCUC and the PSCSC. This increase impacts Regulated Utilities. See Note 4 for additional information about the revised customer rates.
(d) Regulated Utilities recorded charges related to Duke Energy Florida's Crystal River Unit 3. See Note 4 for additional information about the Crystal River Unit 3 charges.
(e) Regulated Utilities recorded an impairment charge related to Duke Energy Progress' Shearon Harris Nuclear Station (Harris) site. Regulated Utilities also recorded an impairment charge related to Duke Energy Florida's proposed nuclear plant in Levy County, Florida (Levy) site. See Note 4 for additional information about the Harris site and Levy site impairments.
(f) Other includes after-tax costs to achieve the merger with Progress Energy. See Notes 2 and 25 for additional information about the merger and related costs.
(g) Other includes gain from the sale of Duke Energy's ownership interest in DukeNet. See Note 12 for additional information on the sale of DukeNet.

	Year Ended December 31, 2012						
(in millions)	Regulated Utilities	International Energy	Commercial Power	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 16,042	$ 1,549	$ 2,020	$ 19,611	$ 13	$ -	$ 19,624
Intersegment revenues	38	-	58	96	47	(143)	-
Total revenues	$ 16,080	$ 1,549	$ 2,078	$ 19,707	$ 60	$ (143)	$ 19,624
Interest expense	$ 806	$ 77	$ 63	$ 946	$ 296	$ -	$ 1,242
Depreciation and amortization	1,827	99	228	2,154	135	-	2,289
Equity in earnings of unconsolidated affiliates	(5)	134	14	143	5	-	148
Income tax expense (benefit)	942	149	(8)	1,083	(378)	-	705
Segment income[a][b]	1,744	439	87	2,270	(538)	-	1,732
Add back noncontrolling interest component							14
Income from discontinued operations, net of tax							36
Net income							$ 1,782
Capital investments expenditures and acquisitions	$ 4,220	$ 551	$ 1,038	$ 5,809	$ 149	$ -	$ 5,958
Segment assets	98,162	5,406	6,992	110,560	3,126	170	113,856

(a) Regulated Utilities recorded charges related to Duke Energy Indiana's IGCC project. See Note 4 for additional information about these charges. Regulated Utilities also recorded the reversal of expenses of $60 million related to a prior year Voluntary Opportunity Plan in accordance with Duke Energy Carolinas' 2011 rate case. See Note 19 for additional information about these expenses.

(b) Other includes after-tax costs to achieve the merger with Progress Energy. See Notes 2 and 25 for additional information about the merger and related costs.

	Year Ended December 31, 2011						
(in millions)	Regulated Utilities	International Energy	Commercial Energy	Total Reportable Segments[a]	Other	Eliminations	Total
Unaffiliated revenues	$ 10,586	$ 1,467	$ 2,480	$ 14,533	$ (4)	$ -	$ 14,529
Intersegment revenues	33	-	11	44	48	(92)	-
Total revenues	$ 10,619	$ 1,467	$ 2,491	$ 14,577	$ 44	$ (92)	$ 14,529
Interest expense	$ 568	$ 47	$ 87	$ 702	$ 157	$ -	$ 859
Depreciation and amortization	1,383	90	230	1,703	103	-	1,806
Equity in earnings of unconsolidated affiliates	-	145	6	151	9	-	160
Income tax expense (benefit)	674	196	(2)	868	(116)	-	752
Segment income[a][b]	1,181	466	134	1,781	(76)	-	1,705
Add back noncontrolling interest component							8
Income from discontinued operations, net of tax							1
Net income							$ 1,714
Capital investments expenditures and acquisitions	$ 3,717	$ 114	$ 492	$ 4,323	$ 141	$ -	$ 4,464
Segment assets	47,977	4,539	6,939	59,455	2,961	110	62,526

(a) Regulated Utilities recorded charges related to Duke Energy Indiana's IGCC project. See Note 4 for additional information about these charges.
(b) Commercial Power recorded charges to write-down the carrying value of certain emission allowances. See Note 11 for additional information about these charges.

The following table includes information by geographic segment.

(in millions)	U.S.	Latin America[a]	Consolidated
2013			
Consolidated revenues	**$ 23,053**	**$ 1,545**	**$ 24,598**
Consolidated long-lived assets	**78,581**	**2,781**	**81,362**
2012			
Consolidated revenues	$ 18,078	$ 1,546	$ 19,624
Consolidated long-lived assets	79,144	2,467	81,611
2011			
Consolidated revenues	$ 13,062	$ 1,467	$ 14,529
Consolidated long-lived assets	45,920	2,612	48,532

(a) Change in amounts of long-lived assets in Latin America includes foreign currency translation adjustments on property, plant and equipment and other long-lived asset balances.

DUKE ENERGY OHIO

Duke Energy Ohio has two reportable operating segments, Regulated Utilities and Commercial Power.

Regulated Utilities transmits and distributes electricity in portions of Ohio and generates, distributes and sells electricity in portions of Kentucky. Regulated Utilities also transports and sells natural gas in portions of Ohio and northern Kentucky. It conducts operations primarily through Duke Energy Ohio and its wholly owned subsidiary, Duke Energy Kentucky.

Commercial Power owns, operates and manages power plants and engages in the wholesale marketing and procurement of electric power, fuel and emission allowances related to these plants, as well as other contractual positions.

The remainder of Duke Energy Ohio's operations is presented as Other. While it is not considered an operating segment, Other primarily includes

certain governance costs allocated by its parent, Duke Energy. See Note 13 for additional information. All of Duke Energy Ohio's revenues are generated domestically and its long-lived assets are all in the U.S.

	Year Ended December 31, 2013					
(in millions)	Regulated	Commercial	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues(a)	$ 1,765	$ 1,480	$ 3,245	$ -	$ -	$ 3,245
Intersegment revenues	-	32	32	-	(32)	-
Total revenues	$ 1,765	$ 1,512	$ 3,277	$ -	$ (32)	$ 3,245
Interest expense	$ 74	$ 4	$ 78	$ -	$ -	$ 78
Depreciation and amortization	200	154	354	-	-	354
Income tax expense (benefit)	91	(14)	77	(2)	-	75
Segment income/consolidated net income	151	(20)	131	(29)	-	102
Capital expenditures	375	58	433	-	-	433
Segment assets	6,649	4,170	10,819	99	(155)	10,763

(a) Duke Energy Ohio earned approximately 37 percent of its consolidated operating revenues from PJM Interconnection, LLC (PJM) in 2013, all of which is included in the Commercial Power segment. These revenues relate to the sale of capacity and electricity from Commercial Power's nonregulated generation assets.

(in millions)	Regulated	Commercial	Total Reportable Segments	Other	Eliminations	Total
	Year Ended December 31, 2012					
Unaffiliated revenues[a]	$ 1,745	$ 1,407	$ 3,152	$ -	$ -	$ 3,152
Intersegment revenues	1	51	52	-	(52)	-
Total revenues	$ 1,746	$ 1,458	$ 3,204	$ -	$ (52)	$ 3,152
Interest expense	$ 61	$ 28	$ 89	$ -	$ -	$ 89
Depreciation and amortization	179	159	338	-	-	338
Income tax expense (benefit)	91	25	116	(18)	-	98
Segment income/consolidated net income	159	50	209	(34)	-	175
Capital expenditures	427	87	514	-	-	514
Segment assets	6,434	4,175	10,609	117	(166)	10,560

(a) Duke Energy Ohio earned approximately 36 percent of its consolidated operating revenues from PJM in 2012, all of which is included in the Commercial Power segment. These revenues relate to the sale of capacity and electricity from Commercial Power's nonregulated generation assets.

(in millions)	Regulated	Commercial	Total Reportable Segments	Other	Eliminations	Total
	Year Ended December 31, 2011					
Unaffiliated revenues[a]	$ 1,474	$ 1,707	$ 3,181	$ -	$ -	$ 3,181
Intersegment revenues	-	4	4	-	(4)	-
Total revenues	$ 1,474	$ 1,711	$ 3,185	$ -	$ (4)	$ 3,181
Interest expense	$ 68	$ 36	$ 104	$ -	$ -	$ 104
Depreciation and amortization	168	167	335	-	-	335
Income tax expense (benefit)	98	6	104	(8)	-	96
Segment income/consolidated net income[b]	133	78	211	(17)	-	194
Capital expenditures	375	124	499	-	-	499
Segment assets	6,293	4,740	11,033	259	(353)	10,939

(a) Duke Energy Ohio earned approximately 24 percent of its consolidated operating revenues from PJM in 2011, all of which is included in the Commercial Power segment. These revenues relate to the sale of capacity and electricity from Commercial Power's nonregulated generation assets.

(b) Commercial Power recorded charges during the year ended December 31, 2011, to write-down the carrying value of certain emission allowances. See Note 11 for additional information.

DUKE ENERGY CAROLINAS, PROGRESS ENERGY, DUKE ENERGY PROGRESS, DUKE ENERGY FLORIDA AND DUKE ENERGY INDIANA

Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana each have one reportable operating segment, Regulated Utility, which generates, transmits, distributes and sells electricity. The remainder of each company's operations is classified as Other. While not considered a reportable segment for any of these companies, Other consists of certain unallocated corporate costs. Other for Progress Energy also includes interest expense on corporate debt instruments of $300 million, $304 million and $324 million for the years ended December 31, 2013, 2012 and 2011. The following table summarizes the net loss for Other for each of these entities.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Duke Energy Carolinas	$ (97)	$ (169)	$ (46)
Progress Energy	(241)	(379)	(273)
Duke Energy Progress	(46)	(139)	(18)
Duke Energy Florida	(24)	(58)	(16)
Duke Energy Indiana	(16)	(27)	(12)

Duke Energy Progress earned approximately 10 percent of its consolidated operating revenues from North Carolina Electric Membership Corporation (NCEMC) in 2013. These revenues relate to wholesale contracts and transmission revenues. The respective Regulated Utility and Regulated Utilities operating segments own substantially all of Duke Energy Carolinas', Progress Energy's, Duke Energy Progress', Duke Energy Florida's and Duke Energy Indiana's assets at December 31, 2013, 2012 and 2011.

4. REGULATORY MATTERS

REGULATORY ASSETS AND LIABILITIES

The Duke Energy Registrants record regulatory assets and liabilities that result from the ratemaking process. See Note 1 for further information.

The following tables present the regulatory assets and liabilities recorded on the Consolidated Balance Sheets.

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Assets							
Accrued pension and OPEB	$ 1,723	$ 347	$ 750	$ 269	$ 438	$ 120	$ 219
Retired generation facilities	1,748	68	1,619	241	1,378	-	61
Debt fair value adjustment	1,338	-	-	-	-	-	-
Asset retirement obligations	1,608	123	786	389	397	-	-
Net regulatory asset related to income taxes	1,115	555	331	113	218	72	157
Hedge costs and other deferrals	450	98	318	165	153	5	29
Demand side management (DSM)/Energy efficiency (EE)	371	140	152	140	12	79	-
Vacation accrual	210	82	55	50	-	7	13
Deferred fuel	94	-	37	6	31	14	43
Nuclear deferral	262	40	222	77	145	-	-
Post-in-service carrying costs and deferred operating expenses	459	150	137	19	118	21	151
Gasification services agreement buyout	75	-	-	-	-	-	75
Transmission expansion obligation	70	-	-	-	-	74	-
Manufactured gas plant (MGP)	90	-	-	-	-	90	-
Other	473	219	101	42	60	46	87
Total regulatory assets	10,086	1,822	4,508	1,511	2,950	528	835
Less: current portion	895	295	353	127	221	57	118
Total non-current regulatory assets	$ 9,191	$ 1,527	$ 4,155	$ 1,384	$ 2,729	$ 471	$ 717

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Liabilities							
Costs of removal	$ 5,308	$ 2,423	$ 2,008	$ 1,637	$ 371	$ 241	$ 645
Amounts to be refunded to customers	151	-	120	-	120	-	31
Storm reserve	145	20	125	-	125	-	-
Accrued pension and OPEB	138	-	-	-	-	21	77
Deferred fuel	177	45	132	-	132	-	-
Other	346	153	114	99	14	27	45
Total regulatory liabilities	6,265	2,641	2,499	1,736	762	289	798
Less: current portion	316	65	207	63	144	27	16
Total non-current regulatory liabilities	$ 5,949	$ 2,576	$ 2,292	$ 1,673	$ 618	$ 262	$ 782

(in millions)	December 31, 2012						
	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Assets							
Accrued pension and OPEB	$ 3,306	$ 602	1,650	$ 769	$ 754	$ 225	$ 325
Retired generation facilities	1,781	-	1,720	128	1,592	-	61
Debt fair value adjustment	1,472	-	-	-	-	-	-
Asset retirement obligations	1,461	48	713	372	341	-	-
Net regulatory asset related to income taxes	1,373	731	401	175	226	82	158
Hedge costs and other deferrals	710	88	550	240	310	9	63
DSM/EE	322	107	121	121	-	94	-
Vacation accrual	245	85	$ 65	65	-	7	13
Deferred fuel	162	-	109	-	109	-	52
Nuclear deferral	142	-	142	-	142	-	-
Post-in-service carrying costs and deferred operating expenses	122	27	-	-	-	19	76
Gasification services agreement buyout	95	-	-	-	-	-	95
Transmission expansion obligation	72	-	-	-	-	72	-
MGP	77	-	-	-	-	77	-
Other	401	260	77	52	26	39	93
Total regulatory assets	11,741	1,948	5,548	1,922	3,500	625	936
Less: current portion	737	221	256	77	179	46	126
Total non-current regulatory assets	$ 11,004	$ 1,727	$ 5,292	$ 1,845	$ 3,321	$ 579	$ 810

(in millions)	December 31, 2012						
	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Liabilities							
Costs of removal	$ 4,827	$ 1,928	$ 2,048	$ 1,503	$ 401	$ 236	$ 624
Amounts to be refunded to customers	290	-	259	-	259	-	31
Storm reserve	125	-	125	-	125	-	-
Accrued pension and OPEB	103	-	-	-	-	18	68
Deferred fuel	55	45	10	10	-	-	-
Other	340	207	55	35	20	39	29
Total regulatory liabilities	5,740	2,180	2,497	1,548	805	293	752
Less: current portion	156	78	28	10	18	39	11
Total non-current regulatory liabilities	$ 5,584	$ 2,102	$ 2,469	$ 1,538	$ 787	$ 254	$ 741

Descriptions of regulatory assets and liabilities, summarized in the tables above, as well as their recovery and amortization periods follow. Items are excluded from rate base unless otherwise noted.

Accrued pension and OPEB. Accrued pension and OPEB represent regulatory assets and liabilities related to each of the Duke Energy Registrants' respective shares of unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to Duke Energy's pension plans and OPEB plans. The regulatory asset or liability is amortized with the recognition of actuarial gains and losses, prior

service cost, and transition obligations to net periodic benefit costs for pension and OPEB plans. See Note 21 for additional detail.

Retired generation facilities. Duke Energy Florida earns a reduced return on a substantial portion of the amount of regulatory asset associated with the retirement of Crystal River Unit 3 not included in rate base and a full return on a portion of the retired plant currently recovered in rates. Once included in base rates the amount will be amortized over 20 years. Duke Energy Carolinas and Duke Energy Progress earn a return on the outstanding balance with recovery periods ranging from five to 10 years. Duke Energy Indiana earns a return on the outstanding balances and the costs are included in rate base.

Asset retirement obligations. Represents future removal costs associated with asset retirement obligations for nuclear facilities. No return is earned on these balances. The recovery period runs through the decommissioning period of each nuclear unit, the latest of which is estimated to be 2097. See Note 9 for additional information.

Net regulatory asset related to income taxes. Regulatory assets principally associated with the depreciation and recovery of AFUDC equity. Amounts have no impact on rate base as regulatory assets are offset by deferred tax liabilities. The recovery period is over the life of the associated assets.

Hedge costs and other deferrals. Amounts relate to unrealized gains and losses on derivatives recorded as a regulatory asset or liability, respectively, until the contracts are settled. The recovery period varies for these costs, and currently extends to 2027.

DSM/EE. The recovery period varies for these costs, with some currently unknown. Duke Energy Carolinas, Duke Energy Progress, and Duke Energy Florida are required to pay interest on the outstanding liability balance. Duke Energy Progress and Duke Energy Florida collect a return on the outstanding asset balance. Duke Energy Carolinas collects a return on the outstanding balance in South Carolina.

Vacation accrual. Generally recovered within one year.

Deferred fuel. Deferred fuel costs represent certain energy costs that are recoverable or refundable as approved by the applicable regulatory body. Duke Energy Florida, Duke Energy Ohio, and Duke Energy Indiana earn a return on under-recovered costs. Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana pay interest on over-recovered costs. Duke Energy Carolinas and Duke Energy Progress pay interest on over-recovered costs in North Carolina. Recovery period is generally over one year. Duke Energy Florida amount includes capacity costs.

Nuclear deferral. Includes (i) amounts related to levelizing nuclear plant outage costs at Duke Energy Carolinas in North Carolina and South Carolina, and Duke Energy Progress in North Carolina, which allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, resulting in the deferral of operations and maintenance costs associated with refueling and (ii) certain deferred preconstruction and carrying costs at Duke Energy Florida as approved by the FPSC associated with Levy, expected to be recovered in revenues by the end of 2017.

Post-in-service carrying costs and deferred operating expenses. Represents deferred depreciation and operating expenses as well as carrying costs on the portion of capital expenditures placed in service but not yet reflected in retail rates as plant in service. Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio and Duke Energy Indiana earn a return on the outstanding balance. Duke Energy Ohio amounts are included in rate base. For Duke Energy Indiana, some amounts are included in rate base. Recovery is over various lives, and the latest recovery period is 2067.

Gasification services agreement buyout. The IURC authorized Duke Energy Indiana to recover costs incurred to buyout a gasification services agreement, including carrying costs through 2018.

Transmission expansion obligation. Represents transmission expansion obligations related to Duke Energy Ohio's withdrawal from Midcontinent Independent System Operator, Inc. (MISO).

MGP. Represents remediation costs for former MGP sites. In November 2013, the PUCO approved recovery of these costs through 2018. Duke Energy Ohio does not earn a return on these costs. See Note 5, Commitments and Contingencies, for additional information.

Debt fair value adjustment. Purchase accounting adjustment to restate the carrying value of Progress Energy debt to fair value. Amount is amortized over the life of the related debt.

Costs of removal. Represents funds received from customers to cover the future removal of property, plant and equipment from retired or abandoned sites as property is retired. Also includes unrealized gains on NDTF investments.

Amounts to be refunded to customers. Represents required refunds to retail customers by the applicable regulatory body. The refund period is through 2016 for Duke Energy Florida and through 2017 for Duke Energy Indiana.

Storm reserve. Duke Energy Carolinas and Duke Energy Florida are allowed to petition the PSCSC and FPSC, respectively, to seek recovery of named storms. Funds are used to offset future incurred costs.

RESTRICTIONS ON THE ABILITY OF CERTAIN SUBSIDIARIES TO MAKE DIVIDENDS, ADVANCES AND LOANS TO DUKE ENERGY

As a condition to the approval of merger transactions, the NCUC, PSCSC, PUCO, KPSC, and IURC imposed conditions on the ability of Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio, Duke Energy Kentucky and Duke Energy Indiana to transfer funds to Duke Energy through loans or advances, as well as restricted amounts available to pay dividends to Duke Energy. Certain subsidiaries may transfer funds to the parent by obtaining approval of the respective state regulatory commissions. These conditions imposed restrictions on the ability of the public utility subsidiaries to pay cash dividends as discussed below.

Duke Energy Progress and Duke Energy Florida also have restrictions imposed by their first mortgage bond indentures and Articles of Incorporation which, in certain circumstances, limited their ability to make cash dividends or distributions on common stock. Amounts restricted as a result of these provisions were not material at December 31, 2013.

Additionally, certain other subsidiaries of Duke Energy have restrictions on their ability to dividend, loan or advance funds to Duke Energy due to specific legal or regulatory restrictions, including, but not limited to, minimum working capital and tangible net worth requirements.

Duke Energy Carolinas

Duke Energy Carolinas must limit cumulative distributions subsequent to mergers to (i) the amount of retained earnings on the day prior to the closing of the mergers, plus (ii) any future earnings recorded.

Duke Energy Progress

Duke Energy Progress must limit cumulative distributions subsequent to the merger between Duke Energy and Progress Energy to (i) the amount of retained earnings on the day prior to the closing of the merger, plus (ii) any future earnings recorded.

Duke Energy Ohio

Duke Energy Ohio will not declare and pay dividends out of capital or unearned surplus without the prior authorization of the PUCO. Duke Energy Ohio received FERC and PUCO approval to pay dividends from its equity accounts that are reflective of the amount that it would have in its retained earnings account had push-down accounting for the Cinergy Corp. (Cinergy) merger not been applied to Duke Energy Ohio's balance sheet. The conditions include a commitment from Duke Energy Ohio that equity, adjusted to remove the impacts of push-down accounting, will not fall below 30 percent of total capital.

Duke Energy Kentucky is required to pay dividends solely out of retained earnings and to maintain a minimum of 35 percent equity in its capital structure.

Duke Energy Indiana

Duke Energy Indiana must limit cumulative distributions subsequent to the merger between Duke Energy and Cinergy to (i) the amount of retained earnings on the day prior to the closing of the merger, plus (ii) any future earnings recorded. In addition, Duke Energy Indiana will not declare and pay dividends out of capital or unearned surplus without prior authorization of the IURC.

The restrictions discussed above were less than 25 percent of Duke Energy's net assets at December 31, 2013.

RATE RELATED INFORMATION

The NCUC, PSCSC, FPSC, IURC, PUCO and KPSC approve rates for retail electric and gas services within their states. Nonregulated sellers of gas and electric generation are also allowed to operate in Ohio once certified by the PUCO. The FERC approves rates for electric sales to wholesale customers served under cost-based rates (excluding Ohio and Indiana), as well as sales of transmission service.

Duke Energy Carolinas

2013 North Carolina Rate Case

On September 24, 2013, the NCUC approved a settlement agreement related to Duke Energy Carolinas' request for a rate increase with minor modifications. The North Carolina Utilities Commission Public Staff (Public Staff) was a party to the settlement agreement. The parties agreed to a three-year step-in rate increase, with the first two years providing for $204 million, or a 4.5 percent average increase in rates, and the third year providing for rates to be increased by an additional $30 million, or 0.6 percent. The agreement is based upon a return on equity of 10.2 percent and an equity component of the capital structure of 53 percent. The settlement agreement (i) allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, (ii) a $10 million shareholder contribution to agencies that provide energy assistance to low-income customers, and (iii) an annual reduction in the regulatory liability for costs of removal of $30 million for each of the first two years. Duke Energy Carolinas also agreed not to request additional base rate increases to be effective before September 2015. New rates went into effect on September 25, 2013.

On October 23, 2013, the North Carolina Attorney General (NCAG) appealed the rate of return and capital structure approved in the agreement. On October 24, 2013, the NC Waste Awareness and Reduction Network (NC WARN) also appealed various matters in the settlement. On December 11, 2013, Duke Energy Carolinas and Duke Energy Progress, along with the Public Staff, filed a Motion to Consolidate this appeal with other North Carolina rate case appeals involving Duke Energy Carolinas and Duke Energy Progress. Both the NCAG and NC WARN filed responses with the North Carolina Supreme Court (NCSC) contesting consolidation. All parties are awaiting a ruling from the NCSC. Duke Energy Carolinas cannot predict the outcome of

this matter.

2013 South Carolina Rate Case

On September 11, 2013, the PSCSC approved a settlement agreement related to Duke Energy Carolinas' request for a rate increase. Parties to the settlement agreement were the Office of Regulatory Staff, Wal-Mart Stores East, LP and Sam's East, Incorporated, the South Carolina Energy Users Committee, Public Works of the City of Spartanburg, South Carolina and the South Carolina Small Business Chamber of Commerce. The parties agreed to a two-year step-in rate increase, with the first year providing for approximately $80 million, or a 5.5 percent average increase in rates, and the second year providing for rates to be increased by an additional $38 million, or 2.6 percent. The settlement agreement is based upon a return on equity of 10.2 percent and a 53 percent equity component of the capital structure. The settlement agreement (i) allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, (ii) approximately $4 million of contributions to agencies that provide energy assistance to low-income customers and for economic development, and (iii) a reduction in the regulatory liability for costs of removal of $45 million for the first year. Duke Energy Carolinas also agreed not to request additional base rate increases to be effective before September 2015. New rates went into effect on September 18, 2013.

2011 North Carolina Rate Case

On January 27, 2012, the NCUC approved a settlement agreement related to Duke Energy Carolinas' request for a rate increase. The Public Staff was a party to the settlement. On October 23, 2013, the NCUC reaffirmed the rate of return approved in the January 27, 2012 settlement agreement, in response to an appeal by the NCAG. On November 21, 2013, the NCAG appealed the reaffirmed order. On December 11, 2013, Duke Energy Carolinas and Duke Energy Progress, along with the Public Staff, filed a Motion to Consolidate this appeal with other North Carolina rate case appeals involving Duke Energy Carolinas and Duke Energy Progress. Both the NCAG and NC WARN filed responses with the NCSC contesting consolidation. All parties are awaiting a ruling from the NCSC. Duke Energy Carolinas cannot predict the outcome of this matter.

William States Lee III Nuclear Station

In December 2007, Duke Energy Carolinas applied to the NRC for a Combined Construction and Operating License (COL) for two Westinghouse AP1000 (advanced passive) reactors for the proposed William States Lee III Nuclear Station (Lee Nuclear Station) at a site in Cherokee County, South Carolina. Submitting the COL application did not commit Duke Energy Carolinas to build nuclear units. Through several separate orders, the NCUC and PSCSC concurred with the prudency of Duke Energy Carolinas incurring certain project development and pre-construction costs, although recovery of costs is not guaranteed. Duke Energy Carolinas has incurred approximately $382 million, including AFUDC through December 31, 2013. This amount is included in Net property, plant and equipment on Duke Energy Carolinas' Consolidated Balance Sheets.

The Lee COL application is impacted by the ongoing NRC activity to address its Waste Confidence rule. The Waste Confidence rule is a generic finding by the NRC that spent fuel can be managed safely until ultimate disposal. The U.S. Court of Appeals for the District of Columbia (D.C. Circuit) remanded the rule to the NRC. The NRC determined that no final licenses for new reactors would be issued until the remand is appropriately addressed. Based upon current timelines from the NRC, licenses would not be issued until November 2014 at the earliest. The COL is also impacted by the time required to fully respond to an NRC request for additional information addressing seismic hazard evaluation resulting from recommendations of the Fukushima Near-Term Task Force.

Duke Energy Progress

2012 North Carolina Rate Case

On May 30, 2013, the NCUC approved a settlement agreement related to Duke Energy Progress' request for a rate increase. The Public Staff was a party to the settlement agreement. The parties agreed to a two-year step-in rate increase, with the first year providing for a $147 million, or a 4.5 percent average increase in rates, and the second year providing for rates to be increased by an additional $31 million, or a 1.0 percent average increase in rates. The agreement is based upon a return on equity of 10.2 percent and an equity component of the capital structure of 53 percent. The settlement agreement (i) allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, (ii) a $20 million shareholder contribution to agencies that provide energy assistance to low-income customers, and (iii) a reduction in the regulatory liability for costs of removal of $20 million for the first year. New rates went into effect on June 1, 2013.

On July 1, 2013, the NCAG appealed the NCUC's approval of the rate of return and capital structure included in the agreement. NC WARN also appealed various matters in the settlement. On December 11, 2013, Duke Energy Carolinas and Duke Energy Progress, along with the Public Staff, filed a Motion to Consolidate this appeal with other North Carolina rate case appeals involving Duke Energy Carolinas and Duke Energy Progress. Both the NCAG and NC WARN filed responses with the NCSC contesting consolidation. All parties are awaiting a ruling from the NCSC. Duke Energy Progress cannot predict the outcome of this matter.

L.V. Sutton Combined Cycle Facility

Duke Energy Progress completed construction of a 625 MW combined cycle natural gas-fired generating facility at its existing Sutton Steam Station in New Hanover County, North Carolina. Sutton began commercial operations in the fourth quarter of 2013.

Harris Expansion

On February 19, 2008, Duke Energy Progress applied to the NRC for a COL for two Westinghouse Electric AP1000 reactors at Harris. On May 2, 2013, Duke Energy Progress requested the NRC to suspend its review activities associated with the COL. As a result of the decision to suspend the COL

applications, Duke Energy Progress recorded a pretax impairment charge of $22 million during the second quarter of 2013. This charge represents costs associated with the COL, which are not probable of recovery. On September 16, 2013 and January 30, 2014, respectively, the NCUC and PSCSC approved the deferral of the respective retail portion of the COL costs. Approximately $47 million is recorded in Regulatory assets on Duke Energy Progress' Consolidated Balance Sheets at December 31, 2013.

Wholesale Depreciation Rates

On April 19, 2013, Duke Energy Progress filed an application with FERC for acceptance of changes to generation depreciation rates and in August filed for acceptance of additional changes. These changes will affect the rates of Duke Energy Progress wholesale power customers that purchase or will purchase power under formula rates. Certain Duke Energy Progress wholesale customers filed interventions and protests. FERC accepted the depreciation rate changes, subject to refund, and set the matter for settlement and hearing in a consolidated proceeding. FERC further initiated an action with respect to the justness and reasonableness of the proposed rate changes. Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Florida

FPSC Settlement Agreements

On February 22, 2012, the FPSC approved a settlement agreement (the 2012 Settlement) among Duke Energy Florida, the Florida Office of Public Counsel (OPC) and other customer advocates. The 2012 Settlement was to continue through the last billing cycle of December 2016. The agreement addressed four principal matters: (i) the Crystal River Unit 3 delamination prudence review then pending before the FPSC, (ii) certain customer rate matters, (iii) Duke Energy Florida's proposed Levy cost recovery, and (iv) cost of removal reserve.

On October 17, 2013, the FPSC approved a settlement agreement (the 2013 Settlement) between Duke Energy Florida, OPC, and other customer advocates. The 2013 Settlement replaces and supplants the 2012 Settlement and substantially resolves additional issues, including (i) matters related to Crystal River Unit 3, (ii) Levy, (iii) Crystal River 1 and 2 coal units, and (iv) future generation needs in Florida.

Refer to the remaining sections below for further discussion of these settlement agreements.

Crystal River Unit 3

In September 2009, Crystal River Unit 3 began an outage for normal refueling and maintenance as well as an uprate project to increase its generating capability and to replace two steam generators. During preparations to replace the steam generators, workers discovered a delamination, or separation, within the concrete at the periphery of the containment building, which resulted in an extension of the outage. The concrete delamination was caused by redistribution of stresses in the containment wall that occurred when an opening was created to accommodate the replacement of the unit's steam generators. In March 2011, work to return the plant to service was suspended after monitoring equipment identified a new delamination. The second delamination occurred in a different section of the outer wall after repair work was completed and during the late stages of retensioning the containment building. Crystal River Unit 3 remained out of service while Duke Energy Florida conducted an engineering analysis and review of the second delamination and evaluated possible repair options.

Subsequent to March 2011, monitoring equipment detected additional changes and further damage in the partially tensioned containment building. Duke Energy Florida developed a repair plan, which had a preliminary cost estimate of $900 million to $1.3 billion.

On February 5, 2013, following the completion of a comprehensive analysis and an independent review by Zapata Incorporated, which estimated repair costs to be between $1.49 billion and $3.43 billion depending on the repair scope selected, Duke Energy Florida announced its intention to retire Crystal River Unit 3. Duke Energy Florida concluded it did not have a high degree of confidence the repair could be successfully completed and licensed within estimated costs and schedule, and that it was in the best interests of Duke Energy Florida's customers and joint owners, and Duke Energy's investors to retire the unit. On February 20, 2013, Duke Energy Florida filed with the NRC a certification of permanent cessation of power operations and permanent removal of fuel from the reactor vessel. In December 2013, Duke Energy Florida filed an updated site-specific decommissioning study and plan with the NRC and FPSC. The study resulted in a decommissioning cost estimate of $1,180 million, including amounts applicable to joint owners, under the safe storage (SAFSTOR) option. Duke Energy Florida's decommissioning study assumes Crystal River Unit 3 will be in SAFSTOR configuration, requiring limited staffing to monitor plant conditions, until the eventual dismantling and decontamination activities occur in 60 years. This decommissioning approach is currently utilized at a number of retired domestic nuclear power plants and is one of three generally accepted approaches to decommissioning approved by the NRC.

Duke Energy Florida maintains insurance coverage through Nuclear Electric Insurance Limited's (NEIL) accidental property damage program on an actual cash value basis. The NEIL coverage generally does not include property damage to or resulting from the containment structure. However, coverage does apply to decontamination and debris removal if required following an accident to ensure public health and safety or if property damage results from a terrorism event.

Duke Energy Florida worked with NEIL for recovery of applicable repair costs and associated replacement power costs throughout the duration of the Crystal River Unit 3 outage. On April 25, 2013, NEIL paid Duke Energy Florida $530 million related to the Crystal River Unit 3 delaminations. Duke Energy Florida has received a total of $835 million in insurance proceeds from NEIL related to the Crystal River Unit 3 delaminations. Duke Energy Florida recorded a regulatory liability of $490 million upon receipt of the April 2013 NEIL settlement proceeds. This amount is being refunded to retail customers through Duke Energy Florida's fuel clause. Proceeds received from NEIL and the related refunds to retail customers are presented in

Operating Activities on Duke Energy Florida's Statements of Cash Flows.

The 2013 Settlement resolves substantially all remaining issues in the FPSC proceeding related to the review of Duke Energy Florida's decision to retire Crystal River Unit 3, the mediated resolution of insurance claims with NEIL, and the costs spent to repair Crystal River Unit 3; the uprate project; and the components of the regulatory asset to be recovered in rates beginning no later than 2017 via a separate base rate component.

As a result of retiring the unit, Duke Energy Florida is required to refund $100 million to retail customers through its fuel clause in accordance with the 2012 Settlement (retirement decision refund). Duke Energy Florida recorded a Regulatory liability in the third quarter of 2012 related to these replacement power obligations.

Duke Energy Florida has reclassified all Crystal River Unit 3 investments, including property, plant and equipment, nuclear fuel, inventory, and other assets to a regulatory asset. The 2012 Settlement authorized Duke Energy Florida to defer the retail portion of all Crystal River Unit 3-related costs incurred subsequent to retirement including, but not limited to, operations and maintenance and property tax costs in a regulatory asset. A regulatory liability must also be established to capture the difference between (i) actual incurred operations and maintenance and property tax costs in a given year and, (ii) the amount included in customer rates as established in Duke Energy Florida's most recent fully litigated base rate proceeding, effective 2010. Beginning in February 2013, the retail portion of operations and maintenance costs, payroll taxes, property taxes, and depreciation associated with Crystal River Unit 3 were deferred to a regulatory asset. Duke Energy Florida deferred $134 million of these costs to Regulatory assets through December 31, 2013. The 2013 Settlement terminates the regulatory asset and/or liability treatment for operation and maintenance and property tax expenses incurred after December 31, 2013.

Duke Energy Florida agreed to forego recovery of $295 million of Crystal River Unit 3 regulatory assets in accordance with the 2013 Settlement. This excludes amounts related to the uprate project. Duke Energy Florida recorded a $295 million pretax charge in the second quarter of 2013 for this matter. This amount is included in Impairment charges on Duke Energy Florida's Statements of Operations and Comprehensive Income.

Duke Energy Florida is allowed to accelerate cash recovery of approximately $130 million of the Crystal River Unit 3 regulatory asset from retail customers from 2014 through 2016 through its fuel clause. Duke Energy Florida will begin recovery of the remaining Crystal River Unit 3 regulatory asset, up to a cap of $1,466 million from retail customers upon the earlier of (i) full recovery of the uncollected Levy investment or (ii) the first billing period of January 2017. Recovery will continue 240 months from inception of collection of the regulatory asset in base rates. The Crystal River Unit 3 base rate component will be adjusted at least every four years. Included in this recovery, but not subject to the cap, are costs of building a dry cask storage facility for spent nuclear fuel. The return rate will be based on the currently approved AFUDC rate with a return on equity of 7.35 percent, or 70 percent of the currently approved 10.5 percent. The return rate is subject to change if the return on equity changes in the future. Construction of the dry cask storage facility is subject to separate FPSC approval. The regulatory asset associated with the uprate project will continue to be recovered through the Nuclear Cost Recovery Clause (NCRC) over an estimated seven-year period beginning in 2013.

Through December 31, 2013, Duke Energy Florida deferred $1,310 million for rate recovery related to Crystal River Unit 3, which is subject to the rate recovery cap in the 2013 Settlement. In addition, Duke Energy Florida deferred $323 million for recovery costs associated with building a dry cask storage facility and the original uprate project, which is not subject to the rate recovery cap discussed above. Duke Energy Florida does not expect the Crystal River Unit 3 regulatory asset to exceed the cap prior to full cash recovery from its retail customers.

The following table includes a summary of retail customer refunds agreed to in the 2012 Settlement and the 2013 Settlement.

	December 31, 2013				
			Remaining Amount to be Refunded		
(in millions)	Total	Refunded to date	2014	2015	2016
2012 Settlement refund[a]	$ 288	$ 129	$ 139	$ 10	$ 10
Retirement decision refund	100	-	-	40	60
NEIL proceeds	490	326	164	-	-
Total customer refunds	878	455	303	50	70
Accelerated regulatory asset recovery	(130)	-	(37)	(37)	(56)
Net customer refunds	$ 748	$ 455	$ 266	$ 13	$ 14

(a) See discussion under Customer Rate Matters section below.

Duke Energy Florida is a party to a master participation agreement and other related agreements with the joint owners of Crystal River Unit 3, which convey certain rights and obligations on Duke Energy Florida and the joint owners. In December 2012, Duke Energy Florida reached an agreement with one joint owner and extended a settlement offer to the other joint owner related to all Crystal River Unit 3 matters. Duke Energy Florida recorded a charge of $45 million in the fourth quarter of 2012 related to the December 2012 settlement and settlement offer. In January 2014, Duke Energy Florida reached an agreement in principle with the remaining joint owner regarding resolution of matters associated with Crystal River Unit 3 based on condition precedents that must be met in order to carry out the agreement. Duke Energy Florida recorded a charge of $57 million in the fourth quarter of 2013 related to the January 2014 agreement. The significant majority of these amounts were included in Operations, maintenance and other on the Statements of Operations and Comprehensive Income.

Customer Rate Matters

Pursuant to the 2013 Settlement, Duke Energy Florida will maintain base rates at the current level through the last billing period of 2018, subject to the return on equity range of 9.5 percent to 11.5 percent, with exceptions for base rate increases for the recovery of the Crystal River Unit 3 regulatory asset beginning no later than 2017 and base rate increases for new generation through 2018, per the provisions of the 2013 Settlement. Duke Energy Florida is not required to file a depreciation study, fossil dismantlement study or nuclear decommissioning study until the earlier of the next rate case filing or March 31, 2019. The 2012 Settlement provided for a $150 million increase in base revenue effective with the first billing cycle of January 2013. Costs associated with Crystal River Unit 3 investments were removed from retail rate base effective with the first billing cycle of January 2013. Duke Energy Florida is accruing, for future rate-setting purposes, a carrying charge on the Crystal River Unit 3 investment until the Crystal River Unit 3 regulatory asset is recovered in base rates. If Duke Energy Florida's retail base rate earnings fall below the return on equity range, as reported on a FPSC-adjusted or pro-forma basis on a monthly earnings surveillance report, it may petition the FPSC to amend its base rates during the term of the 2013 Settlement.

Duke Energy Florida is refunding $288 million to retail customers through its fuel clause, as required by the 2012 Settlement.

Levy

On July 28, 2008, Duke Energy Florida applied to the NRC for a COL for two Westinghouse AP1000 reactors at Levy. Various parties filed a joint petition to intervene in the Levy COL application. On March 26, 2013, the Atomic Safety and Licensing Board issued a ruling that the NRC had carried its burden of demonstrating its Final Environmental Impact Statement complies with the National Environmental Policy Act and applicable NRC regulatory requirements.

In 2008, the FPSC granted Duke Energy Florida's petition for an affirmative Determination of Need and related orders requesting cost recovery under Florida's nuclear cost-recovery rule, together with the associated facilities, including transmission lines and substation facilities.

Under the terms of the 2012 Settlement, Duke Energy Florida began retail cost recovery of Levy costs effective in the first billing cycle of January 2013 at the fixed rates contained in the settlement and continuing for a five-year period, with true-up of any actual costs not recovered during the five-year period occurring in the final year. This amount is intended to recover the estimated retail project costs to date including costs necessary to obtain the COL and any engineering, procurement and construction (EPC) agreement cancellation costs. The 2012 Settlement provided that Duke Energy Florida will treat the allocated wholesale cost of Levy as a retail regulatory asset and include this asset as a component of rate base and amortization expense for regulatory reporting. The consumer parties agree to not oppose Duke Energy Florida continuing to pursue a COL for Levy.

On January 28, 2014, Duke Energy Florida terminated the EPC. Duke Energy Florida may be required to pay for work performed under the EPC and to bring existing work to an orderly conclusion, including but not limited to, costs to demobilize and cancel certain equipment and material orders placed. Duke Energy Florida is allowed to recover reasonable and prudent EPC cancellation costs from its retail customers. If Duke Energy Florida, at its own discretion, decides not to pursue the COL prior to March 31, 2015, it agrees to credit customers $10 million as a reduction to fuel costs.

In accordance with the 2013 Settlement, Duke Energy Florida ceased amortization of the wholesale allocation of Levy investments against retail rates. In the second quarter of 2013, Duke Energy Florida recorded a pretax charge of $65 million to write-off the wholesale portion of Levy investments. This amount is included in Impairment charges on the Statements of Operations and Comprehensive Income.

Recovery of the remaining retail portion of the project costs will occur over five years from 2013 through 2017. Duke Energy Florida has an ongoing responsibility to demonstrate prudency related to the wind down of the Levy investment and the potential for salvage of Levy assets. As of December 31, 2013, Duke Energy Florida has a net uncollected investment in Levy of approximately $264 million, including AFUDC. Of this amount, $50 million is included in Regulatory assets, $117 million related to land and the COL is included in Net, property, plant and equipment, and $97 million is included in Regulatory assets within Current Assets on the Balance Sheets.

Crystal River 1 and 2 Coal Units

Duke Energy Florida has evaluated Crystal River 1 and 2 coal units for retirement in order to comply with certain environmental regulations. Based on this evaluation, those units will likely be retired by 2018. Once those units are retired Duke Energy Florida will continue recovery of existing annual depreciation expense through the end of 2020. Beginning in 2021, Duke Energy Florida will be allowed to recover any remaining net book value of the assets from retail customers through the Capacity Cost Recovery Clause. On December 31, 2013 Duke Energy Florida filed a petition with the FPSC to allow for the recovery of prudently incurred costs to comply with the Mercury and Air Toxics Standard through the Environmental Cost Recovery Clause.

New Generation

Duke Energy Florida currently projects a significant need for additional generation to offset the impact of retirement of Crystal River Unit 3 as well as the

possible retirement of Crystal River 1 and 2 coal units. The 2013 Settlement establishes a recovery mechanism for additional generation needs. This recovery mechanism, the Generation Base Rate Adjustment (GBRA), will apply to (i) the construction, uprate of existing generation, and/or purchase of up to 1,150 MW of combustion turbine and/or combined cycle generating capacity prior to the end of 2017, and (ii) the construction of additional generation of up to 1,800 MW to be placed in service in 2018 upon FPSC approval of a need determination. The GBRA allows recovery of prudent costs of these items through an increase in base rates, upon the in-service date of such assets, without a general rate case at a 10.5 percent return on equity. On October 8, 2013, Duke Energy Florida issued a request for proposals to evaluate alternatives for an additional generation facility. Duke Energy Florida is currently reviewing bids received on December 9, 2013.

Cost of Removal Reserve

The 2012 Settlement and the 2013 Settlement provide Duke Energy Florida the discretion to reduce cost of removal amortization expense up to the balance in the cost of removal reserve until the earlier of its applicable cost of removal reserve reaches zero or the expiration of the 2013 Settlement. Duke Energy Florida may not reduce amortization expense if the reduction would cause it to exceed the appropriate high point of the return on equity range. Duke Energy Florida recognized a reduction in amortization expense of $114 million, $178 million, and $250 million for the years ended December 31, 2013, 2012, and 2011 respectively. Duke Energy Florida had no cost of removal reserves eligible for amortization to income remaining at December 31, 2013.

Duke Energy Ohio

Capacity Rider Filing

On August 29, 2012, Duke Energy Ohio applied to the PUCO for the establishment of a charge for capacity provided pursuant to its obligations as a Fixed Resource Requirement (FRR) entity. The charge, which is consistent with Ohio's state compensation mechanism, is estimated to be approximately $729 million, and reflects Duke Energy Ohio's embedded cost of capacity. On February 13, 2014, the PUCO denied Duke Energy Ohio's request.

2012 Electric Rate Case

On May 1, 2013, the PUCO approved a settlement agreement (the Electric Settlement) related to Duke Energy Ohio's electric distribution rate case. All intervening parties signed the Electric Settlement. The Electric Settlement provides for a net increase in electric distribution revenues of $49 million, or an average increase of 2.9 percent, based upon a return on equity of 9.84 percent. Revised rates were effective in May 2013.

2012 Natural Gas Rate Case

On April 2, 2013, Duke Energy Ohio, the PUCO Staff, and intervening parties filed a settlement (the Gas Settlement) with the PUCO related to a gas distribution case. The Gas Settlement provides for no increase in base rates for gas distribution service. The Gas Settlement left unresolved the recovery of environmental remediation costs associated with former manufactured gas plants (MGP). The Gas Settlement is based upon a return on equity of 9.84 percent.

On November 13, 2013, the PUCO issued an order approving the Gas Settlement and allowing for the recovery of $56 million of MGP costs, excluding carrying costs, to be recovered over a five-year period beginning in 2014. On February 19, 2014, the PUCO denied intervening consumer groups' motion to stay implementation of its order, or, in the alternative, to implement the MGP rider subject to refund. Intervening groups have provided notice of their intent to appeal the PUCO's decision to the Ohio Supreme Court. Duke Energy Ohio cannot predict the outcome of this matter.

Generation Asset Transfer

On April 2, 2012 and amended on June 22, 2012, Duke Energy Ohio and various affiliated entities filed an Application for Authorization for Disposition of Jurisdictional Facilities with FERC. The application seeks to transfer, from Duke Energy Ohio's rate-regulated Ohio utility company, the legacy coal-fired and combustion gas turbine assets to a nonregulated affiliate, consistent with the ESP stipulation approved by the PUCO on November 22, 2011. The application outlines a potential additional step in the reorganization that would result in a transfer of all of Duke Energy Ohio's Commercial Power business to an indirect wholly owned subsidiary of Duke Energy. The process of determining the optimal corporate structure is an ongoing evaluation of factors, such as tax considerations, that may change between now and the transfer date. In conjunction with the transfer, Duke Energy Ohio's capital structure will be restructured to reflect appropriate debt and equity ratios for its regulated operations. The transfer could instead be accomplished within a wholly owned nonregulated subsidiary of Duke Energy Ohio depending on final tax structuring analysis. The FERC approved the application on September 5, 2012. Duke Energy Ohio agreed to transfer the legacy coal-fired and combustion gas turbine assets on or before December 31, 2014.

Regional Transmission Organization (RTO) Realignment

Duke Energy Ohio including Duke Energy Kentucky, transferred control of its transmission assets from MISO to PJM, effective December 31, 2011.

On December 22, 2010, the KPSC approved Duke Energy Kentucky's request to effect the RTO realignment, subject to a commitment not to seek double-recovery in a future rate case of the transmission expansion fees that may be charged by MISO and PJM in the same period or overlapping periods.

On May 25, 2011, the PUCO approved a settlement between Duke Energy Ohio, Ohio Energy Group, The Office of Ohio Consumers' Counsel and the PUCO Staff related to Duke Energy Ohio's recovery of certain costs of the RTO realignment via a non-bypassable rider. Duke Energy Ohio is allowed to recover all MISO Transmission Expansion Project (MTEP) costs, including but not limited to Multi-Value Project (MVP) costs, directly or indirectly charged to Duke Energy Ohio retail customers. Duke Energy Ohio will not recover any portion of the MISO exit obligation, PJM integration fees, or

internal costs associated with the RTO realignment, and the first $121 million of PJM transmission expansion costs from Ohio retail customers. Duke Energy Ohio also agreed to vigorously defend against any charges for MVP projects from MISO.

Upon its exit from MISO on December 31, 2011, Duke Energy Ohio recorded a liability for its exit obligation and share of MTEP costs, excluding MVP. This liability was recorded within Other in Current liabilities and Other in Deferred credits and other liabilities on Duke Energy Ohio's Consolidated Balance Sheets.

The following table provides a reconciliation of the beginning and ending balance of Duke Energy Ohio's recorded obligations related to its withdrawal from MISO.

(in millions)	Balance at	Provision /	Cash	Balance at December 31, 2013[a]
Duke Energy Ohio	$ 97	$ 2	$ (4)	$ 95

(a) As of December 31, 2013, $74 million is recorded as a Regulatory asset on Duke Energy Ohio's Consolidated Balance Sheets.

MVP. MISO approved 17 MVP proposals prior to Duke Energy Ohio's exit from MISO on December 31, 2011. Construction of these projects is expected to continue through 2020. Costs of these projects, including operating and maintenance costs, property and income taxes, depreciation and an allowed return, are allocated and billed to MISO transmission owners.

On December 29, 2011, MISO filed a tariff with the FERC providing for the allocation of MVP costs to a withdrawing owner based on monthly energy usage. The FERC set for hearing (i) whether MISO's proposed cost allocation methodology to transmission owners who withdrew from MISO prior to January 1, 2012 is consistent with the tariff at the time of their withdrawal from MISO, and, (ii) if not, what amount of, and methodology for calculating any MVP cost responsibility should be. On July 16, 2013, a FERC Administrative Law Judge (ALJ) issued an initial decision. Under this initial decision, Duke Energy Ohio would be liable for MVP costs. Duke Energy Ohio filed exceptions to the initial decision, requesting the FERC overturn the ALJ's decision. After reviewing the initial decision, along with all exceptions and responses filed by the parties, the FERC will issue a final decision. Duke Energy Ohio fully intends to appeal to the federal court of appeals if the FERC affirms the ALJ's decision. Duke Energy Ohio cannot predict the outcome of these proceedings.

In 2012, MISO estimated Duke Energy Ohio's MVP obligation over the period from 2012 to 2071 at $2.7 billion, on an undiscounted basis. The estimated obligation is subject to great uncertainty including the ultimate cost of the projects, the annual costs of O&M, taxes and return over the project lives and the allocation to Duke Energy Ohio.

Duke Energy Indiana

Edwardsport IGCC Plant

On November 20, 2007, the IURC granted Duke Energy Indiana a Certificate of Public Convenience and Necessity (CPCN) for the construction of a 618 MW IGCC power plant at Duke Energy Indiana's existing Edwardsport Generating Station in Knox County, Indiana with a cost estimate of $1.985 billion assuming timely recovery of financing costs related to the project. On January 25, 2008, Duke Energy Indiana received the final air permit from the Indiana Department of Environmental Management. The Citizens Action Coalition of Indiana, Inc., Sierra Club, Inc., Save the Valley, Inc., and Valley Watch, Inc., all intervenors in the CPCN proceeding (collectively, the Joint Intervenors), appealed the air permit. A settlement related to the air permit was reached on August 30, 2013. The air permit was not impacted by the provisions of the settlement.

Duke Energy Indiana experienced design modifications, quantity increases and scope growth above what was anticipated from the preliminary engineering design, which increased capital costs for the project. As a result, the projected cost estimate increased throughout construction of the project and various revised estimates were filed with the IURC. In October 2012, Duke Energy Indiana revised its latest projected cost estimate to $3.15 billion (excluding AFUDC).

On December 27, 2012, the IURC approved a settlement agreement (2012 Edwardsport settlement) related to the cost increase for the construction of the project, including subdockets before the IURC related to the project. The Office of Utility Consumer Counselor (OUCC), the Duke Energy Indiana Industrial Group and Nucor Steel-Indiana were parties to the settlement. This settlement agreement resolved all then pending regulatory issues related to the project. The settlement agreement, as approved, capped costs to be reflected in customer rates at $2.595 billion, including estimated AFUDC through June 30, 2012. Duke Energy Indiana is allowed to recover AFUDC after June 30, 2012, until customer rates are revised, with such recovery decreasing to 85 percent on AFUDC accrued after November 30, 2012. Duke Energy Indiana also agreed not to request a retail electric base rate increase prior to March 2013, with rates in effect no earlier than April 1, 2014.

The IURC modified the 2012 Edwardsport settlement as previously agreed to by the parties to (i) require Duke Energy Indiana to credit customers for cost control incentive payments the IURC found to be unwarranted as a result of delays that arose from project cost overruns and (ii) provide that if Duke Energy Indiana should recover more than the project costs absorbed by Duke Energy's shareholders through litigation, any surplus must be

returned to the Duke Energy Indiana's ratepayers.

Over the course of construction of the project, Duke Energy Indiana recorded pretax charges of approximately $897 million related to the Edwardsport project, including the settlement agreement discussed above. Of this amount, pretax impairment and other charges of $631 million were recorded during the year ended December 31, 2012. These charges were recorded in Impairment charges and Operations, maintenance and other on Duke Energy Indiana's Consolidated Statements of Operations and Comprehensive Income.

The Joint Intervenors appealed the IURC order approving the 2012 Edwardsport settlement and other related regulatory orders to the Indiana Court of Appeals. A final decision is anticipated mid-2014.

The project was placed in commercial operation in June 2013. Costs for the Edwardsport IGCC plant are recovered from retail electric customers via a tracking mechanism, the IGCC Rider.

OTHER REGULATORY MATTERS

Merger Appeals

On January 9, 2013, the City of Orangeburg and NC WARN appealed the NCUC's approval of the merger between Duke Energy and Progress Energy. On April 29, 2013, the NCUC granted Duke Energy's motion to dismiss certain exceptions contained in NC WARN's appeal. On November 6, 2013, the North Carolina Court of Appeals heard oral arguments on the appeals. A decision from the North Carolina Court of Appeals is pending.

Progress Energy Merger FERC Mitigation

In June 2012, the FERC approved the merger with Progress Energy, including Duke Energy and Progress Energy's revised market power mitigation plan, the Joint Dispatch Agreement (JDA) and the joint Open Access Transmission Tariff. The revised market power mitigation plan provides for the acceleration of one transmission project and the completion of seven other transmission projects (Long-term FERC Mitigation) and interim firm power sale agreements during the completion of the transmission projects (Interim FERC Mitigation). The Long-term FERC Mitigation is expected to increase power imported into the Duke Energy Carolinas and Duke Energy Progress service areas and enhance competitive power supply options in the service areas. These projects are expected to be completed in 2014. On August 8, 2012, FERC granted certain intervenors' request for rehearing for further consideration.

Following the closing of the merger, outside counsel reviewed Duke Energy's mitigation plan and discovered a technical error in the calculations. On December 6, 2013, Duke Energy submitted a filing with the FERC disclosing the error and arguing that no additional mitigation is necessary. On February 4, 2014, The City of New Bern, North Carolina filed comments to Duke Energy's filing. Duke Energy's response to New Bern was filed on February 19, 2014. Duke Energy cannot predict the outcome of this matter.

Planned and Potential Coal Plant Retirements

The Subsidiary Registrants periodically file Integrated Resource Plans (IRP) with their state regulatory commissions. The IRPs provide a view of forecasted energy needs over a 10-20 year period, and options being considered to meet those needs. The IRPs filed by the Subsidiary Registrants in 2013, 2012 and 2011 included planning assumptions to potentially retire certain coal-fired generating facilities in South Carolina, Florida, Indiana and Ohio earlier than their current estimated useful lives. The facilities do not have the requisite emission control equipment, primarily to meet EPA regulations that are not yet effective.

The table below contains the net carrying value of generating facilities planned for early retirement or being evaluated for potential retirement included in Property, plant and equipment, net on the Consolidated Balance Sheets.

	December 31, 2013					
	Duke Energy	Duke Energy	Progress	Duke Energy	Duke Energy	Duke Energy
Capacity (in MW)	2,447	200	873	873	706	668
Remaining net book value (in millions)[a]	$ 260	$ 14	$ 113	$ 113	$ 10	$ 123

(a) Included in Property, plant and equipment, net as of December 31, 2013, on the Consolidated Balance Sheets.
(b) Includes Lee Units 1 and 2. Excludes 170 MW Lee Unit 3 that is expected to be converted to gas in 2014. Duke Energy Carolinas expects to retire or convert these units by December 2020 in conjunction with a settlement agreement associated with the Cliffside Unit 6 air permit.
(c) Includes Crystal River Units 1 and 2.
(d) Includes Beckjord Units 4 through 6 and Miami Fort Unit 6. 150 MW Beckjord Station Unit 4 was retired on February 17, 2014. Beckjord units have no remaining book value.
(e) Includes Wabash River Units 2 through 6. Wabash River Unit 6 is being evaluated for potential conversion to gas. Duke Energy Indiana committed to retire or convert these units by June 2018 in conjunction with a settlement agreement associated with the Edwardsport air permit.

Duke Energy continues to evaluate the potential need to retire these coal-fired generating facilities earlier than the current estimated useful lives, and plans to seek regulatory recovery for amounts that would not be otherwise recovered when any of these assets are retired. However, such recovery, including recovery of carrying costs on remaining book values, could be subject to future regulatory approvals and therefore cannot be assured.

5. COMMITMENTS AND CONTINGENCIES

GENERAL INSURANCE

The Duke Energy Registrants have insurance and reinsurance coverage either directly or through indemnification from Duke Energy's captive insurance company, Bison, and its affiliates, consistent with companies engaged in similar commercial operations with similar type properties. The Duke Energy Registrants' coverage includes (i) commercial general liability coverage for liabilities arising to third parties for bodily injury and property damage; (ii) workers' compensation; (iii) automobile liability coverage; and (iv) property coverage for all real and personal property damage. Real and personal property damage coverage excludes electric transmission and distribution lines, but includes damages arising from boiler and machinery breakdowns, earthquakes, flood damage and extra expense, but not outage or replacement power coverage. All coverage is subject to certain deductibles or retentions, sublimits, exclusions, terms and conditions common for companies with similar types of operations.

The Duke Energy Registrants self-insure their electric transmission and distribution lines against loss due to storm damage and other natural disasters. As discussed further in Note 4, Duke Energy Florida maintains a storm damage reserve and has a regulatory mechanism to recover the cost of named storms on an expedited basis.

The cost of the Duke Energy Registrants' coverage can fluctuate year to year reflecting claims history and conditions of the insurance and reinsurance markets.

In the event of a loss, terms and amounts of insurance and reinsurance available might not be adequate to cover claims and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on the Duke Energy Registrants' results of operations, cash flows or financial position. Each company is responsible to the extent losses may exceed limits of the coverage available.

NUCLEAR INSURANCE

Duke Energy Carolinas owns and operates the McGuire Nuclear Station (McGuire) and the Oconee Nuclear Station (Oconee) and operates and has a partial ownership interest in the Catawba Nuclear Station (Catawba). McGuire and Catawba each have two reactors. Oconee has three reactors. The other joint owners of Catawba reimburse Duke Energy Carolinas for certain expenses associated with nuclear insurance per the Catawba joint owner agreements.

Duke Energy Progress owns and operates the Robinson Nuclear Station (Robinson) and operates and has a partial ownership interest in the Brunswick Nuclear Station (Brunswick) and Harris. Robinson and Harris each have one reactor. Brunswick has two reactors. The other joint owners of Brunswick and Harris reimburse Duke Energy Progress for certain expenses associated with nuclear insurance per the Brunswick and Harris joint owner agreements.

Duke Energy Florida manages and has a partial ownership interest in Crystal River Unit 3, which has been retired. The other joint owners of Crystal River Unit 3 reimburse Duke Energy Florida for certain expenses associated with nuclear insurance per the Crystal River Unit 3 joint owner agreement.

In the event of a loss, terms and amounts of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on Duke Energy Carolinas', Duke Energy Progress' and Duke Energy Florida's results of operations, cash flows or financial position. Each company is responsible to the extent losses may exceed limits of the coverage available.

Nuclear Liability Coverage

The Price-Anderson Act requires owners of nuclear reactors to provide for public nuclear liability protection per nuclear incident up to a maximum total financial protection liability. The maximum total financial protection liability increased to a total of $13.6 billion. This amount is adjusted every five years for an inflationary provision. Total nuclear liability coverage consists of a combination of private primary nuclear liability insurance coverage and a mandatory industry risk-sharing program to provide for excess nuclear liability coverage above the maximum reasonably available private primary coverage. The United States Congress could impose revenue-raising measures on the nuclear industry to pay claims.

Primary Liability Insurance

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida have purchased the maximum reasonably available private primary nuclear liability insurance as required by law, which currently is $375 million per station.

Excess Liability Program

This program provides $13.2 billion of coverage per incident through the Price-Anderson Act's mandatory industry-wide excess secondary financial protection program of risk pooling. This amount is the product of potential cumulative retrospective premium assessments of $127 million times the current 104 licensed commercial nuclear reactors in U.S. Under this program, licensees could be assessed retrospective premiums to compensate for public nuclear liability damages in the event of a nuclear incident at any licensed facility in the U.S. Retrospective premiums may be assessed at a rate not to exceed $19 million per year per licensed reactor for each incident. The assessment may be subject to state premium taxes.

Nuclear Property Coverage

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are members of NEIL, which provides insurance coverage for nuclear facilities under three policy programs: the primary property insurance program, the excess property insurance program and the accidental outage insurance program.

Pursuant to regulations of the NRC, each company's property damage insurance policies provide that all proceeds from such insurance be applied, first, to place the plant in a safe and stable condition after a qualifying accident, and second, to decontaminate the plant before any proceeds can be used for decommissioning, plant repair or restoration.

Losses resulting from non-certified acts of terrorism are covered as common occurrences, such that if non-certified terrorist acts occur against one or more commercial nuclear power plants insured by NEIL within a 12-month period, they would be treated as one event and the owners of the plants where the act occurred would share one full limit of liability. The full limit of liability is currently $3.2 billion. NEIL sublimits the total aggregate for all of their policies for non-nuclear terrorist events to approximately $1.83 billion.

Primary Property Insurance

This policy provides $500 million of primary property damage coverage. The deductible per occurrence is $3 million for Catawba, and $10 million for the remaining nuclear facilities. This policy also has a 10 percent deductible provision excess of these deductibles for natural catastrophe damage.

Excess Property Insurance

This policy provides excess property, decontamination and decommissioning liability insurance of $2.25 billion for Catawba, $750 million each for Oconee, McGuire, Brunswick, Harris and Robinson; and $560 million for Crystal River Unit 3. All nuclear facilities except for Catawba and Crystal River Unit 3 also share an additional $1 billion insurance limit above their dedicated underlying excess. This shared additional excess limit is not subject to reinstatement in the event of a loss.

Crystal River Unit 3's primary and excess property insurance is on an actual cash value basis. NEIL coverage does not include property damage to or resulting from the containment structure except coverage does apply to decontamination and debris removal, if required following an accident, to ensure public health and safety or if property damage results from a terrorism event.

NEIL sublimits property damage losses to $1.5 billion for non-nuclear accidental property damage.

Accidental Outage Insurance

This policy provides replacement power expense coverage resulting from an accidental property damage outage of a nuclear unit. Coverage amounts decrease in the event more than one unit at a station is out of service due to a common accident. Initial coverage begins after a 12-week deductible period. Coverage continues at 100 percent of the weekly limits for 52 weeks and 80 percent of the weekly limits for the next 110 weeks.

The Catawba units are insured for up to $4 million per week. The McGuire units are insured for up to $4 million per week. The Oconee units are insured for up to $3 million per week. The Brunswick units are insured for up to $3 million per week. The Harris unit is insured for up to $3 million per week. The

Robinson unit is insured for up to $2 million per week. The accidental outage policy limit is $490 million for McGuire and Catawba, $378 million for Oconee, $406 million for Brunswick, $364 million for Harris, and $308 million for Robinson.

NEIL sublimits the accidental outage recovery to the first 104 weeks of coverage not to exceed $328 million from non-nuclear accidental property damage.

Potential Retroactive Premium Assessments

In the event of NEIL losses, NEIL's board of directors may assess member companies retroactive premiums of amounts up to 10 times their annual premiums for up to six years after a loss. The current potential maximum assessments for Duke Energy Carolinas are $42 million for primary property insurance, $36 million for excess property insurance and $29 million for accidental outage insurance. The current potential maximum assessments for Duke Energy Progress are $33 million for primary property insurance, $32 million for excess property insurance and $14 million for accidental outage insurance. The current potential maximum assessments for Duke Energy Florida are $6 million for primary property insurance and $4 million for excess property insurance.

The maximum assessment amounts include 100 percent of Duke Energy Carolinas', Duke Energy Progress', and Duke Energy Florida's potential obligations to NEIL for their share of jointly owned reactors. However, the other joint owners of the jointly owned reactors are obligated to assume their pro rata share of liability for retrospective premiums and other premium assessments resulting from the Price-Anderson Act's excess secondary financial protection program of risk pooling, or from the NEIL policies.

ENVIRONMENTAL

Duke Energy is subject to international, federal, state, and local regulations regarding air and water quality, hazardous and solid waste disposal, and other environmental matters. The Subsidiary Registrants are subject to federal, state, and local regulations regarding air and water quality, hazardous and solid waste disposal and other environmental matters. These regulations can be changed from time to time, imposing new obligations on the Duke Energy Registrants.

The following environmental matters impact all of the Duke Energy Registrants.

Remediation Activities

The Duke Energy Registrants are responsible for environmental remediation at various contaminated sites. These include some properties that are part of ongoing operations and sites formerly owned or used by Duke Energy entities. These sites are in various stages of investigation, remediation, and monitoring. Managed in conjunction with relevant federal, state, and local agencies, activities vary with site conditions and locations, remediation requirements, complexity, and sharing of responsibility. If remediation activities involve joint and several liability provisions, strict liability, or cost recovery or contribution actions, the Duke Energy Registrants could potentially be held responsible for contamination caused by other potentially responsible parties, and may also benefit from insurance policies or contractual indemnities that cover some or all cleanup costs. Liabilities are recorded when losses become probable and are reasonably estimable. The total costs that may be incurred cannot be estimated because the extent of environmental impact, allocation among potentially responsible parties, remediation alternatives, and/or regulatory decisions has not yet been determined. Additional costs associated with remediation activities are likely to be incurred in the future and could be significant. Costs are typically expensed as Operation. maintenance and other in the Consolidated Statements of Operations unless regulatory recovery of the costs is deemed probable.

The following table contains information regarding reserves for probable and estimable costs related to the various environmental sites. These reserves are recorded in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Balance at December 31, 2010	$ 88	$ 13	$ 35	$ 12	$ 23	$ 50	$ 11
Provisions / adjustments	6	-	10	1	9	5	1
Cash reductions	(33)	(1)	(22)	(2)	(20)	(27)	(3)
Balance at December 31, 2011	61	12	23	11	12	28	9
Provisions / adjustments	39	1	19	5	14	5	3
Cash reductions	(25)	(1)	(9)	(2)	(7)	(18)	(4)
Balance at December 31, 2012	75	12	33	14	19	15	8
Provisions / adjustments	**26**	-	**4**	**(1)**	**5**	**20**	**1**
Cash reductions	**(22)**	**(1)**	**(10)**	**(5)**	**(5)**	**(8)**	**(2)**
Balance at December 31, 2013	$ 79	$ 11	$ 27	$ 8	$ 19	$ 27	$ 7

Additional losses in excess of recorded reserves that could be incurred for the stages of investigation, remediation and monitoring for environmental sites that have been evaluated at this time are presented in the table below.

(in millions)	
Duke Energy	$ 74
Duke Energy Carolinas	29
Progress Energy	5
Duke Energy Progress	2
Duke Energy Florida	3
Duke Energy Ohio	35
Duke Energy Indiana	5

Regulations

Clean Water Act 316(b)

The EPA proposed a cooling water intake structures rule on April 20, 2011. The proposed rule advances one main approach and three alternatives. Based on the main approach proposed, most, if not all of the steam electric generating facilities the Duke Energy Registrants own are likely affected sources unless retired prior to implementation of the 316(b) requirements.

The revised deadline for issuance of the final 316(b) rule is April 17, 2014. If the rule is finalized as proposed, modifications to affected power plant cooling water intake structures could be required by mid-to-late 2017. The Duke Energy Registrants are unable to predict the outcome of this rulemaking, but the impact could be significant.

Cross-State Air Pollution Rule (CSAPR)

On August 8, 2011, the final Cross-State Air Pollution Rule (CSAPR) was published in the Federal Register. The CSAPR established state-level annual SO_2 budgets and annual seasonal NO_x budgets that were to take effect on January 1, 2012.

On August 21, 2012, the D.C. Circuit Court vacated the CSAPR. The court also directed the EPA to continue administering the Clean Air Interstate Rule (CAIR). The CAIR requires additional reductions in SO_2 and NO_x emissions beginning in 2015. On June 24, 2013, the U.S. Supreme Court (Supreme Court) granted the EPA's petitions for a writ of certiorari. The Supreme Court is likely to issue its decision on the merits by mid-2014.

The Duke Energy Registrants cannot predict the outcome of the proceedings. Continued compliance with CAIR pending the outcome of the rehearing process will not result in the Duke Energy Registrants adding new emission controls.

Coal Combustion Residuals (CCR)

On June 21, 2010, the EPA proposed a regulation under the Resource Conservation and Recovery Act, related to CCR or coal combustion byproducts associated with the generation of electricity. The EPA proposal contains two regulatory options whereby CCRs not employed in approved beneficial use applications would either (i) be regulated as hazardous waste or (ii) continue to be regulated as non-hazardous waste.

On October 29, 2013, the U.S. District Court for the District of Columbia directed the EPA to provide the Court, within 60 days of the Order, a proposed

schedule for completing the CCR rulemaking. On January 29, 2014, the EPA filed a consent decree agreeing to issue the final rule by December 19, 2014. The Duke Energy Registrants cannot predict the outcome of this rulemaking, but the impact could be significant.

Steam Electric Effluent Limitation Guidelines

On June 7, 2013, the EPA proposed Steam Electric Effluent Limitations Guidelines (ELGs). The EPA is under a court order to finalize the rule by May 22, 2014. The EPA has proposed eight options for the rule, which vary in stringency and cost. The proposed regulation applies to seven waste streams, including wastewater from air pollution control equipment and ash transport water. Most, if not all of the steam electric generating facilities the Duke Energy Registrants own are likely affected sources. Compliance is proposed as soon as possible after July 1, 2017, but may extend until July 1, 2022. The Duke Energy Registrants are unable to predict the outcome of the rulemaking, but the impact could be significant.

Greenhouse Gas New Source Performance Standards (NSPS)

On January 8, 2014, the EPA proposed a rule to establish carbon dioxide (CO_2) emissions standards for new pulverized coal, IGCC, natural gas combined cycle, and simple cycle electric generating units commencing construction on or after the date the proposal appears in the Federal Register. Future coal and IGCC units will be required to employ carbon capture and storage technology to meet the proposed standard.

The Duke Energy Registrants do not expect a material impact on their future results of operations or cash flows based on the EPA's proposal. The final rule, however, could be significantly different from the proposal. It is not known when the EPA might finalize the rule.

On June 25, 2013, the President of the United States issued a memorandum directing the EPA to propose CO_2 emissions requirements for existing fossil-fueled electric generating units by June 1, 2014, and to finalize the guidelines for states to develop their own regulations for implementing the guidelines by June 1, 2015. The memorandum directed the EPA to require states to submit their implementation regulations for approval by June 30, 2016.

The Duke Energy Registrants are unable to predict the outcome of this rulemaking, but the impact could be significant.

Mercury and Air Toxics Standards (MATS)

The final MATS rule, previously referred to as the Utility MACT Rule, was issued on February 16, 2012. The final rule establishes emission limits for hazardous air pollutants from new and existing coal-fired and oil-fired steam electric generating units. The rule requires sources to comply with emission limits by April 16, 2015. Under the Clean Air Act (CAA), permitting authorities have the discretion to grant up to a one-year compliance extension, on a case-by-case basis, to sources that are unable to complete the installation of emission controls before the compliance deadline. Strategies to achieve compliance with the final rule will include installing new air emission control equipment, developing monitoring processes, fuel switching, and accelerating retirement of some coal-fired electric-generating units. For additional information, refer to Note 4 regarding potential plant retirements.

Several petitions for review of the final rule were filed with the D.C. Circuit Court. A decision is expected in the first half of 2014. The Duke Energy Registrants cannot predict the outcome of the litigation or how it might affect their compliance with the MATS requirements.

Refer to the table below for a summary of estimated costs to comply with the MATS regulations.

Estimated Cost and Impacts of EPA Rulemakings

The ultimate compliance requirements for MATS, Clean Water 316(b), CCRs and ELGs will not be known until all the rules have been finalized. For planning purposes, the Duke Energy Registrants currently estimate the cost of new control equipment that may need to be installed on existing power plants to comply with these EPA regulations could total $4.5 billion to $5.5 billion, excluding AFUDC, over the next 10 years. The table below includes estimated costs for new control equipment necessary to comply with the MATS rule, which is the only rule that has been finalized.

(in millions)				
Duke Energy	$ 525	to	$ 625
Duke Energy Carolinas	40	to	50
Progress Energy	25	to	40
Duke Energy Progress	10	to	15
Duke Energy Florida	15	to	25
Duke Energy Ohio	35	to	50
Duke Energy Indiana	425	to	485

The Duke Energy Registrants also expect to incur increased fuel, purchased power, operation and maintenance, and other expenses, and costs for replacement generation for potential coal-fired power plant retirements as a result of these EPA regulations. The actual compliance costs incurred may be materially different from these estimates based on the timing and requirements of the final EPA regulations. The Duke Energy Registrants intend to seek rate recovery of amounts incurred associated with regulated operations in complying with these regulations. Refer to Note 4 for further information

regarding potential plant retirements and regulatory filings related to the Duke Energy Registrants.

LITIGATION

Duke Energy

Dan River Ash Basin Release

On February 2, 2014, a break in a stormwater pipe beneath an ash basin at Duke Energy Carolinas' retired Dan River steam station caused a release of ash basin water and ash into the Dan River. On February 8, 2014, a permanent plug was installed in the stormwater pipe stopping the release of materials into the river. Duke Energy Carolinas estimates 30,000 to 39,000 tons of ash and 24 million to 27 million gallons of basin water were released into the river. Duke Energy Carolinas continues to work with local and state officials responding to this event. On February 10, 2014, Duke Energy received a subpoena for the production of documents, issued by the United States Attorney for the Eastern District of North Carolina in connection with a criminal investigation related to the release. A second subpoena was issued by the same United States Attorney on February 18, 2014, which expanded the document production to cover all fourteen of the North Carolina facilities with coal ash ponds.

It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with these matters.

Progress Energy Merger Shareholder Litigation

On May 31, 2013, the Delaware Chancery Court consolidated four shareholder derivative lawsuits filed in 2012. The Court also appointed a lead plaintiff and counsel for plaintiffs and designated the case as *In Re Duke Energy Corporation Derivative Litigation*. The lawsuit names as defendants eleven members of the Duke Energy board of directors who were also members of the pre-merger Duke Energy board of directors (Legacy Duke Energy Directors). Duke Energy is named as a nominal defendant. The case alleges claims for breach of fiduciary duties of loyalty and care in connection with the post-merger change in CEO. The case is stayed pending resolution of the *Nieman v. Duke Energy Corporation, et al.* case in North Carolina.

On August 3, 2012, Duke Energy was served with a shareholder Derivative Complaint, which was transferred to the North Carolina Business Court (*Krieger v. Johnson, et al.)*. The lawsuit names as defendants, William D. Johnson and the Legacy Duke Energy Directors. Duke Energy is named as a nominal defendant. The lawsuit alleges claims for breach of fiduciary duty in granting excessive compensation to Mr. Johnson. A decision on a motion to dismiss made by the Legacy Duke Energy Directors remains pending.

Two shareholder Derivative Complaints, filed in 2012 in federal district court in Delaware, were consolidated as *Tansey v. Rogers, et al.* The case alleges claims for breach of fiduciary duty and waste of corporate assets, as well as claims under Section 14(a) and 20(a) of the Exchange Act. Duke Energy is named as a nominal defendant. On May 17, 2013, the judge granted defendants' motion to stay the litigation until a decision is rendered on the motion to dismiss in the *Nieman v. Duke Energy Corporation, et al.* case in North Carolina.

Duke Energy, the Legacy Duke Energy Directors and certain Duke Energy officers are also defendants in a purported securities class action lawsuit *(Nieman v. Duke Energy Corporation, et al).* This lawsuit consolidates three lawsuits originally filed in July 2012, and is pending in the United States District Court for the Western District of North Carolina. The plaintiffs allege federal Securities Act and Exchange Act claims based on allegations of materially false and misleading representations and omissions in the Registration Statement filed on July 7, 2011, and purportedly incorporated into other documents, all in connection with the post-merger change in CEO. The claims are purportedly brought on behalf of a class of all persons who purchased or otherwise acquired Duke Energy securities between June 11, 2012 and July 9, 2012. On July 26, 2013, the Magistrate Judge recommended the District Court Judge deny the defendants' motion to dismiss. On October 2, 2013, the District Judge heard defendants' objections to this recommendation. A decision is pending on the motion to dismiss.

It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with these lawsuits.

Alaskan Global Warming Lawsuit

On February 26, 2008, the governing bodies of an Inupiat village in Alaska, filed suit in the U.S. Federal Court for the Northern District of California against various defendants including Duke Energy. On May 20, 2013, the plaintiffs' Petition for Certiorari to the Supreme Court was denied, ending the case.

Price Reporting Cases

A total of five lawsuits were filed against Duke Energy affiliates and other energy companies and remain pending in a consolidated, single federal court proceeding in Nevada.

Each of these cases contain similar claims, that defendants' allegedly manipulated natural gas markets by various means, including providing false information to natural gas trade publications and entering into unlawful arrangements and agreements in violation of the antitrust laws of the respective states. Plaintiffs seek damages in unspecified amounts.

On July 19, 2011, the judge granted a defendant's motion for summary judgment in two of the remaining five cases to which Duke Energy affiliates ar a party. The U.S. Court of Appeals for the Ninth Circuit subsequently reversed the lower court's decision. On August 26, 2013, the defendants, including Duke Energy, filed a petition for certiorari to the U.S. Supreme Court, which remains pending.

It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with the remaining

matters. However, based on Duke Energy's past experiences with similar cases of this nature, it does not believe its exposure under these remaining matters is material.

Crescent Resources Litigation

On September 3, 2010, the Crescent Resources (Crescent) Litigation Trust sued Duke Energy along with various affiliates and several individuals, including current and former employees of Duke Energy, in the U.S. Bankruptcy Court for the Western District of Texas.

On November 15, 2013 the parties reached a settlement. Duke Energy recorded a net pretax charge of $22 million to Operations, maintenance and other in its Consolidated Statements of Operations related to the settlement in 2013.

Brazil Expansion Lawsuit

On August 9, 2011, the State of São Paulo sued Duke Energy International Geracao Paranapenema S.A. (DEIGP) in Brazilian state court. The lawsuit claims DEIGP is under a continuing obligation to expand installed generation capacity in the State of São Paulo by 15 percent pursuant to a stock purchase agreement under which DEIGP purchased generation assets from the state. On August 10, 2011, a judge granted an ex parte injunction ordering DEIGP to present a detailed expansion plan in satisfaction of the 15 percent obligation. DEIGP has previously taken a position the expansion obligation is no longer viable given changes that have occurred in the electric energy sector since privatization. DEIGP submitted its proposed expansion plan on November 11, 2011, but reserved objections regarding enforceability. No trial date has been set. It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with this matter.

Duke Energy Carolinas

New Source Review (NSR)

In 1999-2000, the U.S. Department of Justice (DOJ) on behalf of the EPA filed a number of complaints and notices of violation against multiple utilities, including Duke Energy Carolinas, for alleged violations of the NSR provisions of the CAA. The government alleges the utilities violated the CAA by not obtaining permits for certain projects undertaken at certain coal plants or installing the best available emission controls for SO_2, NO_X and particulate matter. The complaints seek the installation of pollution control technology on various generating units that allegedly violated the CAA, and unspecified civil penalties in amounts of up to $37,500 per day for each violation. Duke Energy Carolinas asserts there were no CAA violations because the applicable regulations do not require permitting in cases where the projects undertaken are "routine" or otherwise do not result in a net increase in emissions.

In 2000, the government sued Duke Energy Carolinas in the U.S. District Court in Greensboro, North Carolina. The EPA claims 29 projects performed at 25 of Duke Energy Carolinas' coal-fired units violate the NSR provisions. Duke Energy Carolinas asserts the projects were routine or not projected to increase emissions. The parties filed a stipulation in which the United States dismissed with prejudice 16 claims. In exchange, Duke Energy Carolinas dismissed certain affirmative defenses. The parties filed opposing motions for summary judgment on the remaining claims. In November 2013, the Court denied Duke Energy's motion for summary judgment. A decision on the DOJ's motion for summary judgment remains pending. Duke Energy requested leave to file another motion for summary judgment on alternative grounds. That motion for leave, as well as the Plaintiff's motion for summary judgment, remains pending.

It is not possible to predict whether Duke Energy Carolinas will incur any liability or to estimate the damages, if any, it might incur in connection with this matter. Ultimate resolution of these matters could have a material effect on the results of operations, cash flows or financial position of Duke Energy Carolinas. However, the appropriate regulatory recovery will be pursued for costs incurred in connection with such resolution.

Asbestos-related Injuries and Damages Claims

Duke Energy Carolinas has experienced numerous claims for indemnification and medical cost reimbursement related to asbestos exposure. These claims relate to damages for bodily injuries alleged to have arisen from exposure to or use of asbestos in connection with construction and maintenance activities conducted on its electric generation plants prior to 1985. As of December 31, 2013, there were 96 asserted claims for non-malignant cases with the cumulative relief sought of up to $24 million, and 31 asserted claims for malignant cases with the cumulative relief sought of up to $11 million. Based on Duke Energy Carolinas' experience, it is expected that the ultimate resolution of most of these claims likely will be less than the amount claimed.

Duke Energy Carolinas has recognized asbestos-related reserves of $616 million at December 31, 2013 and $751 million at December 31, 2012. These reserves are classified in Other within Deferred Credits and Other Liabilities and Other within Current Liabilities on the Consolidated Balance Sheets. These reserves are based upon the minimum amount of the range of loss for current and future asbestos claims through 2033, are recorded on an undiscounted basis and incorporate anticipated inflation. It is possible Duke Energy Carolinas may incur asbestos liabilities in excess of the recorded reserves.

Duke Energy Carolinas has third-party insurance to cover certain losses related to asbestos-related injuries and damages above an aggregate self-insured retention of $476 million. Duke Energy Carolinas' cumulative payments began to exceed the self-insurance retention in 2008. Future payments up to the policy limit will be reimbursed by the third-party insurance carrier. The insurance policy limit for potential future insurance recoveries indemnification and medical cost claim payments is $897 million in excess of the self-insured retention. Receivables for insurance recoveries were $649 million at December 31, 2013 and $781 million at December 31, 2012. These amounts are classified in Other within Investments and Other Assets and Receivables on the Consolidated Balance Sheets. Duke Energy Carolinas is not aware of any uncertainties regarding the legal sufficiency of insurance claims. Duke Energy Carolinas believes the insurance recovery asset is probable of recovery as the insurance carrier continues to have a strong financial strength rating.

Progress Energy

Synthetic Fuels Matters

Progress Energy and a number of its subsidiaries and affiliates are defendants in lawsuits arising out of a 1999 Asset Purchase Agreement. Parties to the Asset Purchase Agreement include U.S. Global, LLC (Global) and affiliates of Progress Energy.

In a case filed in the Circuit Court for Broward County, Florida, in March 2003 (the Florida Global Case), Global requested an unspecified amount of compensatory damages, as well as declaratory relief. In November 2009, the court ruled in favor of Global. In December 2009, Progress Energy made a $154 million payment, which represented payment of the total judgment, including prejudgment interest, and a required premium equivalent to two years of interest, to the Broward County Clerk of Court bond account. Progress Energy continued to accrue interest related to this judgment.

On October 3, 2012, the Florida Fourth District Court of Appeals reversed the lower court ruling. The court held that Global was entitled to approximately $90 million of the amount paid into the registry of the court. Progress Energy was entitled to a refund of the remainder of the funds. Progress Energy received cash and recorded a $63 million pretax gain for the refund in December 2012. The gain was recorded in Income from Discontinued Operations, net of tax in the Consolidated Statements of Operations.

On May 9, 2013, Global filed a Seventh Amended Complaint asserting a single count for breach of the Asset Purchase Agreement and seeking specific performance. A trial is scheduled to commence in the second quarter of 2014.

In a second suit filed in the Superior Court for Wake County, N.C., *Progress Synfuel Holdings, Inc. et al. v. U.S. Global, LLC* (the North Carolina Global Case), the Progress Energy Affiliates seek declaratory relief consistent with their interpretation of the Asset Purchase Agreement. In August 2003, the Wake County Superior Court stayed the North Carolina Global Case, pending the outcome of the Florida Global Case. Based upon the verdict in the Florida Global Case, Progress Energy anticipates dismissal of the North Carolina Global Case.

Progress Energy does not expect the resolution of these matters to have a material effect on it results of operations, cash flows or financial position.

Duke Energy Progress and Duke Energy Florida

Spent Nuclear Fuel Matters

On December 12, 2011, Duke Energy Progress and Duke Energy Florida sued the United States in the U.S. Court of Federal Claims. The lawsuit claims the DOE breached a contract in failing to accept spent nuclear fuel under the Nuclear Waste Policy Act of 1982 and asserts damages for the cost of on-site storage. Claims for all periods prior to 2006 have been resolved. Duke Energy Progress and Duke Energy Florida assert damages of $84 million and $21 million, respectively, for the period January 1, 2006 through December 31, 2010. Duke Energy Progress and Duke Energy Florida may file subsequent damage claims as they incur additional costs. Duke Energy Progress and Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Ohio

Antitrust Lawsuit

In January 2008, four plaintiffs, including individual, industrial and nonprofit customers, filed a lawsuit against Duke Energy Ohio in federal court in the Southern District of Ohio. Plaintiffs alleged Duke Energy Ohio conspired to provide inequitable and unfair price advantages for certain large business consumers by entering into non-public option agreements in exchange for their withdrawal of challenges to Duke Energy Ohio's Rate Stabilization Plan (RSP) implemented in early 2005. A ruling is pending on the plaintiffs' motion to certify this matter as a class action. It is not possible to predict whether Duke Energy Ohio will incur any liability or to estimate the damages which may be incurred in connection with this lawsuit.

Asbestos-related Injuries and Damages Claims

Duke Energy Ohio has been named as a defendant or co-defendant in lawsuits related to asbestos exposure at its electric generating stations. The impact on Duke Energy Ohio's results of operations, cash flows or financial position of these cases to date has not been material. Based on estimates under varying assumptions concerning uncertainties, such as, among others: (i) the number of contractors potentially exposed to asbestos during construction or maintenance of Duke Energy Ohio generating plants, (ii) the possible incidence of various illnesses among exposed workers, and (iii) the potential settlement costs without federal or other legislation that addresses asbestos tort actions, Duke Energy Ohio estimates that the range of reasonably possible exposure in existing and future suits over the foreseeable future is not material. This assessment may change as additional settlements occur, claims are made, and more case law is established.

Duke Energy Indiana

Edwardsport IGCC

On December 11, 2012, Duke Energy Indiana filed an arbitration action against General Electric Company and Bechtel Corporation in connection with their work at the Edwardsport IGCC facility. Duke Energy Indiana is seeking damages of not less than $560 million. An arbitration hearing is scheduled for October 2014. Duke Energy Indiana cannot predict the outcome of this matter.

Other Litigation and Legal Proceedings

The Duke Energy Registrants are involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve significant amounts. The Duke Energy Registrants believe the final disposition of these proceedings will not have a material effect on their results of operations, cash flows or financial position.

The table below presents recorded reserves based on management's best estimate of probable loss for legal matters discussed above and the associated insurance recoveries. The reasonably possible range of loss for all non-asbestos related matters in excess of recorded reserves is not material.

	December 31,	
(in millions)	2013	2012
Reserves for Legal and Other Matters[a]		
Duke Energy[b]	$ 824	$ 846
Duke Energy Carolinas[b]	616	751
Progress Energy	78	79
Duke Energy Progress	10	12
Duke Energy Florida[c]	43	47
Duke Energy Indiana	8	8
Probable Insurance Recoveries[d]		
Duke Energy[e]	$ 649	$ 781
Duke Energy Carolinas[e]	649	781

(a) Classified in the respective Consolidated Balance Sheets in Other within Deferred Credits and Other Liabilities and Other within Current Liabilities.
(b) Includes reserves for asbestos-related injuries and damages claims.
(c) Includes workers' compensation claims.
(d) Classified in the respective Consolidated Balance Sheets in Other within Investments and Other Assets and Receivables.
(e) Relates to recoveries associated with asbestos-related injuries and damages claims.

OTHER COMMITMENTS AND CONTINGENCIES

General

As part of their normal business, the Duke Energy Registrants are party to various financial guarantees, performance guarantees, and other contractual commitments to extend guarantees of credit and other assistance to various subsidiaries, investees, and other third parties. These guarantees involve elements of performance and credit risk, which are not fully recognized on the Consolidated Balance Sheets and have unlimited maximum potential payments. However, the Duke Energy Registrants do not believe these guarantees will have a material effect on their results of operations, cash flows or financial position.

Purchase Obligations

Purchased Power

Duke Energy Progress, Duke Energy Florida, and Duke Energy Ohio have ongoing purchased power contracts, including renewable energy contracts, with other utilities, wholesale marketers, co-generators, and qualified facilities (QFs). These purchased power contracts generally provide for capacity and energy payments. In addition, Duke Energy Progress, Duke Energy Florida, and Duke Energy Ohio have various contracts to secure transmission rights.

The following table presents executory purchased power contracts, excluding contracts classified as leases.

		Minimum Purchase Amount at December 31, 2013						
(in millions)	Contract Expiration	2014	2015	2016	2017	2018	Thereafter	Total
Duke Energy Progress[a]	2019-2022	$ 36	36	$ 36	$ 37	$ 37	$ 69	$ 251
Duke Energy Florida[b]	2014-2025	288	295	295	288	303	2,139	3,608
Duke Energy Ohio[c]	2014-2015	250	97	-	-	-	-	347

(a) Contracts represent 100 percent of net plant output.
(b) Contracts represent between 2 percent and 100 percent of net plant output.
(c) Contracts represent between 1 percent and 24 percent of net plant output.

Operating and Capital Lease Commitments

The Duke Energy Registrants lease office buildings, railcars, vehicles, computer equipment and other property and equipment with various terms and expiration dates. Additionally, Duke Energy Progress has a capital lease related to firm gas pipeline transportation capacity. Duke Energy Progress and Duke Energy Florida have entered into certain purchased power agreements, which are classified as leases. Consolidated capitalized lease obligations are classified as Long-term debt or Other within Current Liabilities on the Consolidated Balance Sheets. Amortization of assets recorded under capital leases is included in Depreciation and amortization and Fuel used in electric generation – regulated on the Consolidated Statements of Operations.

The following table presents rental expense for operating leases. These amounts are included in Operation, maintenance and other on the Consolidated Statements of Operations.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Duke Energy	$ 321	$ 232	$ 104
Duke Energy Carolinas	39	38	43
Progress Energy	225	232	104
Duke Energy Progress	153	164	88
Duke Energy Florida	72	68	15
Duke Energy Ohio	14	14	19
Duke Energy Indiana	22	20	24

The following table presents future minimum lease payments under operating leases, which at inception had a non-cancelable term of more than one year.

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
2014	$ 175	$ 34	$ 93	$ 55	$ 39	$ 12	$ 18
2015	159	29	89	51	39	11	15
2016	147	24	90	51	39	8	12
2017	137	20	89	50	39	7	9
2018	117	15	78	40	38	5	7
Thereafter	1,034	67	773	459	314	18	8
Total	$ 1,769	$ 189	$ 1,212	$ 706	$ 508	$ 61	$ 69

The following table presents future minimum lease payments under capital leases.

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
2014	$ 171	$ 6	$ 47	$ 20	$ 26	$ 9	$ 5
2015	167	6	47	20	27	7	4
2016	169	6	47	21	26	6	4
2017	166	6	46	21	26	3	2
2018	176	6	45	21	25	3	2
Thereafter	1,453	25	475	261	213	2	28
Minimum annual payments	2,302	55	707	364	343	30	45
Less amount representing interest	(786)	(27)	(454)	(275)	(179)	(3)	(30)
Total	$ 1,516	$ 28	$ 253	$ 89	$ 164	$ 27	$ 15

6. DEBT AND CREDIT FACILITIES

SUMMARY OF DEBT AND RELATED TERMS

The following tables summarize outstanding debt.

		December 31, 2013						
(in millions)	Weighted Average Interest Rate	Duke	Duke	Progress	Duke	Duke	Duke	Duke
Unsecured debt, maturing 2014 - 2073	5.18 %	$ 13,550	$ 1,157	$ 4,150	$ -	$ 150	$ 805	$ 744
Secured debt, maturing 2014 - 2037	2.69 %	2,559	400	305	305	-	-	-
First mortgage bonds, maturing 2015 - 2043[a]	4.90 %	17,831	6,161	8,450	4,125	4,325	900	2,319
Capital leases, maturing 2014 - 2051[b]	5.23 %	1,516	30	327	148	179	27	20
Other debt, maturing 2027	4.77 %	8	-	-	-	-	8	-
Tax-exempt bonds, maturing 2014 - 2041[c]	1.28 %	2,356	395	910	669	241	479	573
Notes payable and commercial paper[d]	1.02 %	1,289	-	-	-	-	-	-
Money pool/intercompany borrowings		-	300	1,213	462	181	43	150
Fair value hedge carrying value adjustment		9	9	-	-	-	-	-
Unamortized debt discount and premium, net[e]		1,977	(16)	(27)	(12)	(9)	(31)	(10)
Total debt		41,095	8,436	15,328	5,697	5,067	2,231	3,796
Short-term notes payable and commercial paper		(839)	-	-	-	-	-	-
Short-term money pool borrowings		-	-	(1,213)	(462)	(181)	(43)	-
Current maturities of long-term debt		(2,104)	(47)	(485)	(174)	(11)	(47)	(5)
Total long-term debt[f]		$ 38,152	$ 8,389	$ 13,630	$ 5,061	$ 4,875	$ 2,141	$ 3,791

(a) Substantially all electric utility fixed assets are mortgaged under mortgage bond indentures.
(b) Duke Energy includes $144 million and $838 million of capital lease purchase accounting adjustments related to Duke Energy Progress and Duke Energy Florida, respectively, related to power purchase agreements that are not accounted for as leases in their financial statements because of grandfathering provisions in GAAP.
(c) Substantially all tax-exempt bonds are secured by first mortgage bonds or letters of credit.
(d) Includes $450 million that was classified as Long-term Debt on the Consolidated Balance Sheets due to the existence of long-term credit facilities that back-stop these commercial paper balances, along with Duke Energy's ability and intent to refinance these balances on a long-term basis. The weighted-average days to maturity was 49 days.
(e) Duke Energy includes $2,067 million in purchase accounting adjustments related to the merger with Progress Energy. See Note 2 for additional information.
(f) Includes $1,966 million for Duke Energy, $400 million for Duke Energy Carolinas and $300 million for Progress Energy and Duke Energy Progress related to consolidated VIEs.

	December 31, 2012						
(in millions)	Weighted Average Interest Rate	Duke	Duke Progress	Duke	Duke	Duke	Duke
Unsecured debt, maturing 2013 - 2039	5.44 %	$ 12,722	$ 1,159	$ 4,150	$ -	$ 150	$ 805	$ 1,146
Secured debt, maturing 2013 - 2037	3.08 %	1,873	300	5	5	-	-	-
First mortgage bonds, maturing 2013 - 2042(a)	5.00 %	17,856	6,562	8,775	4,025	4,750	700	1,819
Capital leases, maturing 2013 - 2051(b)	5.19 %	1,689	32	339	150	189	35	23
Junior subordinated debt, maturing 2039	7.10 %	309	-	309	-	-	-	-
Other debt, maturing 2027	4.77 %	8	-	-	-	-	8	-
Tax exempt bonds, maturing 2014 - 2041(c)	1.39 %	2,357	395	910	669	241	479	573
Notes payable and commercial paper(d)	0.83 %	1,507	-	-	-	-	-	-
Money pool/intercompany borrowings		-	300	455	364	-	245	231
Fair value hedge carrying value adjustment		12	10	-	-	-	2	-
Unamortized debt discount and premium, net(e)		2,185	(17)	(60)	(9)	(10)	(32)	(9)
Total debt		40,518	8,741	14,883	5,204	5,320	2,242	3,783
Short-term notes payable and commercial paper		(1,057)	-	-	-	-	-	-
Short-term money pool borrowings		-	-	(455)	(364)	-	(245)	(81)
Current maturities of long-term debt		(3,110)	(406)	(843)	(407)	(435)	(261)	(405)
Total long-term debt(f)		$ 36,351	$ 8,335	$ 13,585	$ 4,433	$ 4,885	$ 1,736	$ 3,297

(a) Substantially all electric utility fixed assets are mortgaged under mortgage bond indentures.
(b) Duke Energy includes $158 million and $907 million of capital lease purchase accounting adjustments for Duke Energy Progress and Duke Energy Florida, respectively, related to power purchase agreements that are not accounted for as leases on their financial statements because of grandfathering provisions in GAAP.
(c) Substantially all tax-exempt bonds are secured by first mortgage bonds or letters of credit.
(d) Includes $450 million that was classified as Long-term Debt on the Consolidated Balance Sheets due to the existence of long-term credit facilities that back-stop these commercial paper balances, along with Duke Energy's ability and intent to refinance these balances on a long-term basis. The weighted-average days to maturity was 18 days.
(e) Duke Energy includes $2,311 million in purchase accounting adjustments related to the merger with Progress Energy. See Note 2 for additional information.
(f) Includes $852 million for Duke Energy and $300 million for Duke Energy Carolinas related to consolidated VIEs.

CURRENT MATURITIES OF LONG-TERM DEBT

The following table shows the significant components of Current maturities of long-term debt on the respective Consolidated Balance Sheets. The Duke Energy Registrants currently anticipate satisfying these obligations primarily with cash on hand and proceeds from additional borrowings.

(in millions)	Maturity Date	Interest Rate	December 31, 2013
Unsecured Debt			
Duke Energy (Parent)	February 2014	6.300 %	$ 750
Progress Energy (Parent)	March 2014	6.050 %	300
Duke Energy (Parent)	September 2014	3.950 %	500
Tax-exempt Bonds			
Duke Energy Progress	January 2014	0.105 %	167
Other			387
Current maturities of long-term debt			$ 2,104

Maturities and Call Options

The following table shows the annual maturities of long-term debt for the next five years and thereafter. Amounts presented exclude short-term notes payable and commercial paper and money pool borrowings for the Subsidiary Registrants.

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke	Duke	Duke	Duke
2014	$ 2,104	$ 47	$ 485	$ 174	$ 11	$ 47	$ 5
2015	2,634	507	1,264	702	562	157	5
2016	2,975	756	614	302	12	56	480
2017	1,342	116	265	3	262	2	3
2018	3,235	1,505	603	59	544	3	153
Thereafter	25,899	5,505	10,884	3,995	3,495	1,923	3,150
Total long-term debt, including current maturities	$ 38,189	$ 8,436	$ 14,115	$ 5,235	$ 4,886	$ 2,188	$ 3,796

(a) Excludes $2,067 million in purchase accounting adjustments related to the merger with Progress Energy. See Note 2 for additional information.

The Duke Energy Registrants have the ability under certain debt facilities to call and repay the obligation prior to its scheduled maturity. Therefore, the actual timing of future cash repayments could be materially different than as presented above.

Short-term Obligations Classified as Long-term Debt

Tax-exempt bonds that may be put to the Company at the option of the holder and certain commercial paper issuances and money pool borrowings are classified as Long-term debt on the Consolidated Balance Sheets. These tax-exempt bonds, commercial paper issuances and money pool borrowings, which are short-term obligations by nature, are classified as long term due to Duke Energy's intent and ability to utilize such borrowings as long-term financing. As Duke Energy's master credit facility and other bilateral letter of credit agreements have non-cancelable terms in excess of one year as of the balance sheet date, Duke Energy has the ability to refinance these short-term obligations on a long-term basis. The following tables show short-term obligations classified as long-term debt.

	December 31, 2013			
(in millions)	Duke	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Tax-exempt bonds	$ 471	$ 75	$ 111	$ 285
Notes payable and commercial paper	450	300	-	150
Secured debt[a]	200	-	-	-
Total	$ 1,121	$ 375	$ 111	$ 435

	December 31, 2012			
(in millions)	Duke	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana
Tax exempt bonds	$ 471	$ 75	$ 111	$ 285
Notes payable and commercial paper	450	300	-	150
Secured debt[a]	200	-	-	-
DERF[b]	300	300		
Total	$ 1,421	$ 675	$ 111	$ 435

(a) Instrument has a term of less than one year with the right to extend the maturity date for additional one-year periods with a final maturity date no later than December 2026.

(a) Duke Energy Receivables Finance Company, LLC (DERF) is a wholly owned limited liability company of Duke Energy Carolinas. See Note 17 for further information.

SUMMARY OF SIGNIFICANT DEBT ISSUANCES

The following tables summarize significant debt issuances (in millions).

			Year Ended December 31, 2013				
Issuance Date	Maturity Date	Interest	Duke Energy (Parent)	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Duke
Unsecured Debt							
January 2013[a]	January 2073	5.125 %	$ 500	$ -	$ -	$ -	$ 500
June 2013[b]	June 2018	2.100 %	500	-	-	-	500
August 2013[c][d]	August 2023	11.000 %	-	-	-	-	220
October 2013[e]	October 2023	3.950 %	400	-	-	-	400
Secured Debt							
February 2013[f][g]	December 2030	2.043 %	-	-	-	-	203
February 2013[f]	June 2037	4.740 %	-	-	-	-	220
April 2013[h]	April 2026	5.456 %	-	-	-	-	230
December 2013[i]	December 2016	0.852 %	-	300	-	-	300
First Mortgage Bonds							
March 2013[j]	March 2043	4.100 %	-	500	-	-	500
July 2013[k]	July 2043	4.900 %	-	-	-	350	350
July 2013[k][l]	July 2016	0.619 %	-	-	-	150	150
September 2013[m]	September 2023	3.800 %	-	-	300	-	300
September 2013[m][n]	March 2015	0.400 %	-	-	150	-	150
Total Issuances			$ 1,400	$ 800	$ 450	$ 500	$ 4,023

(a) Callable after January 2018 at par. Proceeds were used to redeem the $300 million 7.10% Cumulative Quarterly Income Preferred Securities (QUIPS) and to repay a portion of outstanding commercial paper and for general corporate purposes. See Note 17 for additional information about the QUIPS.
(b) Proceeds were used to repay $250 million of current maturities and for general corporate purposes, including the repayment of outstanding commercial paper.
(c) Proceeds were used to repay $200 million of current maturities. The maturity date included above applies to half of the instrument. The remaining half matures in August 2018.
(d) The debt is floating rate based on a consumer price index and an overnight funds rate in Brazil. The debt is denominated in Brazilian Real.
(e) Proceeds were used to repay commercial paper as well as for general corporate purposes.
(f) Represents the conversion of construction loans related to a renewable energy project issued in December 2012 to term loans. No cash proceeds were received in conjunction with the conversion. The term loans have varying maturity dates. The maturity date presented represents the latest date for all components of the respective loans.
(g) The debt is floating rate. Duke Energy has entered into a pay fixed-receive floating interest rate swap for 95 percent of the loans.
(h) Represents the conversion of a $190 million bridge loan issued in conjunction with the acquisition of Ibener in December 2012. Duke Energy received incremental proceeds of $40 million upon conversion of the bridge loan. The debt is floating rate and is denominated in U.S. dollars. Duke Energy has entered into a pay fixed-receive floating interest rate swap for 75 percent of the loan.
(i) Relates to the securitization of accounts receivable at a subsidiary of Duke Energy Progress; the proceeds were used to repay short-term debt. See Note 17 for further details.
(j) Proceeds were used to repay notes payable to affiliated companies as well as for general corporate purposes.
(k) Proceeds were used to repay $400 million of current maturities.
(l) The debt is floating rate based on 3-month London Interbank Offered Rate (LIBOR) and a fixed credit spread of 35 basis points.
(m) Proceeds were used for general corporate purposes including the repayment of short-term notes payable, a portion of which was incurred to fund the retirement of $250 million of first mortgage bonds that matured in the first half of 2013.
(n) The debt is floating rate based on 3-month LIBOR plus a fixed spread of 14 basis points.

			Year Ended December 31, 2012						
Issuance Date	Maturity Date	Interest	Duke Energy (Parent)	Duke Energy Carolinas	Progress Energy (Parent)	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana	Duke
Unsecured Debt									
March 2012[a]	April 2022	3.15 %	$ -	$ -	$ 450	$ -	$ -	$ -	$ 450
August 2012[b]	August 2017	1.63 %	700	-	-	-	-	-	700
August 2012[b]	August 2022	3.05 %	500	-	-	-	-	-	500
Secured Debt									
April 2012[c]	September 2024	2.64 %	330	-	-	-	-	-	330
December 2012[d]	March 2013	2.77 %	203	-	-	-	-	-	203
December 2012[d]	March 2013	4.74 %	220	-	-	-	-	-	220
December 2012[e]	June 2013	1.01 %	190	-	-	-	-	-	190
December 2012[e]	December 2025	1.56 %	200	-	-	-	-	-	200
First Mortgage Bonds									
March 2012[f]	March 2042	4.20 %	-	-	-	-	-	250	250
May 2012[g]	May 2022	2.80 %	-	-	-	500	-	-	500
May 2012[g]	May 2042	4.10 %	-	-	-	500	-	-	500
September 2012[h]	September 2042	4.00 %	-	650	-	-	-	-	650
November 2012[i]	November 2015	0.65 %	-	-	-	-	250	-	250
November 2012[i]	November 2042	3.85 %	-	-	-	-	400	-	400
Total Issuances			$ 2,343	$ 650	$ 450	$ 1,000	$ 650	$ 250	$ 5,343

(a) Proceeds were used to repay current maturities of $450 million.
(b) Proceeds were used to repay current maturities of $500 million, as well as for general corporate purposes, including the repayment of commercial paper.
(c) Proceeds were used to reimburse construction costs for DS Cornerstone, LLC joint venture wind projects. Debt was subsequently deconsolidated upon execution of a joint venture. See Note 17 for further details.
(d) Proceeds were used to fund the existing Los Vientos wind power portfolio.
(e) Debt issuances were executed in connection with the acquisition of Ibener. Both loans were collateralized with cash deposits equal to 101 percent of the loan amounts. See Note 2 for further details.
(f) Proceeds were used to repay a portion of outstanding short-term debt.
(g) Proceeds were used to repay current maturities of $500 million, a portion of outstanding commercial paper and notes payable to affiliated companies.
(h) Proceeds were used to repay current maturities of $420 million, as well as for general corporate purposes, including the funding of capital expenditures.
(i) Proceeds will be used to repay current maturities of $425 million, as well as for general corporate purposes.

AVAILABLE CREDIT FACILITIES

Duke Energy has a master credit facility with a capacity of $6 billion through December 2018. The Subsidiary Registrants, excluding Progress Energy each have borrowing capacity under the master credit facility up to specified sublimits for each borrower. Duke Energy has the unilateral ability at any time to increase or decrease the borrowing sublimits of each borrower, subject to a maximum sublimit for each borrower. The amount available under the master credit facility has been reduced to backstop the issuances of commercial paper, certain letters of credit and variable-rate demand tax-exempt bonds that may be put to the Duke Energy Registrants at the option of the holder. The table below includes the current borrowing sublimits and available capacity under the master credit facility.

	December 31, 2013						
(in millions)	Duke	Duke Energy (Parent)	Duke Energy Carolinas	Duke	Duke	Duke Energy Ohio	Duke Energy Indiana
Facility size[a]	$ 6,000	$ 2,250	$ 1,000	$ 750	$ 650	$ 650	$ 700
Reduction to backstop issuances							
Notes payable and commercial paper[b]	(450)	-	(300)	-	-	-	(150)
Outstanding letters of credit	(62)	(55)	(4)	(2)	(1)	-	-
Tax-exempt bonds	(240)	-	(75)	-	-	(84)	(81)
Available capacity	$ 5,248	$ 2,195	$ 621	$ 748	$ 649	$ 566	$ 469

(a) Represents the sublimit of each borrower at December 31, 2013. The Duke Energy Ohio sublimit includes $100 million for Duke Energy Kentucky.

(b) Duke Energy issued $450 million of commercial paper and loaned the proceeds through the money pool to Duke Energy Carolinas and Duke Energy Indiana. The balances are classified as long-term borrowings within Long-term Debt in Duke Energy Carolinas' and Duke Energy Indiana's Condensed Consolidated Balance Sheets.

OTHER DEBT MATTERS

In September 2013, Duke Energy filed a registration statement (Form S-3) with the SEC. Under this Form S-3, which is uncapped, the Duke Energy Registrants, excluding Progress Energy, may issue debt and other securities in the future at amounts, prices and with terms to be determined at the time of future offerings. The registration statement also allows for the issuance of common stock by Duke Energy.

Duke Energy has an effective Form S-3 with the SEC to sell up to $3 billion of variable denomination floating-rate demand notes, called PremierNotes. The Form S-3 states that no more than $1.5 billion of the notes will be outstanding at any particular time. The notes are offered on a continuous basis and bear interest at a floating rate per annum determined by the Duke Energy PremierNotes Committee, or its designee, on a weekly basis. The interest rate payable on notes held by an investor may vary based on the principal amount of the investment. The notes have no stated maturity date, are non-transferable and may be redeemed in whole or in part by Duke Energy or at the investor's option at any time. The balance as of December 31, 2013 and 2012 was $836 million and $395 million, respectively. The notes are short-term debt obligations of Duke Energy and are reflected as Notes payable and commercial paper on Duke Energy's Consolidated Balance Sheets.

At December 31, 2013 and 2012, $811 million and $734 million, respectively, of debt issued by Duke Energy Carolinas was guaranteed by Duke Energy.

Money Pool

The Subsidiary Registrants, excluding Progress Energy receive support for their short-term borrowing needs through participation with Duke Energy and certain of its subsidiaries in a money pool arrangement. Under this arrangement, those companies with short-term funds may provide short-term loans to affiliates participating in this arrangement. The money pool is structured such that the Subsidiary Registrants, excluding Progress Energy separately manage their cash needs and working capital requirements. Accordingly, there is no net settlement of receivables and payables between money pool participants. Duke Energy (Parent), may loan funds to its participating subsidiaries, but may not borrow funds through the money pool. Accordingly, as the money pool activity is between Duke Energy and its wholly owned subsidiaries, all money pool balances are eliminated within Duke Energy's Consolidated Balance Sheets.

Money pool receivable balances are reflected within Notes receivable from affiliated companies on the respective Subsidiary Registrants' Consolidated Balance Sheets. Money pool payable balances are reflected within either Notes payable to affiliated companies or Long-term debt payable to affiliated companies on the respective Consolidated Balance Sheets.

Restrictive Debt Covenants

The Duke Energy Registrants' debt and credit agreements contain various financial and other covenants. The master credit facility contains a covenant requiring the debt-to-total capitalization ratio not exceed 65 percent for each borrower. Failure to meet those covenants beyond applicable grace periods

could result in accelerated due dates and/or termination of the agreements. As of December 31, 2013, each of the Duke Energy Registrants were in compliance with all covenants related to its significant debt agreements. In addition, some credit agreements may allow for acceleration of payments or termination of the agreements due to nonpayment, or acceleration of other significant indebtedness of the borrower or some of its subsidiaries. None of the significant debt or credit agreements contain material adverse change clauses.

Other Loans

During 2013 and 2012, Duke Energy and Duke Energy Progress had loans outstanding against the cash surrender value of life insurance policies it owns on the lives of its executives. The amounts outstanding were $571 million, including $48 million at Duke Energy Progress and $496 million as of December 31, 2013 and 2012, respectively. The amounts outstanding were carried as a reduction of the related cash surrender value that is included in Other within Investments and Other Assets on the Consolidated Balance Sheets.

7. GUARANTEES AND INDEMNIFICATIONS

Duke Energy and Progress Energy have various financial and performance guarantees and indemnifications, which are issued in the normal course of business. As discussed below, these contracts include performance guarantees, stand-by letters of credit, debt guarantees, surety bonds and indemnifications. Duke Energy and Progress Energy enter into these arrangements to facilitate commercial transactions with third parties by enhancing the value of the transaction to the third party. At December 31, 2013, Duke Energy and Progress Energy do not believe conditions are likely for significant performance under these guarantees. To the extent liabilities are incurred as a result of the activities covered by the guarantees, such liabilities are included on the accompanying Consolidated Balance Sheets.

On January 2, 2007, Duke Energy completed the spin-off of its natural gas businesses to shareholders. Guarantees issued by Duke Energy or its affiliates, or assigned to Duke Energy prior to the spin-off, remained with Duke Energy subsequent to the spin-off. Guarantees issued by Spectra Energy Capital, LLC, formerly known as Duke Capital LLC, (Spectra Capital) or its affiliates prior to the spin-off remained with Spectra Capital subsequent to the spin-off, except for guarantees that were later assigned to Duke Energy. Duke Energy has indemnified Spectra Capital against any losses incurred under certain of the guarantee obligations that remain with Spectra Capital. At December 31, 2013, the maximum potential amount of future payments associated with these guarantees was $205 million, the majority of which expires by 2028.

Duke Energy has issued performance guarantees to customers and other third parties that guarantee the payment and performance of other parties, including certain non-wholly owned entities, as well as guarantees of debt of certain non-consolidated entities and less than wholly owned consolidated entities. If such entities were to default on payments or performance, Duke Energy would be required under the guarantees to make payments on the obligations of the less than wholly owned entity. The maximum potential amount of future payments required under these guarantees as of December 31, 2013, was $285 million. Of this amount, $15 million relates to guarantees issued on behalf of less than wholly owned consolidated entities, with the remainder related to guarantees issued on behalf of third parties and unconsolidated affiliates of Duke Energy. Of the guarantees noted above, $102 million of the guarantees expire between 2015 and 2033, with the remaining performance guarantees having no contractual expiration.

Duke Energy has guaranteed certain issuers of surety bonds, obligating itself to make payment upon the failure of a wholly owned and former non-wholly owned entity to honor its obligations to a third party. Under these arrangements, Duke Energy has payment obligations that are triggered by a draw by the third party or customer due to the failure of the wholly owned or former non-wholly owned entity to perform according to the terms of its underlying contract. At December 31, 2013, Duke Energy had guaranteed $92 million of outstanding surety bonds. Of this amount, $54 million, expire in 2014, the remaining expires between 2015 – 2021.

At December 31, 2013, Duke Energy had $457 million of unused bank-issued stand-by letters of credit to secure the performance of wholly owned and non-wholly owned entities to a third party or customer.

Duke Energy and Progress Energy has issued indemnifications for certain asset performance, legal, tax and environmental matters to third parties, including indemnifications made in connection with sales of businesses. At December 31, 2013, the estimated maximum exposure for these indemnifications was $117 million, the majority of which expires in 2017. Of this amount, $7 million has no contractual expiration. For certain matters for which Progress Energy receives timely notice, indemnity obligations may extend beyond the notice period. Certain indemnifications related to discontinued operations have no limitations as to time or maximum potential future payments.

The following table includes the liabilities recognized for the guarantees discussed above. These amounts are primarily recorded in Other within Deferred Credits and other Liabilities on the Consolidated Balance Sheets. As current estimates change, additional losses related to guarantees and indemnifications to third parties, which could be material, may be recorded by the Duke Energy Registrants in the future. The decrease in 2013 was

mainly due the expiration of guarantees. Accruals and expenditures were not material.

	December 31,	
	2013	2012
Duke Energy	$ 24	$ 41
Progress Energy	9	25
Duke Energy Florida	3	17

8. JOINT OWNERSHIP OF GENERATING AND TRANSMISSION FACILITIES

The Duke Energy Registrants hold ownership interests in certain jointly owned generating and transmission facilities. The Duke Energy Registrants are entitled to shares of the generating capacity and output of each unit equal to their respective ownership interests. The Duke Energy Registrants pay their ownership share of additional construction costs, fuel inventory purchases and operating expenses, except in certain instances where agreements have been executed to limit certain joint owners' maximum exposure to the additional costs. The Duke Energy Registrants share of revenues and operating costs of the jointly owned generating facilities is included within the corresponding line in the Consolidated Statements of Operations. Each participant in the jointly owned facilities must provide its own financing, except in certain instances where agreements have been executed to limit certain joint owners' maximum exposure to the additional costs.

The following table presents the share of jointly owned plant or facilities included on the Consolidated Balance Sheets. All facilities are operated by the Duke Energy Registrants unless otherwise noted.

	December 31, 2013			
	Ownership Share	Property, Plant and Equipment	Accumulated Depreciation	Construction Work in Progress
Duke Energy Carolinas				
Catawba Nuclear Station (Units 1 and 2)[a][b]	19.25 %	$ 887	$ 498	$ -
Duke Energy Progress				
Mayo Station[a][c]	83.83	856	303	104
Shearon Harris Nuclear Station[a][c]	83.83	3,620	2,018	67
Brunswick Nuclear Station[a][c]	81.67	1,921	1,005	176
Roxboro Station (Unit 4)[a][c]	87.06	754	473	13
Duke Energy Florida				
Crystal River Nuclear Station (Unit 3)[a][d]	91.78	-	-	-
Intercession City Station (Unit P11)[a][e]	66.67	25	13	-
Duke Energy Ohio				
Miami Fort Station (Units 7 and 8)[f][g]	64.0	624	232	1
W.C. Beckjord Station (Unit 6)[f][h]	37.5	-	-	-
J.M. Stuart Station[f][h][i]	39.0	823	281	16
Conesville Station (Unit 4)[f][h][i]	40.0	318	49	3
W.M. Zimmer Station[f][h]	46.5	1,358	574	4
Killen Station[f][g][i]	33.0	308	139	2
East Bend Station[a][g]	69.0	447	240	13
Transmission facilities[a][h]	Various	96	49	-
Duke Energy Indiana				
Gibson Station (Unit 5)[a][j]	50.05	308	160	2
Vermillion[a][k]	62.5	154	61	-
Transmission and local facilities[a][j]	Various	3,726	1,582	-
International Energy				
Brazil - Canoas I and II[l]	47.2	266	83	-

(a) Included in Regulated Utilities segment.
(b) Co-owned with North Carolina Municipal Power Agency Number 1, NCEMC and Piedmont Municipal Power Agency.
(c) Co-owned with North Carolina Eastern Municipal Power Agency.
(d) All costs associated with Crystal River Unit 3 are included within Regulatory assets on the Consolidated Balance Sheets of Duke Energy, Progress Energy and Duke Energy Florida. See Note 4 for additional information. Co-owned with Seminole Electric Cooperative, Inc., City of Ocala, Orlando Utilities Commission, City of Gainesville, City of Leesburg, Kissimmee Utility Authority, Utilities Commission of the City of New Smyrna Beach, City of Alachua and City of Bushnell.
(e) Co-owned with Georgia Power Company. Georgia Power Company has exclusive rights to the output of the unit during the months of June through September.
(f) Included in Commercial Power segment.
(g) Co-owned with The Dayton Power and Light Company.
(h) Co-owned with The Dayton Power and Light Company and Ohio Power Company.
(i) Station is not operated by Duke Energy Ohio.
(j) Co-owned with WVPA and Indiana Municipal Power Agency.
(k) Co-owned with WVPA.
(l) Included in International Energy segment. Co-owned with Companhia Brasileira de Aluminio.

9. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations recognized by Duke Energy Carolinas, Progress Energy, Duke Energy Progress and Duke Energy Florida relate primarily to decommissioning nuclear power facilities, asbestos removal and closure of landfills at fossil generation facilities. Asset retirement obligations at Duke Energy Ohio relate primarily to the retirement of gas mains, asbestos removal and closure of landfills at fossil generation facilities. Asset retirement obligations at Duke Energy Indiana relate primarily to obligations associated with asbestos removal and closure of landfills at fossil generation facilities. Duke Energy also has asset retirement obligations related to the removal of renewable energy generation assets in addition to the above items. Certain of the Duke Energy Registrants' assets have an indeterminate life, such as transmission and distribution facilities, and thus the fair value of the

retirement obligation is not reasonably estimable. A liability for these asset retirement obligations will be recorded when a fair value is determinable.

The following table presents changes in the liability associated with asset retirement obligations.

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Balance at December 31, 2011	$ 1,936	$ 1,846	$ 1,265	$ 896	$ 369	$ 27	$ 43
Acquisitions[a]	3,062	-	-	-	-	-	-
Accretion expense[b]	173	118	86	64	22	1	1
Liabilities settled	(15)	(3)	(2)	(2)	-	-	(10)
Revisions in estimates of cash flows[c]	(4)	(2)	234	-	234	-	(1)
Liabilities incurred in the current year[d]	24	-	837	698	139	-	4
Balance at December 31, 2012[e]	5,176	1,959	2,420	1,656	764	28	37
Acquisitions	4	-	-	-	-	-	-
Accretion expense[b]	239	122	113	80	33	2	-
Liabilities settled	(12)	-	(12)	-	(12)	-	-
Revisions in estimates of cash flows[f]	(449)	(487)	49	1	48	(2)	(7)
Balance at December 31, 2013[e]	**$ 4,958**	**$ 1,594**	**$ 2,570**	**$ 1,737**	**$ 833**	**$ 28**	**$ 30**

(a) Represents asset retirement obligations resulting from the merger with Progress Energy. See Note 2 for additional information.
(b) Substantially all accretion expense for the years ended December 31, 2013 and 2012 relates to Duke Energy's regulated electric operations and has been deferred in accordance with regulatory accounting treatment.
(c) For Progress Energy and Duke Energy Florida, the amounts relate to the retirement of Crystal River Unit 3.
(d) For Progress Energy, Duke Energy Progress and Duke Energy Florida, amounts primarily relate to spent nuclear fuel disposal recorded in the third quarter of 2012 to conform to Duke Energy's assumptions for nuclear asset retirement obligations.
(e) Balances at December 31, 2013 and 2012, include $8 million and $7 million, respectively, reported in Other current liabilities on the Consolidated Balance Sheets at Duke Energy, Progress Energy and Duke Energy Progress.
(f) Amounts for Duke Energy, Duke Energy Carolinas and Duke Energy Florida primarily relate to the site-specific nuclear decommissioning cost studies completed in 2013.

The Duke Energy Registrants' regulated operations accrue costs of removal for property that does not have an associated legal retirement obligation based on regulatory orders from state commissions. These costs of removal are recorded as a regulatory liability in accordance with regulatory accounting treatment. The Duke Energy Registrants do not accrue the estimated cost of removal for any nonregulated assets. See Note 4 for the estimated cost of removal for assets without an associated legal retirement obligation, which are included in Regulatory liabilities on the Consolidated Balance Sheets.

NUCLEAR DECOMMISSIONING COSTS

Use of the NDTF investments are restricted to nuclear decommissioning activities. The NDTF investments are managed and invested in accordance with applicable requirements of various regulatory bodies, including the NRC, FERC, NCUC, PSCSC, FPSC and the Internal Revenue Service (IRS). The fair value of assets legally restricted for purposes of settling asset retirement obligations associated with nuclear decommissioning are $4,769 million and $2,477 million for Duke Energy and Duke Energy Carolinas at December 31, 2013, respectively, and $3,941 million and $2,053 million for Duke Energy and Duke Energy Carolinas at December 31, 2012, respectively. The NDTF balances for Progress Energy, Duke Energy Progress and Duke Energy Florida represent the fair value of assets legally restricted for purposes of settling asset retirement obligations associated with nuclear decommissioning. The NCUC, PSCSC and FPSC require updated cost estimates for decommissioning nuclear plants every five years.

The following table summarizes information about nuclear decommissioning cost studies.

(in millions)	Annual Funding	Decommissioning Costs[a][b]	Year of Cost
Duke Energy Carolinas	$ 21	$ 3,420	2013
Duke Energy Progress	14	3,000	2009
Duke Energy Florida	-	1,083	2013

(a) Represents cost per the most recent site-specific nuclear decommissioning cost studies, including costs to decommission plant components not subject to radioactive contamination.
(b) Includes the Duke Energy Registrants' ownership interest in jointly owned reactors. Other joint owners are responsible for decommissioning costs related to their interest in the reactors.

NUCLEAR OPERATING LICENSES

Operating licenses for nuclear units are subject to extension. The following table includes the current expiration of nuclear operating licenses.

Unit	Year of Expiration
Duke Energy Carolinas	
Catawba Unit 1	2043
Catawba Unit 2	2043
McGuire Unit 1	2041
McGuire Unit 2	2043
Oconee Unit 1	2033
Oconee Unit 2	2033
Oconee Unit 3	2034
Duke Energy Progress	
Brunswick Unit 1	2036
Brunswick Unit 2	2034
Harris	2046
Robinson	2030
Duke Energy Florida	
Crystal River Unit 3[a]	2016

(a) Duke Energy Florida has requested the NRC terminate the Crystal River Unit 3 operating license as a result of the retirement of the unit.

10. PROPERTY, PLANT AND EQUIPMENT

The following tables summarize the property, plant and equipment.

		December 31, 2013						
(in millions)	Estimated Useful Life (Years)	Duke	Duke	Progress	Duke	Duke	Duke	Duke
Land		$ 1,481	$ 397	$ 705	$ 383	$ 321	$ 137	$ 105
Plant - Regulated								
Electric generation, distribution and transmission	2 - 125	78,272	30,018	31,792	19,190	12,601	3,925	11,594
Natural gas transmission and distribution	12 - 67	2,138	-	-	-	-	2,138	-
Other buildings and improvements	2 - 100	1,397	447	610	282	315	190	159
Plant - Nonregulated								
Electric generation, distribution and transmission	2 - 100	6,267	-	-	-	-	4,017	-
Other buildings and improvements	9 - 100	2,512	-	-	-	-	5	-
Nuclear fuel		2,458	1,446	1,012	1,012	-	-	-
Equipment	1 - 33	1,557	287	621	357	94	317	146
Construction in process		3,595	1,741	873	631	238	166	307
Other	5 - 33	3,438	570	867	418	294	248	178
Total property, plant and equipment[a][d]		103,115	34,906	36,480	22,273	13,863	11,143	12,489
Total accumulated depreciation - regulated[b][c][d]		(31,659)	(11,894)	(13,098)	(8,623)	(4,252)	(2,160)	(3,913)
Total accumulated depreciation - nonregulated[c][d]		(1,966)	-	-	-	-	(748)	-
Total net property, plant and equipment		$ 69,490	$ 23,012	$ 23,382	$ 13,650	$ 9,611	$ 8,235	$ 8,576

(a) Includes capitalized leases of $1,606 million, $53 million, $328 million, $148 million, $180 million, $96 million, and $30 million at Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, and Duke Energy Indiana, respectively, primarily in regulated plant. The Progress Energy, Duke Energy Progress and Duke Energy Florida amounts are net of $60 million, an insignificant amount and $57 million, respectively, of accumulated amortization of capitalized leases.

(b) Includes $1,118 million, $681 million, $438 million and $438 million of accumulated amortization of nuclear fuel at Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.

(c) Includes accumulated amortization of capitalized leases of $40 million, $4 million, $21 million and $5 million at Duke Energy, Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana, respectively.

(d) Includes gross property, plant and equipment cost of consolidated VIEs of $1,678 million and accumulated depreciation of consolidated VIEs of $175 million at Duke Energy.

(in millions)	Estimated Useful Life (Years)	December 31, 2012 Duke	Duke Progress	Duke	Duke	Duke	Duke
Land		$ 1,368	$ 378	$ 618	$ 380	$ 239	$ 136	$ 90
Plant - Regulated								
Electric generation, distribution and transmission	2 - 138	73,181	29,269	30,250	18,009	12,041	3,774	8,622
Natural gas transmission and distribution	12 - 60	2,026	-	-	-	-	2,026	-
Other buildings and improvements	2 - 100	1,319	444	609	283	318	125	149
Plant - Nonregulated								
Electric generation, distribution and transmission	2 - 100	6,055	-	-	-	-	3,870	-
Other buildings and improvements	9 - 90	2,940	-	-	-	-	191	-
Nuclear fuel		2,127	1,277	850	850	-	-	-
Equipment	1 - 34	1,448	279	604	336	90	255	141
Construction in process		6,655	1,996	1,424	946	474	204	2,836
Other	5 - 60	3,272	547	791	380	270	243	174
Total property, plant and equipment[a][d]		100,391	34,190	35,146	21,184	13,432	10,824	12,012
Total accumulated depreciation - regulated[b][c][d]		(29,471)	(11,437)	(12,512)	(8,185)	(4,072)	(1,995)	(3,692)
Total accumulated depreciation - nonregulated[c][d]		(2,498)	-	-	-	-	(703)	-
Generation facilities to be retired, net		136	73	63	63	-	-	-
Total net property, plant and equipment		$ 68,558	$ 22,826	$ 22,697	$ 13,062	$ 9,360	$ 8,126	$ 8,320

(a) Includes capitalized leases of $1,844 million, $53 million, $339 million, $150 million, $189 million, $86 million, and $28 million at Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, and Duke Energy Indiana, respectively, primarily in regulated plant. The Progress Energy, Duke Energy Progress and Duke Energy Florida amounts are net of $49 million, an insignificant amount and $48 million, respectively, of accumulated amortization of capitalized leases.

(b) Includes $857 million, $557 million, $300 million and $300 million of accumulated amortization of nuclear fuel at Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.

(c) Includes accumulated amortization of capitalized leases of $34 million, $3 million, $12 million and $5 million at Duke Energy, Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana, respectively.

(d) Includes gross property, plant and equipment cost of consolidated VIEs of $1,558 million and accumulated depreciation of consolidated VIEs of $103 million at Duke Energy.

The following table presents capitalized interest, which includes the debt component of AFUDC.

(in millions)	Years Ended December 31, 2013	2012	2011
Duke Energy	$ 90	$ 177	$ 166
Duke Energy Carolinas	41	72	78
Progress Energy	19	41	35
Duke Energy Progress	16	23	20
Duke Energy Florida	3	18	15
Duke Energy Ohio	12	15	9
Duke Energy Indiana	9	39	33

11. GOODWILL AND INTANGIBLE ASSETS

GOODWILL

The following tables present goodwill by reportable operating segment for Duke Energy and Duke Energy Ohio.

Duke Energy

(in millions)	Regulated Utilities	International	Commercial	Total
Balance at December 31, 2012				
Goodwill	$ 15,950	$ 353	$ 933	$ 17,236
Accumulated impairment charges	-	-	(871)	(871)
Balance at December 31, 2012, as adjusted for accumulated impairment charges	15,950	353	62	16,365
Acquisitions (a)	2	(5)	2	(1)
Foreign exchange and other changes	(2)	(22)	-	(24)
Balance at December 31, 2013				
Goodwill	15,950	326	935	17,211
Accumulated impairment charges	-	-	(871)	(871)
Balance at December 31, 2013, as adjusted for accumulated impairment charges	$ 15,950	$ 326	$ 64	$ 16,340

(a) Amounts represent purchase price adjustments related to the Progress Energy merger at Regulated Utilities, the Chilean hydro acquisition at International Energy and a minor renewables acquisition at Commercial Power. See Note 2 for further information on purchase price adjustments related to the Progress Energy merger.

Duke Energy Ohio

(in millions)	Regulated Utilities	Commercial	Total
Balance at December 31, 2012			
Goodwill	$ 1,137	$ 1,188	$ 2,325
Accumulated impairment charges	(216)	(1,188)	(1,404)
Balance at December 31, 2012, as adjusted for accumulated impairment charges	921	-	921
Foreign exchange and other changes	(1)	-	(1)
Balance at December 31, 2013			
Goodwill	1,136	1,188	2,324
Accumulated impairment charges	(216)	(1,188)	(1,404)
Balance at December 31, 2013, as adjusted for accumulated impairment charges	$ 920	$ -	$ 920

Progress Energy

Progress Energy had Goodwill of $3,655 million as of December 31, 2013 and 2012, for which there are no accumulated impairment charges.

Impairment Analysis

As the fair values of the reporting units of Duke Energy, Progress Energy and Duke Energy Ohio exceeded their respective carrying values at the date of the annual goodwill impairment analysis, no impairment charges were recorded.

In addition, at December 31, 2013, goodwill for the Renewables reporting unit within Commercial Power was analyzed for impairment primarily as a result of the expiration of wind production tax credits at the end of 2013. Based on results of the fourth quarter 2013 impairment analysis, the fair value of the Renewables reporting unit exceeded its carrying value and no impairment was recorded. The fair value of the Renewables reporting unit is

impacted by a multitude of factors, including legislative actions related to tax credit extensions, long-term growth rate assumptions, the market price of power and discount rates. Management continues to monitor these assumptions for any indicators that the fair value of the reporting unit could be below the carrying value, and will assess goodwill for impairment as appropriate.

INTANGIBLE ASSETS

The following tables show the carrying amount and accumulated amortization of intangible assets.

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Emission allowances	$ 63	$ 1	$ 21	$ 3	$ 18	$ 20	$ 21
Renewable energy certificates	82	16	64	64	-	2	-
Gas, coal and power contracts	180	-	-	-	-	156	24
Wind development rights	86	-	-	-	-	-	-
Other	76	-	-	-	-	-	-
Total gross carrying amounts	487	17	85	67	18	178	45
Accumulated amortization - gas, coal and power contracts	(73)	-	-	-	-	(60)	(13)
Accumulated amortization - wind development rights	(12)	-	-	-	-	-	-
Accumulated amortization - other	(24)	-	-	-	-	-	-
Total accumulated amortization	(109)	-	-	-	-	(60)	(13)
Total intangible assets, net	$ 378	$ 17	$ 85	$ 67	$ 18	$ 118	$ 32

	December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Emission allowances	$ 80	$ -	$ 26	$ 4	$ 22	$ 24	$ 29
Renewable energy certificates	18	14	2	1	-	-	-
Gas, coal and power contracts	295	-	-	-	-	272	24
Wind development rights	111	-	-	-	-	-	-
Other	91	-	-	-	-	10	-
Total gross carrying amounts	595	14	28	5	22	306	53
Accumulated amortization - gas, coal and power contracts	(180)	-	-	-	-	(168)	(12)
Accumulated amortization - wind development rights	(9)	-	-	-	-	-	-
Accumulated amortization - other	(34)	-	-	-	-	(9)	-
Total accumulated amortization	(223)	-	-	-	-	(177)	(12)
Total intangible assets, net	$ 372	$ 14	$ 28	$ 5	$ 22	$ 129	$ 41

Impairment of Emission Allowances

On August 8, 2011, the EPA's final rule to replace CAIR was published in the Federal Register. As further discussed in Note 5, CSAPR established state-level annual SO_2 and NO_X caps that were required to take effect on January 1, 2012, and state-level ozone-season NO_X caps that were to take effect on May 1, 2012. CSAPR did not utilize CAA emission allowances as the original CAIR provided. Under CSAPR, the EPA was expected to issue new emission allowances to be used exclusively for purposes of complying with CSAPR cap-and-trade program. After this ruling was published in 2011, Duke Energy evaluated the effect of CSAPR on the carrying value of emission allowances recorded at its Regulated Utilities and Commercial Power segments. Based on the provisions of CSAPR, Duke Energy Ohio had more SO_2 allowances than were needed to comply with the continuing CAA acid rain cap-and-trade program (excess emission allowances). Duke Energy Ohio incurred a pretax impairment of $79 million in 2011 to write down the

carrying value of excess emission allowances held by Commercial Power to fair value. The charge is recorded in Goodwill and other impairment charges on Duke Energy Ohio's Consolidated Statements of Operations. This amount was based on the fair value of excess allowances held by Commercial Power for compliance under the continuing CAA acid rain cap-and-trade program as of September 30, 2011.

Amortization Expense

The following table presents amortization expense for gas, coal and power contracts, wind development rights and other intangible assets.

	December 31,		
(in millions)	2013	2012	2011
Duke Energy	$ 13	$ 14	$ 10
Duke Energy Ohio	8	12	8
Duke Energy Indiana	1	1	1

The table below shows the expected amortization expense for the next five years for intangible assets as of December 31, 2013. The expected amortization expense includes estimates of emission allowances consumption and estimates of consumption of commodities such as gas and coal under existing contracts, as well as estimated amortization related to the wind development projects. The amortization amounts discussed below are estimates and actual amounts may differ from these estimates due to such factors as changes in consumption patterns, sales or impairments of emission allowances or other intangible assets, delays in the in-service dates of wind assets, additional intangible acquisitions and other events.

(in millions)	2014	2015	2016	2017	2018
Duke Energy	$ 43	$ 19	$ 17	$ 16	$ 16
Progress Energy	4	3	2	1	1
Duke Energy Progress	1	-	-	-	-
Duke Energy Florida	3	3	2	1	1
Duke Energy Ohio	11	9	9	9	9
Duke Energy Indiana	22	1	1	1	1

12. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

EQUITY METHOD INVESTMENTS

Investments in domestic and international affiliates that are not controlled by Duke Energy, but over which it has significant influence, are accounted for using the equity method. As of December 31, 2013 and 2012, the carrying amount of investments in affiliates with carrying amounts greater than zero approximated the amount of underlying equity in net assets.

The following table presents Duke Energy's investments in unconsolidated affiliates accounted for under the equity method, as well as the respective equity in earnings, by segment.

	Years Ended December 31,					
	2013		2012		2011	
(in millions)	Investments	Equity in earnings	Investments	Equity in earnings		Equity in earnings
Regulated Utilities	$ 4	$ (1)	$ 5	$ (5)	$	-
International Energy	82	110	81	134		145
Commercial Power	252	7	219	14		6
Other	52	6	178	5		9
Total	$ 390	$ 122	$ 483	$ 148	$	160

During the years ended December 31, 2013, 2012 and 2011, Duke Energy received distributions from equity investments of $144 million, $183 million and $149 million, respectively, which are included in Other assets within Cash Flows from Operating Activities on the Consolidated Statements of Cash Flows.

Significant investments in affiliates accounted for under the equity method are discussed below.

International Energy

Duke Energy owns a 25 percent indirect interest in NMC, which owns and operates a methanol and MTBE business in Jubail, Saudi Arabia.

Commercial Power

Investments accounted for under the equity method primarily consist of Duke Energy's approximate 50 percent ownership interest in the five Catamount Sweetwater, LLC wind farm projects (Phase I-V), INDU Solar Holdings, LLC and DS Cornerstone, LLC. All of these entities own solar or wind power projects in the United States. Duke Energy also owns a 50 percent interest in Duke American Transmission Co., LLC which builds, owns and operates electric transmission facilities in North America.

Other

As of December 31, 2012, investments accounted for under the equity method primarily included a 50 percent ownership interest in DukeNet, which owns and operates telecommunications businesses. On December 31, 2013, Duke Energy completed the sale of its ownership interest in DukeNet to Time Warner Cable, Inc. After retiring existing DukeNet debt and payment of transactions expenses, Duke Energy received $215 million in cash proceeds and recorded a $105 million pretax gain in the fourth quarter of 2013.

13. RELATED PARTY TRANSACTIONS

The Subsidiary Registrants engage in related party transactions, which are generally performed at cost and in accordance with the applicable state and federal commission regulations. Refer to the Consolidated Balance Sheets of the Subsidiary Registrants for balances due to or due from related parties. Amounts related to transactions with related parties included in the Consolidated Statements of Operations and Comprehensive Income are presented in the following table.

(in millions)	Years Ended December 31, 2013	2012	2011
Duke Energy Carolinas			
Corporate governance and shared service expenses[a]	$ 927	$ 1,112	$ 1,009
Indemnification coverages[b]	22	21	21
Joint Dispatch Agreement (JDA) revenue[c]	121	18	-
Joint Dispatch Agreement (JDA) expense[c]	116	91	-
Progress Energy			
Corporate governance and shared services provided by Duke Energy[a]	$ 290	$ 63	$ -
Corporate governance and shared services provided to Duke Energy[d]	96	47	-
Indemnification coverages[b]	34	17	-
JDA revenue[c]	116	91	-
JDA expense[c]	121	18	-
Duke Energy Progress			
Corporate governance and shared service expenses[a]	$ 266	$ 254	$ 203
Indemnification coverages[b]	20	8	-
JDA revenue[c]	116	91	-
JDA expense[c]	121	18	-
Duke Energy Florida			
Corporate governance and shared service expenses[a]	$ 182	$ 186	$ 160
Indemnification coverages[b]	14	8	-
Duke Energy Ohio			
Corporate governance and shared service expenses[a]	$ 347	$ 358	$ 401
Indemnification coverages[b]	15	15	17
Duke Energy Indiana			
Corporate governance and shared service expenses[a]	$ 422	$ 419	$ 415
Indemnification coverages[b]	14	8	7

(a) The Subsidiary Registrants are charged their proportionate share of corporate governance and other costs by unconsolidated affiliates that are consolidated affiliates of Duke Energy and Progress Energy. Corporate governance and other shared services costs are primarily related to human resources, employee benefits, legal and accounting fees, as well as other third-party costs. These amounts are recorded in Operation, maintenance and other on the Consolidated Statements of Operations and Comprehensive Income. See Note 21 for additional information.

(b) The Subsidiary Registrants incur expenses related to certain indemnification coverages through Bison, Duke Energy's wholly owned captive insurance subsidiary. These expenses are recorded in Operation, maintenance and other on the Consolidated Statements of Operations and Comprehensive Income.

(c) Effective with the consummation of the merger between Duke Energy and Progress Energy, Duke Energy Carolinas and Duke Energy Progress began to participate in a JDA. The JDA allows the collective dispatch of power plants between service territories to reduce customer rates. Revenues from the sale of power under the JDA are recorded in Operating Revenues and expenses from the purchase of power under the JDA are recorded in Fuel used in electric generation and purchased power on the Consolidated Statements of Operations and Comprehensive Income.

(d) Progress Energy charges a proportionate share of corporate governance and other costs to unconsolidated affiliates that are consolidated affiliates of Duke Energy. Corporate governance and other shared costs are primarily related to human resources, employee benefits, legal and accounting fees, as well as other third-party costs. These charges are recorded as an offset to Operation, maintenance and other in the Statements of Operations and Comprehensive Income.

In addition to the amounts presented above, the Subsidiary Registrants record the impact on net income of other affiliate transactions, including rental of office space, participation in a money pool arrangement, other operational transactions and their proportionate share of certain charged expenses. See Note 6 for more information regarding money pool. The net impact of these transactions was not material for the years ended December 31, 2013, 2012 and 2011 for the Subsidiary Registrants.

As discussed in Note 17, certain trade receivables have been sold by Duke Energy Ohio and Duke Energy Indiana to CRC, an affiliate formed by a subsidiary of Duke Energy. The proceeds obtained from the sales of receivables are largely cash but do include a subordinated note from CRC for a portion of the purchase price.

In January 2012, Duke Energy Ohio recorded a non-cash equity transfer of $28 million related to the sale of Vermilion to Duke Energy Indiana. Duke Energy Indiana recorded a non-cash after-tax equity transfer of $26 million for the purchase of Vermillion from Duke Energy Ohio. See Note 2 for further discussion.

Duke Energy Commercial Asset Management (DECAM) is a nonregulated, direct subsidiary of Duke Energy Ohio. DECAM conducts business activities including the execution of commodity transactions, third-party vendor and supply contracts, and service contracts for certain of Duke Energy's nonregulated entities. The commodity contracts DECAM enters are accounted for as undesignated contracts or NPNS. Consequently, mark-to-market impacts of intercompany contracts with, and sales of power to, nonregulated entities are reflected in Duke Energy Ohio's Consolidated Statements of Operations and Comprehensive Income. These amounts totaled net expense of $6 million and net revenue of $24 million and $18 million, respectively, for the years ended December 31, 2013, 2012 and 2011. Because it is not a rated entity, DECAM receives its credit support from Duke Energy or its nonregulated subsidiaries and not the regulated utility operations of Duke Energy Ohio. DECAM meets its funding needs through an intercompany loan agreement from a subsidiary of Duke Energy. DECAM also has the ability to loan money to the subsidiary of Duke Energy. DECAM had an outstanding intercompany loan payable of $43 million and $79 million, respectively, as of December 31, 2013 and 2012. This amount is recorded in Notes payable to affiliated companies on Duke Energy Ohio's Consolidated Balance Sheets.

14. DERIVATIVES AND HEDGING

The Duke Energy Registrants use commodity and interest rate contracts to manage commodity price and interest rate risks. The primary use of energy commodity derivatives is to hedge the generation portfolio against changes in the prices of electricity and natural gas. Interest rate swaps are used to manage interest rate risk associated with borrowings.

All derivative instruments not identified as NPNS are recorded at fair value as assets or liabilities on the Consolidated Balance Sheets. Cash collateral related to derivative instruments executed under master netting agreement is offset against the collateralized derivatives on the balance sheet.

Changes in the fair value of derivative agreements that either do not qualify for or have not been designated as hedges are reflected in current earnings or as regulatory assets or liabilities.

COMMODITY PRICE RISK

The Duke Energy Registrants are exposed to the impact of changes in the future prices of electricity, coal, and natural gas. Exposure to commodity price risk is influenced by a number of factors including the term of contracts, the liquidity of markets, and delivery locations.

Commodity Fair Value and Cash Flow Hedges

At December 31, 2013, there were no open commodity derivative instruments designated as hedges.

Undesignated Contracts

Undesignated contracts may include contracts not designated as a hedge, contracts that do not qualify for hedge accounting, derivatives that do not or no longer qualify for the NPNS scope exception, and de-designated hedge contracts. These contracts expire as late as 2018.

Duke Energy Carolinas and Duke Energy Progress have entered into firm power sale agreements, which are accounted for as derivatives, as part of the Interim FERC Mitigation in connection with Duke Energy's merger with Progress Energy. See Note 2 for further information. Duke Energy Carolinas' undesignated contracts are primarily associated with forward sales and purchases of electricity. Duke Energy Progress' and Duke Energy Florida's undesignated contracts are primarily associated with forward purchases of natural gas. Duke Energy Ohio's undesignated contracts are primarily associated with forward sales and purchases of electricity, coal, and natural gas. Duke Energy Indiana's undesignated contracts are primarily associated with forward purchases and sales of electricity and financial transmission rights.

Volumes

The tables show information relating to the volume of the outstanding commodity derivatives. Amounts disclosed represent the notional volumes of commodity contracts excluding NPNS. Amounts disclosed represent the absolute value of notional amounts. The Duke Energy Registrants have netted contractual amounts where offsetting purchase and sale contracts exist with identical delivery locations and times of delivery. Where all commodity positions are perfectly offset, no quantities are shown.

	December 31, 2013						
	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke	Duke
Electricity (Gigawatt-hours)(a)	71,466	1,205	925	925	-	69,362	203
Natural gas (millions of decatherms)	636	-	363	141	222	274	-

	December 31, 2012						
	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke	Duke
Electricity (Gigawatt-hours)(a)	52,104	2,028	1,850	1,850	-	51,215	97
Natural gas (millions of decatherms)	528	-	348	118	230	180	-

(a) Amounts at Duke Energy Ohio include intercompany positions that eliminate at Duke Energy.

INTEREST RATE RISK

The Duke Energy Registrants are exposed to changes in interest rates as a result of their issuance or anticipated issuance of variable-rate and fixed-rate debt and commercial paper. Interest rate risk is managed by limiting variable-rate exposures to a percentage of total debt and by monitoring changes in interest rates. To manage risk associated with changes in interest rates, the Duke Energy Registrants may enter into interest rate swaps, U.S. Treasury lock agreements, and other financial contracts. In anticipation of certain fixed-rate debt issuances, a series of forward starting interest rate swaps may be executed to lock in components of current market interest rates. These instruments are later terminated prior to or upon the issuance of the corresponding debt. Pretax gains or losses recognized from inception to termination of the hedges are amortized as a component of interest expense over the life of the debt.

Duke Energy has a combination foreign exchange, pay fixed-receive floating interest rate swap to fix the US dollar equivalent payments on a floating-rate Chilean debt issue.

The following tables show notional amounts for derivatives related to interest rate risk.

	December 31, 2013		December 31, 2012				
(in millions)	Duke	Duke Energy Ohio	Duke	Progress	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana
Cash flow hedges(a)	$ 798	$ -	$ 1,047	$ -	$ -	$ -	$ -
Undesignated contracts	34	27	290	50	50	27	200
Fair value hedges	-	-	250	-	-	250	-
Total notional amount	$ 832	$ 27	$ 1,587	$ 50	$ 50	$ 277	$ 200

(a) Duke Energy includes amounts related to non-recourse variable rate long-term debt of VIEs of $584 million at December 31, 2013 and $620 million at December 31, 2012.

DUKE ENERGY

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,			
	2013		2012	
(in millions)	Asset	Liability	Asset	Liability
Derivatives Designated as Hedging Instruments				
Commodity contracts				
Current liabilities: other	$ -	$ 1	$ -	$ 2
Deferred credits and other liabilities: other	-	-	-	1
Interest rate contracts				
Current assets: other	-	-	2	-
Investments and other assets: other	27	-	7	-
Current liabilities: Other	-	18	-	81
Deferred credits and other liabilities: other	-	4	-	35
Total Derivatives Designated as Hedging Instruments	27	23	9	119
Derivatives Not Designated as Hedging Instruments				
Commodity contracts				
Current assets: other	201	158	41	2
Investments and other assets: other	215	131	106	50
Current liabilities: other	13	153	106	407
Deferred credits and other liabilities: other	5	166	2	255
Interest rate contracts				
Current liabilities: other	-	1	-	76
Deferred credits and other liabilities: other	-	4	-	8
Total Derivatives Not Designated as Hedging Instruments	434	613	255	798
Total Derivatives	$ 461	$ 636	$ 264	$ 917

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

	December 31, 2013			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Gross amounts recognized	$ 214	$ 233	$ 322	$ 299
Gross amounts offset	(179)	(138)	(192)	(155)
Net amount subject to master netting	35	95	130	144
Amounts not subject to master netting	-	14	4	11
Net amounts recognized on the Consolidated Balance Sheet	$ 35	$ 109	$ 134	$ 155

	December 31, 2012			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current(a)	Non-Current(b)	Current(c)	Non-Current(d)
Gross amounts recognized	$ 127	$ 96	$ 402	$ 295
Gross amounts offset	(114)	(54)	(151)	(90)
Net amounts subject to master netting	13	42	251	205
Amounts not subject to master netting	22	19	166	54
Net amounts recognized on the Consolidated Balance Sheet	$ 35	$ 61	$ 417	$ 259

(a) Included in Other within Current Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.
(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.
(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations where such gains and losses are included when reclassified from AOCI.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Pretax Gains (Losses) Recorded in AOCI			
Interest rate contracts(a)	$ 79	$ (23)	$ (88)
Commodity contracts	1	1	-
Total Pretax Gains (Losses) Recorded in AOCI	$ 80	$ (22)	$ (88)
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
Interest rate contracts			
Interest expense	$ (2)	$ 2	$ (5)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	$ (2)	$ 2	$ (5)

(a) Reclassified to earnings as interest expense over the term of the related debt.

There was no hedge ineffectiveness during the years ended December 31, 2013, 2012 and 2011, and no gains or losses were excluded from the assessment of hedge effectiveness during the same periods.

At December 31, 2013, and December 31, 2012, $59 million and $151 million, respectively, of pretax deferred net losses interest rate cash flow hedges were included in AOCI. A $4 million pretax gain is expected to be recognized in earnings during the next 12 months as interest expense.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations or the Consolidated Balance Sheets where the pretax gains and losses were reported.

(in millions)	Years Ended December 31, 2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
Commodity contracts			
Revenue: Regulated electric	$ 11	$ (23)	$ -
Revenue: Nonregulated electric, natural gas and other	43	38	(59)
Other income and expenses	-	(2)	-
Fuel used in electric generation and purchased power-regulated	(200)	(194)	-
Fuel used in electric generation and purchased power - nonregulated	(100)	2	(1)
Interest rate contracts			
Interest expense	(18)	(8)	-
Total Pretax (Losses) Gains Recognized in Earnings	$ (264)	$ (187)	$ (60)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
Commodity contracts[a]			
Regulatory assets	$ 10	$ (2)	$ (1)
Regulatory liabilities	15	36	17
Interest rate contracts[b]			
Regulatory assets	55	10	(165)
Regulatory liabilities	-	-	(60)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ 80	$ 44	$ (209)

(a) Reclassified to earnings to match recovery through the fuel clause.
(b) Reclassified to earnings as interest expense over the term of the related debt.

DUKE ENERGY CAROLINAS

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

(in millions)	December 31, 2013 Asset	2013 Liability	2012 Asset	2012 Liability
Derivatives Not Designated as Hedging Instruments				
Commodity contracts				
Current liabilities: other	-	1	-	6
Deferred credits and other liabilities: other	-	1	-	6
Total Derivatives Not Designated as Hedging Instruments	-	2	-	12
Total Derivatives	$ -	$ 2	$ -	$ 12

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

	December 31, 2013			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Amounts not subject to master netting	$ -	$ -	$ 1	$ 1
Net amounts recognized on the Consolidated Balance Sheet	$ -	$ -	$ 1	$ 1

	December 31, 2012			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Amounts not subject to master netting	$ -	$ -	$ 6	$ 6
Net amounts recognized on the Consolidated Balance Sheet	$ -	$ -	$ 6	$ 6

(a) Included in Other within Current Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.
(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.
(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income where such gains and losses are included when reclassified from AOCI.

Losses on cash flow hedges reclassified at Duke Energy Carolinas during the year ended December 31, 2013 and 2012 were not material.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
Interest rate contracts			
Interest expense	$ (3)	$ (3)	$ (5)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	$ (3)	$ (3)	$ (5)

For the years ended December 31, 2013, Duke Energy Carolinas had $23 million of pretax deferred net losses on settled interest rate cash flow hedges remaining in AOCI. A $5 million pretax gain is expected to be recognized in earnings during the next 12 months as interest expense.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations or the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
Commodity contracts			
Revenue: Regulated electric	$ (12)	$ (12)	$ -
Total Pretax (Losses) Gains Recognized in Earnings	$ (12)	$ (12)	$ -
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
Interest rate contracts			
Regulatory assets	$ -	$ -	$ (94)
Regulatory liabilities	-	-	(60)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ -	$ -	$ (154)

PROGRESS ENERGY

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,			
	2013		2012	
(in millions)	Asset	Liability	Asset	Liability
Derivatives Designated as Hedging Instruments				
Commodity contracts				
Current liabilities: other	$ -	$ 1	$ -	$ 2
Deferred credits and other liabilities: other	-	4	-	1
Total Derivatives Designated as Hedging Instruments	-	5	-	3
Derivatives Not Designated as Hedging Instruments				
Commodity contracts				
Current assets: other	3	2	3	-
Investments and other assets: other	2	1	8	-
Current liabilities: other	11	105	-	231
Deferred credits and other liabilities: other	4	91	-	195
Interest rate contracts				
Current liabilities: other	-	-	-	11
Total Derivatives Not Designated as Hedging Instruments	20	199	11	437
Total Derivatives	$ 20	$ 204	$ 11	$ 440

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

	December 31, 2013			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current(a)	Non-Current(b)	Current(c)	Non-Current(d)
Gross amounts recognized	$ 15	$ 5	$ 107	$ 93
Gross amounts offset	(13)	(4)	(17)	(10)
Net amount subject to master netting	2	1	90	83
Amounts not subject to master netting	-	-	-	4
Net amounts recognized on the Consolidated Balance Sheet	$ 2	$ 1	$ 90	$ 87

	December 31, 2012			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current(a)	Non-Current(b)	Current(c)	Non-Current(d)
Gross amounts recognized	$ 3	$ 8	$ 244	$ 192
Gross amounts offset	-	-	(22)	(36)
Net amounts subject to master netting	3	8	222	156
Amounts not subject to master netting	-	-	-	4
Net amounts recognized on the Consolidated Balance Sheet	$ 3	$ 8	$ 222	$ 160

(a) Included in Other within Current Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.
(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.
(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income or Consolidated Balance Sheet where such gains and losses are included when reclassified from AOCI.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Pretax Gains (Losses) Recorded in AOCI			
Commodity contracts	$ 1	$ 1	$ (3)
Interest rate contracts[a]	-	(11)	(141)
Total Pretax Gains (Losses) Recorded in AOCI	$ 1	$ (10)	$ (144)
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
Interest rate contracts			
Interest expense	$ -	$ (14)	$ (13)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	$ -	$ (14)	$ (13)
Location of Pretax Gains and (Losses) Reclassified from AOCI to Regulatory Assets or Liabilities[b]			
Interest rate contracts			
Regulatory assets	$ -	$ (159)	$ -
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ -	$ (159)	$ -

(a) Reclassified to earnings as interest expense over the term of the related debt.
(b) Effective with the merger, Progress Energy no longer designates interest rate derivatives for regulated operations as cash flow hedges. As a result, the pretax losses on derivatives as of the date of the merger were reclassified from AOCI to Regulatory assets.

There was no hedge ineffectiveness during the years ended December 31, 2013, 2012, and 2011, and no gains or losses have been excluded from the assessment of hedge effectiveness during the same periods.

At December 31, 2013, and 2012, $61 million and $65 million, respectively of pretax deferred net losses on derivative instruments related to interest rate cash flow hedges were included as a component of AOCI. A $5 million pretax loss is expected to be recognized in earnings during the next 12 months as interest expense.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

(in millions)	Years Ended December 31, 2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
Commodity contracts			
Operating revenues	$ 11	$ (11)	$ 1
Fuel used in electric generation and purchased power	(200)	(454)	(297)
Other income and expenses, net	-	7	(59)
Interest rate contracts			
Interest expense	(17)	(8)	-
Total Pretax (Losses) Gains Recognized in Earnings	$ (206)	$ (466)	$ (355)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
Commodity contracts(a)			
Regulatory assets	$ 10	$ (171)	$ (502)
Interest rate contracts(b)			
Regulatory assets	18	6	-
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ 28	$ (165)	$ (502)

(a) Reclassified to earnings to match recovery through the fuel clause.
(b) Reclassified to earnings as interest expense over the term of the related debt.

DUKE ENERGY PROGRESS

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

(in millions)	December 31, 2013 Asset	2013 Liability	2012 Asset	2012 Liability
Derivatives Designated as Hedging Instruments				
Commodity contracts				
Current liabilities: other	$ -	$ 1	$ -	$ 1
Deferred credits and other liabilities: other	-	-	-	1
Total Derivatives Designated as Hedging Instruments	-	1	-	2
Derivatives Not Designated as Hedging Instruments				
Commodity contracts(a)				
Current assets: other	-	-	1	-
Investments and other assets: other	2	1	1	-
Current liabilities: other	2	40	-	85
Deferred credits and other liabilities: other	2	29	-	68
Interest rate contracts				
Current liabilities: other	-	-	-	11
Total Derivatives Not Designated as Hedging Instruments	6	70	2	164
Total Derivatives	$ 6	$ 71	$ 2	$ 166

(a) Substantially all of these contracts are recorded as regulatory assets or liabilities.

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

	December 31, 2013			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Gross amounts recognized	$ 3	$ 3	$ 41	$ 30
Gross amounts offset	(3)	(3)	(3)	(3)
Net amount subject to master netting	-	-	38	27
Net amounts recognized on the Consolidated Balance Sheet	$ -	$ -	$ 38	$ 27

	December 31, 2012			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Gross amounts recognized	$ 1	$ 1	$ 97	$ 69
Gross amounts offset	-	-	(2)	(7)
Net amounts subject to master netting	1	1	95	62
Net amounts recognized on the Consolidated Balance Sheet	$ 1	$ 1	$ 95	$ 62

(a) Included in Other within Current Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.
(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.
(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income or Consolidated Balance Sheets in which such gains and losses are included when reclassified from AOCI.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Pretax Gains (Losses) Recorded in AOCI			
Interest rate contracts[a]	$ -	$ (7)	$ (70)
Total Pretax Gains (Losses) Recorded in AOCI	$ -	$ (7)	$ (70)
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
Interest rate contracts			
Interest expense	$ -	$ (5)	$ (7)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	$ -	$ (5)	$ (7)
Location of Pretax Gains and (Losses) Reclassified from AOCI to Regulatory Assets or Liabilities[b]			
Interest rate contracts			
Regulatory assets	$ -	$ (117)	$ -
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ -	$ (117)	$ -

(a) Reclassified to earnings as interest expense over the term of the related debt.
(b) Effective with the merger, Duke Energy Progress no longer designates interest rate derivatives for regulated operations as cash flow hedges. As a result, the pretax losses on derivatives as of the date of the merger were reclassified from AOCI to Regulatory assets.

There was no hedge ineffectiveness during the years ended December 31, 2013, 2012 and 2011, and no gains or losses have been excluded from the assessment of hedge effectiveness during the same periods.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated

Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
Commodity contracts			
Operating revenues	$ 11	$ (11)	$ 1
Fuel used in electric generation and purchased power	(71)	(115)	(60)
Interest rate contracts			
Interest expense	(13)	(6)	-
Total Pretax (Losses) Gains Recognized in Earnings	$ (73)	$ (132)	$ (59)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
Commodity contracts(a)			
Regulatory assets	$ (6)	$ (55)	$ (140)
Interest rate contracts(b)			
Regulatory assets	13	6	-
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ 7	$ (49)	$ (140)

(a) Reclassified to earnings to match recovery through the fuel clause.
(b) Reclassified to earnings as interest expense over the term of the related debt.

DUKE ENERGY FLORIDA

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,			
	2013		2012	
(in millions)	Asset	Liability	Asset	Liability
Derivatives Designated as Hedging Instruments				
Commodity contracts				
Current liabilities: other	$ -	$ -	$ -	$ -
Total Derivatives Designated as Hedging Instruments	-	-	-	-
Derivatives Not Designated as Hedging Instruments				
Commodity contracts(a)				
Current assets: other	3	2	2	-
Investments and other assets: other	-	-	7	-
Current liabilities: other	9	64	-	146
Deferred credits and other liabilities: other	2	63	-	123
Total Derivatives Not Designated as Hedging Instruments	14	129	9	269
Total Derivatives	$ 14	$ 129	$ 9	$ 270

(a) Substantially all of these contracts are recorded as regulatory assets or liabilities.

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

	December 31, 2013			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current(a)	Non-Current(b)	Current(c)	Non-Current(d)
Gross amounts recognized	$ 12	$ 2	$ 66	$ 63
Gross amounts offset	(10)	(2)	(15)	(7)
Net amount subject to master netting	2	-	51	56
Net amounts recognized on the Consolidated Balance Sheet	$ 2	$ -	$ 51	$ 56

	December 31, 2012			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current(a)	Non-Current(b)	Current(c)	Non-Current(d)
Gross amounts recognized	$ 2	$ 7	$ 147	$ 123
Gross amounts offset	-	-	(20)	(29)
Net amounts subject to master netting	2	7	127	94
Net amounts recognized on the Consolidated Balance Sheet	$ 2	$ 7	$ 127	$ 94

(a) Included in Other within Current Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.
(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.
(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income or Consolidated Balance Sheets in which such gains and losses are included when reclassified from AOCI.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Pretax Gains (Losses) Recorded in AOCI			
Commodity contracts	$ 1	$ 1	$ (3)
Interest rate contracts[a]	-	(2)	(35)
Total Pretax Gains (Losses) Recorded in AOCI	$ 1	$ (1)	$ (38)
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
Interest rate contracts			
Interest expense	$ -	$ (2)	$ (1)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	$ -	$ (2)	$ (1)
Location of Pretax Gains and (Losses) Reclassified from AOCI to Regulatory Assets[b]			
Interest rate contracts			
Regulatory assets	$ -	$ (42)	$ -
Total Pretax Gains (Losses) Reclassified from AOCI to Regulatory Assets	$ -	$ (42)	$ -

(a) Reclassified to earnings as interest expense over the term of the related debt.
(b) Effective with the merger, Duke Energy Florida no longer designates interest rate derivatives for regulated operations as cash flow hedges. As a result, the pretax losses on derivatives as of the date of the merger were reclassified from AOCI to Regulatory assets.

There was no hedge ineffectiveness during the years ended December 31, 2013, 2012 and 2011, and no gains or losses have been excluded from the assessment of hedge effectiveness during the same periods.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
Commodity contracts-			
Fuel used in electric generation and purchased power	$ (129)	$ (339)	$ (237)
Interest rate contracts-			
Interest expense	(5)	(2)	-
Total Pretax (Losses) Gains Recognized in Earnings	$ (134)	$ (341)	$ (237)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
Commodity contracts[a]			
Regulatory assets	$ 16	$ (116)	$ (362)
Interest rate contracts-			
Regulatory assets	5	-	-
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ 21	$ (116)	$ (362)

(a) Reclassified to earnings to match recovery through the fuel clause.

DUKE ENERGY OHIO

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,			
	2013		2012	
(in millions)	Asset	Liability	Asset	Liability
Derivatives Designated as Hedging Instruments				
Interest rate contracts				
Current assets: other	$ -	$ -	$ 2	$ -
Total Derivatives Designated as Hedging Instruments	-	-	2	-
Derivatives Not Designated as Hedging Instruments				
Commodity contracts				
Current assets: other	186	163	31	4
Investments and other assets: other	202	130	81	51
Current liabilities: other	1	36	106	132
Deferred credits and other liabilities: other	2	56	-	4
Interest rate contracts				
Current liabilities: other	-	1	-	1
Deferred credits and other liabilities: other	-	4	-	7
Total Derivatives Not Designated as Hedging Instruments	391	390	218	199
Total Derivatives	$ 391	$ 390	$ 220	$ 199

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

	December 31, 2013			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Gross amounts recognized	$ 186	$ 205	$ 199	$ 186
Gross amounts offset	(165)	(132)	(173)	(143)
Net amount subject to master netting	21	73	26	43
Amounts not subject to master netting	-	-	1	4
Net amounts recognized on the Consolidated Balance Sheet	$ 21	$ 73	$ 27	$ 47

	December 31, 2012			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Gross amounts recognized	$ 137	$ 81	$ 136	$ 55
Gross amounts offset	(110)	(51)	(125)	(51)
Net amounts subject to master netting	27	30	11	4
Amounts not subject to master netting	2	-	1	7
Net amounts recognized on the Consolidated Balance Sheet	$ 29	$ 30	$ 12	$ 11

(a) Included in Other within Current Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.
(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.
(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

There were no gains or losses on cash flow hedges recorded or reclassified at Duke Energy Ohio for the years ended December 31, 2013 and 2012, respectively. There was an immaterial amount of losses on cash flow hedges reclassified at Duke Energy Ohio for the year ended December 31, 2011.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
Commodity contracts			
Revenue: Nonregulated electric, natural gas and other	$ 44	$ 76	$ (26)
Fuel used in electric generation and purchased power - nonregulated	(100)	2	(1)
Interest rate contracts			
Interest expense	(1)	(1)	(1)
Total Pretax (Losses) Gains Recognized in Earnings	$ (57)	$ 77	$ (28)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
Commodity contracts			
Regulatory assets	$ -	$ 2	$ 1
Regulatory liabilities	-	(1)	-
Interest rate contracts			
Regulatory assets	4	-	(4)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ 4	$ 1	$ (3)

DUKE ENERGY INDIANA

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,			
	2013		2012	
(in millions)	Asset	Liability	Asset	Liability
Derivatives Not Designated as Hedging Instruments				
Commodity contracts				
Current assets: other	$ 12	$ -	$ 10	$ -
Interest rate contracts				
Current liabilities: other	-	-	-	63
Total Derivatives Not Designated as Hedging Instruments	12	-	10	63
Total Derivatives	$ 12	$ -	$ 10	$ 63

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

	December 31, 2013			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Gross amounts recognized	$ 12	$ -	$ -	$ -
Gross amounts offset	(1)	-	-	-
Net amount subject to master netting	11	-	-	-
Net amounts recognized on the Consolidated Balance Sheet	$ 11	$ -	$ -	$ -

	December 31, 2012			
	Derivative Assets		Derivative Liabilities	
(in millions)	Current[a]	Non-Current[b]	Current[c]	Non-Current[d]
Amounts not subject to master netting	$ 10	$ -	$ 63	$ -
Net amounts recognized on the Consolidated Balance Sheet	$ 10	$ -	$ 63	$ -

(a) Included in Other within Current Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.
(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.
(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income where such gains and losses are included when reclassified from AOCI.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
Interest rate contracts			
Interest expense	$ 3	$ 3	$ 2
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	$ 3	$ 3	$ 2

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
Commodity contracts			
Revenue, regulated electric	$ 1	$ -	$ -
Total Pretax (Losses) Gains Recognized in Earnings	$ 1	$ -	$ -
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
Commodity contracts(a)			
Regulatory assets	$ -	$ 2	$ (2)
Regulatory liabilities	16	35	17
Interest rate contracts(b)			
Regulatory assets	34	4	(67)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	$ 50	$ 41	$ (52)

(a) Reclassified to earnings to match recovery through the fuel clause.
(b) Reclassified to earnings as interest expense over the term of the related debt.

CREDIT RISK

Certain derivative contracts contain contingent credit features. These features may include (i) material adverse change clauses or payment acceleration clauses that could result in immediate payments, (ii) the posting of letters of credit or termination of the derivative contract before maturity if specific events occur, such as a credit rating downgrade below investment grade.

The following tables show information with respect to derivative contracts that are in a net liability position and contain objective credit-risk related payment provisions.

	December 31, 2013				
(in millions)	Duke	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Aggregate fair value amounts of derivative instruments in a net liability position	$ 525	$ 168	$ 60	$ 108	$ 355
Fair value of collateral already posted	135	10	-	10	125
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	205	158	60	98	47

(in millions)	December 31, 2012 Duke	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Aggregate fair value amounts of derivative instruments in a net liability position	$ 466	$ 286	$ 108	$ 178	$ 176
Fair Value of Collateral already posted	163	59	9	50	104
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	230	227	99	128	2

The Duke Energy Registrants have elected to offset cash collateral and fair values of derivatives. For amounts to be netted, the derivative must be executed with the same counterparty under the same master netting agreement. Amounts disclosed below represent the receivables related to the right to reclaim cash collateral and payables related to the obligation to return cash collateral under master netting arrangements.

(in millions)	December 31, 2013 Receivables	2013 Payables	2012 Receivables	2012 Payables
Duke Energy				
Amounts offset against net derivative positions-	$ 30	$ -	$ 73	$ -
Amounts not offset against net derivative positions	122	-	93	-
Progress Energy				
Amounts offset against net derivative positions-	$ 10	$ -	$ 58	$ -
Amounts not offset against net derivative positions	-	-	1	-
Duke Energy Progress				
Amounts offset against net derivative positions-	$ -	$ -	$ 9	$ -
Amounts not offset against net derivative positions	-	-	-	-
Duke Energy Florida				
Amounts offset against net derivative positions-	$ 10	$ -	$ 49	$ -
Amounts not offset against net derivative positions	-	-	1	-
Duke Energy Ohio				
Amounts offset against net derivative positions-	$ 19	-	$ 15	$ -
Amounts not offset against net derivative positions	115	$ -	92	-
Duke Energy Indiana				
Amounts offset against net derivative positions-	-	1	-	-
Amounts not offset against net derivative positions	$ 1	$ -	$ -	$ -

15. INVESTMENTS IN DEBT AND EQUITY SECURITIES

The Duke Energy Registrants classify their investments in debt and equity securities as either trading or available-for-sale.

TRADING SECURITIES

Investments in debt and equity securities held in grantor trusts associated with certain deferred compensation plans and certain other investments are classified as trading securities. The fair value of these investments was $18 million as of December 31, 2013 and $33 million as of December 31, 2012.

AVAILABLE-FOR-SALE SECURITIES

All other investments in debt and equity securities are classified as available-for-sale securities.

Duke Energy's available-for-sale securities are primarily comprised of investments held in (i) the NDTF at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida, (ii) grantor trusts at Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana related to OPEB plans, (iii) Duke Energy's captive insurance investment portfolio, and (iv) Duke Energy's foreign operations investment portfolio.

Duke Energy holds corporate debt securities that were purchased using excess cash from its foreign operations. These investments are classified as

Short-term investments on the Consolidated Balance Sheets and are available for current operations of Duke Energy's foreign business. The fair value of these investments was $44 million as of December 31, 2013 and $333 million as of December 31, 2012.

Duke Energy classifies all other investments in debt and equity securities as non-current, unless otherwise noted.

NDTF and Grantor Trust

The investments within the NDTF at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida and the Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana grantor trusts (Investment Trusts) are managed by independent investment managers with discretion to buy, sell, and invest pursuant to the objectives set forth by the trust agreements. The Duke Energy Registrants have limited oversight of day-to-day management of these investments. As a result, the ability to hold investments in unrealized loss positions is outside the control of the Duke Energy Registrants. Accordingly, all unrealized gains and losses associated with debt and equity securities within the Investment Trusts are considered other-than-temporary impairments and are recognized immediately. Pursuant to regulatory accounting, substantially all realized and unrealized gains and losses associated with investments within the Investment Trusts are deferred as a regulatory asset or liability. As a result, there is no immediate impact on earnings of the Duke Energy Registrants.

Other Available for Sale Securities

Unrealized gains and losses on all other available-for-sale securities are included in other comprehensive income until realized, unless it is determined the carrying value of an investment is other-than-temporarily impaired. If an other-than-temporary impairment exists, the unrealized loss may be included in earnings based on the criteria discussed below.

The Duke Energy Registrants analyze all investment holdings each reporting period to determine whether a decline in fair value should be considered other-than-temporary. Criteria used to evaluate whether an impairment associated with equity securities is other-than-temporary includes, but is not limited to, (i) the length of time over which the market value has been lower than the cost basis of the investment, (ii) the percentage decline compared to the cost of the investment, and (iii) management's intent and ability to retain its investment for a period of time sufficient to allow for any anticipated recovery in market value. If a decline in fair value is determined to be other-than-temporary, the investment is written down to its fair value through a charge to earnings.

If the entity does not have an intent to sell a debt security and it is not more likely than not management will be required to sell the debt security before the recovery of its cost basis, the impairment write-down to fair value would be recorded as a component of other comprehensive income, except for when it is determined a credit loss exists. In determining whether a credit loss exists, management considers, among other things, (i) the length of time and the extent to which the fair value has been less than the amortized cost basis, (ii) changes in the financial condition of the issuer of the security, or in the case of an asset backed security, the financial condition of the underlying loan obligors, (iii) consideration of underlying collateral and guarantees of amounts by government entities, (iv) ability of the issuer of the security to make scheduled interest or principal payments, and (v) any changes to the rating of the security by rating agencies. If a credit loss exists, the amount of impairment write-down to fair value is split between credit loss and other factors. The amount related to credit loss is recognized in earnings. The amount related to other factors is recognized in other comprehensive income. There were no credit losses as of December 31, 2013 and 2012. There were no other-than-temporary impairments for debt or equity securities as of December 31, 2013 and 2012. Other available-for-sale securities were reflected as a component of other comprehensive income in 2013 and 2012.

DUKE ENERGY

The following table presents the estimated fair value of investments in available-for-sale securities.

	December 31, 2013			December 31, 2012		
(in millions)	Gross Unrealized Holding Gains	Gross	Estimated	Gross	Gross	Estimated
NDTF						
Cash and cash equivalents	$ -	$ -	$ 110	$ -	$ -	$ 105
Equity securities	1,813	10	3,579	1,132	19	2,837
Corporate debt securities	8	6	400	21	1	338
Municipal bonds	2	6	160	12	1	194
U.S. government bonds	7	12	730	24	1	625
Other debt securities	22	2	154	10	1	164
Total NDTF	1,852	36	5,133	1,199	23	4,263
Other Investments						
Cash and cash equivalents	-	-	21	-	-	17
Equity securities	29	-	91	10	-	63
Corporate debt securities	1	1	99	2	-	381
Municipal bonds	2	2	79	4	1	70
U.S. government bonds	-	-	17	-	-	23
Other debt securities	-	8	111	1	6	115
Total Other Investments[a]	32	11	418	17	7	669
Total Investments	$ 1,884	$ 47	$ 5,551	$ 1,216	$ 30	$ 4,932

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	$ 89
Due after one through five years	431
Due after five through 10 years	426
Due after 10 years	804
Total	$ 1,750

Realized gains and losses, which were determined on a specific identification basis, from sales of Duke Energy's available-for-sale securities were as follows.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Realized gains	$ 209	$ 117	$ 79
Realized losses	65	19	37

DUKE ENERGY CAROLINAS

The following table presents the estimated fair value of investments in available-for-sale securities.

	December 31, 2013			December 31, 2012		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated
NDTF						
Cash and cash equivalents	$ -	$ -	$ 42	$ -	$ -	$ 40
Equity securities	974	6	1,964	600	5	1,592
Corporate debt securities	5	5	274	11	1	250
Municipal bonds	-	2	54	2	-	40
U.S. government bonds	3	7	354	10	-	304
Other debt securities	22	2	146	9	2	135
Total NDTF	1,004	22	2,834	632	8	2,361
Other Investments						
Other debt securities	-	1	3	-	1	3
Total Other Investments[a]	-	1	3	-	1	3
Total Investments	$ 1,004	$ 23	$ 2,837	$ 632	$ 9	$ 2,364

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	$ 18
Due after one through five years	167
Due after five through 10 years	239
Due after 10 years	407
Total	$ 831

Realized gains and losses, which were determined on a specific identification basis, from sales of Duke Energy Carolinas' available-for-sale securities were as follows.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Realized gains	$ 115	$ 89	$ 71
Realized losses	12	6	35

PROGRESS ENERGY

The following table presents the estimated fair value of investments in available-for-sale securities for Progress Energy.

	December 31, 2013			December 31, 2012		
(in millions)	Gross Unrealized Holding Gains	Gross	Estimated	Gross	Gross	Estimated
NDTF						
Cash and cash equivalents	$ -	$ -	$ 68	$ -	$ -	$ 65
Equity securities	839	4	1,615	532	14	1,245
Corporate debt securities	3	1	126	9	-	89
Municipal bonds	2	4	106	11	1	154
U.S. government bonds	4	5	376	14	-	321
Other debt securities	-	-	8	1	-	28
Total NDTF	848	14	2,299	567	15	1,902
Other Investments						
Cash and cash equivalents	-	-	20	-	-	17
Municipal bonds	1	-	39	3	-	40
Total Other Investments[a]	1	-	59	3	-	57
Total Investments	$ 849	$ 14	$ 2,358	$ 570	$ 15	$ 1,959

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	$ 12
Due after one through five years	206
Due after five through 10 years	131
Due after 10 years	306
Total	$ 655

Realized gains and losses, which were determined on a specific identification basis, from sales of Progress Energy's available-for-sale securities were as follows.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Realized gains	$ 90	$ 34	$ 30
Realized losses	46	18	33

DUKE ENERGY PROGRESS

The following table presents the estimated fair value of investments in available-for-sale securities.

	December 31, 2013			December 31, 2012		
(in millions)	Gross Unrealized Holding Gains	Gross	Estimated	Gross	Gross	Estimated
NDTF						
Cash and cash equivalents	$ -	$ -	$ 48	$ -	$ -	$ 55
Equity securities	535	3	1,069	337	11	811
Corporate debt securities	3	1	80	8	-	78
Municipal bonds	2	4	104	4	-	80
U.S. government bonds	4	3	232	13	-	241
Other debt securities	-	-	5	1	-	10
Total NDTF	544	11	1,538	363	11	1,275
Other Investments						
Cash and cash equivalents	-	-	2	-	-	3
Total Other Investments[a]	-	-	2	-	-	3
Total Investments	$ 544	$ 11	$ 1,540	$ 363	$ 11	$ 1,278

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	$ 7
Due after one through five years	122
Due after five through 10 years	89
Due after 10 years	203
Total	$ 421

Realized gains and losses, which were determined on a specific identification basis, from sales of Duke Energy Progress' available-for-sale securities were as follows.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Realized gains	$ 58	$ 21	$ 13
Realized losses	26	8	16

DUKE ENERGY FLORIDA

The following table presents the estimated fair value of investments in available-for-sale securities.

	December 31, 2013			December 31, 2012		
(in millions)	Gross Unrealized Holding Gains	Gross	Estimated	Gross	Gross	Estimated
NDTF						
Cash and cash equivalents	$ -	$ -	$ 20	$ -	$ -	$ 10
Equity securities	304	1	546	194	4	434
Corporate debt securities	-	-	46	1	-	11
Municipal bonds	-	-	2	7	-	74
U.S. government bonds	-	2	144	1	-	80
Other debt securities	-	-	3	1	-	18
Total NDTF	304	3	761	204	4	627
Other Investments						
Cash and cash equivalents	-	-	3	-	-	1
Municipal bonds	1	-	39	3	-	40
Total Other Investments[a]	1	-	42	3	-	41
Total Investments	$ 305	$ 3	$ 803	$ 207	$ 4	$ 668

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	$ 5
Due after one through five years	84
Due after five through 10 years	42
Due after 10 years	103
Total	$ 234

Realized gains and losses, which were determined on a specific identification basis, from sales of Duke Energy Florida's available-for-sale securities were as follows.

	Years Ended December 31,		
(in millions)	2013	2012	2011
Realized gains	$ 32	$ 13	$ 17
Realized losses	20	9	17

DUKE ENERGY INDIANA

The following table presents the estimated fair value of investments in available-for-sale securities.

	December 31, 2013			December 31, 2012		
(in millions)	Gross Unrealized Holding Gains	Gross	Estimated	Gross	Gross	Estimated
Other Investments						
Cash and cash equivalents	$ -	$ -	$ 1	$ -	$ -	$ -
Equity securities	24	-	65	9	-	50
Municipal bonds	-	1	28	1	-	28
Total Other Investments(a)	24	1	94	10	-	78
Total Investments	$ 24	$ 1	$ 94	$ 10	$ -	$ 78

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities held by Duke Energy Indiana.

(in millions)	December 31, 2013
Due in one year or less	$ 1
Due after one through five years	21
Due after five through 10 years	4
Due after 10 years	2
Total	$ 28

16. FAIR VALUE MEASUREMENTS

Fair value is the exchange price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value definition focuses on an exit price versus the acquisition cost. Fair value measurements use market data or assumptions market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, corroborated by market data, or generally unobservable. Valuation techniques maximize the use of observable inputs and minimize use of unobservable inputs. A midmarket pricing convention (the midpoint price between bid and ask prices) is permitted for use as a practical expedient.

Fair value measurements are classified in three levels based on the fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date. An active market is one in which transactions for an asset or liability occur with sufficient frequency and volume to provide ongoing pricing information.

Level 2 – A fair value measurement utilizing inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly, for an asset or liability. Inputs include (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, (iii) and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, and credit spreads. A Level 2 measurement cannot have more than an insignificant portion of its valuation based on unobservable inputs. Instruments in this category include non-exchange-traded derivatives, such as over-the-counter forwards, swaps and options; certain marketable debt securities; and financial instruments traded in less than active markets.

Level 3 – Any fair value measurement which includes unobservable inputs for more than an insignificant portion of the valuation. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 measurements may include longer-term instruments that extend into periods in which observable inputs are not available.

The fair value accounting guidance permits entities to elect to measure certain financial instruments that are not required to be accounted for at fair value, such as equity method investments or the company's own debt, at fair value. The Duke Energy Registrants have not elected to record any of these items at fair value.

Transfers between levels represent assets or liabilities that were previously (i) categorized at a higher level for which the inputs to the estimate became less observable or (ii) classified at a lower level for which the inputs became more observable during the period. The Duke Energy Registrant's policy is to recognize transfers between levels of the fair value hierarchy at the end of the period. There were no transfers between levels 1 and 2 during the

years ended December 31, 2013 and 2012. Transfers out of Level 3 during the year ended December 31, 2013 are the result of forward commodity prices becoming observable due to the passage of time.

Valuation methods of the primary fair value measurements disclosed below are as follows.

Investments in equity securities

The majority of investments in equity securities are valued using Level 1 measurements. Investments in equity securities are typically valued at the closing price in the principal active market as of the last business day of the quarter. Principal active markets for equity prices include published exchanges such as NASDAQ and NYSE. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. There was no after-hours market activity that was required to be reflected in the reported fair value measurements. Investments in equity securities that are Level 2 or 3 are typically ownership interests in commingled investment funds.

Investments in debt securities

Most investments in debt securities are valued using Level 2 measurements because the valuations uses interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating. If the market for a particular fixed income security is relatively inactive or illiquid, the measurement is Level 3.

Commodity derivatives

Commodity derivatives with clearinghouses are classified as Level 1. Other commodity derivatives are primarily fair valued using internally developed discounted cash flow models which incorporate forward price, adjustments for liquidity (bid-ask spread) and credit or non-performance risk (after reflecting credit enhancements such as collateral), and are discounted to present value. Pricing inputs are derived from published exchange transaction prices and other observable data sources. In the absence of an active market, the last available price may be used. If forward price curves are not observable for the full term of the contract and the unobservable period had more than an insignificant impact on the valuation, the commodity derivative is classified as Level 3. In isolation, increases (decreases) in natural gas forward prices result in favorable (unfavorable) fair value adjustments for gas purchase contracts; and increases (decreases) in electricity forward prices result in unfavorable (favorable) fair value adjustments for electricity sales contracts. Duke Energy regularly evaluates and validates pricing inputs used to estimate fair value of gas commodity contracts by a market participant price verification procedure. This procedure provides a comparison of internal forward commodity curves to market participant generated curves.

Interest rate derivatives

Most over-the-counter interest rate contract derivatives are valued using financial models which utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward interest rate curves, notional amounts, interest rates and credit quality of the counterparties.

Goodwill and long-lived assets

See Note 11 for a discussion of the valuation of goodwill and long-lived assets.

DUKE ENERGY

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 3,579	$ 3,495	$ 57	$ 27
Nuclear decommissioning trust fund debt securities	1,553	402	1,100	51
Other trading and available-for-sale equity securities[a]	102	91	11	-
Other trading and available-for-sale debt securities[b]	333	36	277	20
Derivative assets[a]	145	33	70	42
Total assets	5,712	4,057	1,515	140
Derivative liabilities[c]	(321)	11	(303)	(29)
Net assets	$ 5,391	$ 4,068	$ 1,212	$ 111

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 2,837	$ 2,762	$ 54	$ 21
Nuclear decommissioning trust fund debt securities	1,405	317	1,040	48
Other trading and available-for-sale equity securities[a]	72	63	9	-
Other trading and available-for-sale debt securities[b]	631	40	562	29
Derivative assets[a]	103	18	22	63
Total assets	5,048	3,200	1,687	161
Derivative liabilities[d]	(756)	(17)	(591)	(148)
Net assets	$ 4,292	$ 3,183	$ 1,096	$ 13

(a) Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheet.
(b) Included in Other within Investments and Other Assets and Short-term Investments on the Consolidated Balance Sheets.
(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

The following tables provide reconciliations of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	December 31, 2013		
(in millions)	Investments	Derivatives (net)	Total
Balance at December 31, 2012	$ 98	$ (85)	$ 13
Total pretax realized or unrealized gains (losses) included in earnings[a]	-	(42)	(42)
Purchases, sales, issuances and settlements:			
Purchases	9	21	30
Sales	(6)	-	(6)
Issuances	-	11	11
Settlements	(9)	25	16
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	6	(3)	3
Transfers out of Level 3[b]	-	86	86
Balance at December 31, 2013	$ 98	$ 13	$ 111
Pretax amounts included in the Consolidated Statements of Comprehensive Income related to Level 3 measurements outstanding	$ -	$ 10	$ 10

(a) Amounts for derivatives are primarily included in Operating Revenues.
(b) Transfers reflect derivative contracts becoming observable due to the passage of time.

(in millions)	December 31, 2012 Investments	Derivatives (net)	Total
Balance at December 31, 2011	$ 124	$ (39)	$ 85
Amounts acquired in Progress Energy Merger	-	(30)	(30)
Total pretax realized or unrealized gains (losses) included in earnings	-	8	8
Total pretax gains included in other comprehensive income	13	-	13
Purchases, sales, issuances and settlements:			
Purchases	14	22	36
Sales	(2)	-	(2)
Issuances	-	(15)	(15)
Settlements	(55)	(32)	(87)
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	4	1	5
Balance at December 31, 2012	$ 98	$ (85)	$ 13

(in millions)	December 31, 2011 Investments	Derivatives (net)	Total
Balance at December 31, 2010	$ 165	$ (19)	$ 146
Total pretax realized or unrealized gains (losses) included in earnings	-	(14)	(14)
Total pretax gains included in other comprehensive income	12	-	12
Net purchases, sales, issuances and settlements:			
Purchases	8	8	16
Sales	(3)	-	(3)
Settlements	(16)	(16)	(32)
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	(42)	2	(40)
Balance at December 31, 2011	$ 124	$ (39)	$ 85

DUKE ENERGY CAROLINAS

The following tables provide recorded balances for assets and liabilities measure at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

(in millions)	December 31, 2013 Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 1,964	$ 1,879	$ 58	$ 27
Nuclear decommissioning trust fund debt securities	870	168	651	51
Other available-for-sale debt securities[a]	3	-	-	3
Total assets	2,837	2,047	709	81
Derivative liabilities[b]	(2)	-	-	(2)
Net assets	$ 2,835	$ 2,047	$ 709	$ 79

(in millions)	December 31, 2012 Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 1,592	$ 1,523	$ 48	$ 21
Nuclear decommissioning trust fund debt securities	762	155	559	48
Other available-for-sale debt securities[a]	3	-	-	3
Total assets	$ 2,357	$ 1,678	$ 607	$ 72
Derivative liabilities[b]	(12)	-	-	(12)
Net assets	$ 2,345	$ 1,678	$ 607	$ 60

(a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.
(b) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following tables provide a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	December 31, 2013 Investments	Derivatives (net)	Total
Balance at December 31, 2012	$ 72	$ (12)	$ 60
Purchases, sales, issuances and settlements:			
Purchases	9	-	9
Sales	(6)	-	(6)
Settlements	-	10	10
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	6	-	6
Balance at December 31, 2013	$ 81	$ (2)	$ 79
Pretax amounts included in the Consolidated Statements of Comprehensive Income related to Level 3 measurements outstanding	$ -	$ (4)	$ (4)

	December 31, 2012 Investments	Derivatives (net)	Total
Balance at December 31, 2011	$ 65	$ -	$ 65
Total pretax gains included in comprehensive income	2	-	2
Purchases, sales, issuances and settlements:			
Purchases	14	-	14
Issuances	-	(14)	(14)
Sales	(2)	-	(2)
Settlements	(11)	2	(9)
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	4	-	4
Balance at December 31, 2012	$ 72	$ (12)	$ 60

(in millions)	December 31, 2011 Investments	Derivatives (net)	Total
Balance at December 31, 2010	$ 59	$ -	$ 59
Purchases, sales, issuances and settlements:			
Purchases	8	-	8
Sales	(3)	-	(3)
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	1	-	1
Balance at December 31, 2011	$ 65	$ -	$ 65

PROGRESS ENERGY

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis end on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 1,615	$ 1,615	$ -	$ -
Nuclear decommissioning trust fund debt securities and other	677	233	444	-
Other trading and available-for-sale debt securities and other[a]	58	19	39	-
Derivative assets[b]	3	-	3	-
Total assets	2,353	1,867	486	-
Derivative liabilities[c]	(187)	-	(187)	-
Net assets	$ 2,166	$ 1,867	$ 299	$ -

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 1,245	$ 1,239	$ 6	$ -
Nuclear decommissioning trust fund debt securities and other	643	162	481	-
Other trading and available-for-sale debt securities and other[a]	57	17	40	-
Derivative assets[b]	11	-	11	-
Total assets	1,956	1,418	538	-
Derivative liabilities[c]	(440)	-	(402)	(38)
Net assets	$ 1,516	$ 1,418	$ 136	$ (38)

(a) Included in Other within Investments and Other Assets in the Consolidated Balance Sheets.
(b) Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.
(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets.

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)		
	Years Ended December 31,		
(in millions)	2013	2012	2011
Balance at beginning of period	$ (38)	$ (24)	$ (36)
Total pretax realized or unrealized gains included in earnings	-	1	-
Purchases, sales, issuances and settlements:			
Issuances	10	(16)	-
Settlements	-	4	-
Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities	(6)	(3)	(21)
Transfers out of Level 3[a]	34	-	33
Balance at end of period	$ -	$ (38)	$ (24)
Pretax amounts included in the Consolidated Statements of Operations and Comprehensive Income related to Level 3 measurements outstanding	$ 11		

(a) Transfers reflect derivative contracts becoming observable due to the passage of time.

DUKE ENERGY PROGRESS

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 1,069	$ 1,069	$ -	$ -
Nuclear decommissioning trust fund debt securities and other	470	137	333	-
Other trading and available-for-sale debt securities and other[a]	3	3	-	-
Derivative assets[b]	1	-	1	-
Total assets	1,543	1,209	334	-
Derivative liabilities[c]	(66)	-	(66)	-
Net assets	$ 1,477	$ 1,209	$ 268	$ -

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 811	$ 811	$ -	$ -
Nuclear decommissioning trust fund debt securities and other	448	119	329	-
Other trading and available-for-sale debt securities and other[a]	3	3	-	-
Derivative assets[b]	2	-	2	-
Total assets	1,264	933	331	-
Derivative liabilities[c]	(166)	-	(128)	(38)
Net assets	$ 1,098	$ 933	$ 203	$ (38)

(a) Included in Other within Investments and Other Assets in the Consolidated Balance Sheets.
(b) Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.
(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)		
	Years Ended December 31,		
(in millions)	2013	2012	2011
Balance at beginning of period	$ (38)	$ (24)	$ (36)
Total pretax realized or unrealized gains included in earnings	-	1	-
Purchases, sales, issuances and settlements:			
Issuances	10	(16)	-
Settlements	-	4	-
Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities	(6)	(3)	(20)
Transfers out of Level 3[a]	34	-	32
Balance at end of period	$ -	$ (38)	$ (24)
Pretax amounts included in the Consolidated Statements of Operations and Comprehensive Income related to Level 3 measurements outstanding	$ 11		

(a) Transfers reflect derivative contracts becoming observable due to the passage of time.

DUKE ENERGY FLORIDA

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 546	$ 546	$ -	$ -
Nuclear decommissioning trust fund debt securities and other	214	96	118	-
Other trading and available-for-sale debt securities and other[a]	40	2	38	-
Derivative assets[b]	1	-	1	-
Total assets	801	644	157	-
Derivative liabilities[c]	(116)	-	(116)	-
Net assets	$ 685	$ 644	$ 41	$ -

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 435	$ 429	$ 6	$ -
Nuclear decommissioning trust fund debt securities and other	194	43	151	-
Other trading and available-for-sale debt securities and other[a]	43	3	40	-
Derivative assets[b]	9	-	9	-
Total assets	681	475	206	-
Derivative liabilities[c]	(270)	-	(270)	-
Net assets	$ 411	$ 475	$ (64)	$ -

(a) Included in Other within Investments and Other Assets in the Consolidated Balance Sheets.
(b) Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.
(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets

DUKE ENERGY OHIO

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which are disclosed in Note 14.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Derivative assets[a]	$ 96	$ 50	$ 21	$ 25
Derivative liabilities[b]	(95)	(1)	(65)	(29)
Net assets (liabilities)	$ 1	$ 49	$ (44)	$ (4)

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Derivative assets[a]	$ 59	$ 48	$ 2	$ 9
Derivative liabilities[b]	(38)	(15)	(8)	(15)
Net assets (liabilities)	$ 21	$ 33	$ (6)	$ (6)

(a) Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.
(b) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets.

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)		
	Years Ended December 31,		
(in millions)	2013	2012	2011
Balance at beginning of period	$ (6)	$ (3)	$ 13
Total pretax realized or unrealized gains included in earnings[a]	(42)	(3)	(4)
Purchases, sales, issuances and settlements:			
Purchases	1	-	-
Settlements	-	1	(14)
Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities	-	(1)	2
Transfers out of Level 3[b]	43	-	-
Balance at end of period	$ (4)	$ (6)	$ (3)

(a) Amounts for derivative are primarily included in Operating Revenues.
(b) Transfers reflect derivative contracts becoming observable due to the passage of time.

DUKE ENERGY INDIANA

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Available-for-sale equity securities[a]	$ 65	$ 65	$ -	$ -
Available-for-sale debt securities[a]	29	-	29	-
Derivative assets[b]	12	-	-	12
Net assets (liabilities)	$ 106	$ 65	$ 29	$ 12

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Available-for-sale equity securities[a]	$ 49	$ 49	$ -	$ -
Available-for-sale debt securities[a]	29	-	29	-
Derivative assets[b]	10	-	-	10
Total assets	88	49	29	10
Derivative liabilities[c]	(63)	-	(63)	-
Net assets (liabilities)	$ 25	$ 49	$ (34)	$ 10

(a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.
(b) Included in Other within Current Assets on the Consolidated Balance Sheets.
(c) Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)		
	Years Ended December 31,		
(in millions)	2013	2012	2011
Balance at beginning of period	$ 10	$ 4	$ 4
Total pretax realized or unrealized gains included in earnings[a]	8	36	14
Purchases, sales, issuances and settlements:			
Purchases	20	-	8
Sales	-	22	-
Settlements	(30)	(52)	(21)
Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities	4	-	(1)
Balance at end of period	$ 12	$ 10	$ 4

(a) Amounts in derivatives are primarily included in Operating Revenues.

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

The following table provides quantitative information about the Duke Energy Registrants' derivatives classified as Level 3.

	December 31, 2013				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	
Duke Energy					
Natural gas contracts	$ (2)	Discounted cash flow	Forward natural gas curves - price per MMBtu	$ 3.07	$ 5.37
FERC mitigation power sale agreements	(2)	Discounted cash flow	Forward electricity curves - price per MWh	25.79	- 52.38
Financial transmission rights (FTRs)	12	RTO auction pricing	FTR price - per Megawatt Hour (MWh)	(0.30)	- 13.80
Electricity contracts	23	Discounted cash flow	Forward electricity curves - price per MWh	20.77	- 58.90
Commodity capacity option contracts	4	Discounted cash flow	Forward capacity option curves - price per MW day	30.40	- 165.10
Reserves	(22)		Bid-ask spreads, implied volatility, probability of default		
Total Level 3 derivatives	$ 13				
Duke Energy Carolinas					
FERC mitigation power sale agreements	$ (2)	Discounted cash flow	Forward electricity curves - price per MWh	$ 25.79	$ 52.38
Duke Energy Ohio					
Electricity contracts	$ 18	Discounted cash flow	Forward electricity curves - price per MWh	$ 20.77	$ 58.90
Natural gas contracts	(2)	Discounted cash flow	Forward natural gas curves - price per MMBtu	3.07	- 5.37
Reserves	(20)		Bid-ask spreads, implied volatility, probability of default		
Total Level 3 derivatives	$ (4)				
Duke Energy Indiana					
FTRs	$ 12	RTO auction pricing	FTR price - per MWh	$ (0.30)	$ 13.80

	December 31, 2012				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	
Duke Energy					
Natural gas contracts	$ (53)	Discounted cash flow	Forward natural gas curves - price per MMBtu	$ 2.33	$ 9.99
FERC mitigation power sale agreements	(23)	Discounted cash flow	Forward electricity curves - price per MWh	25.83	- 48.69
FTRs	11	RTO auction pricing	FTR price - per MWh	23.63	- 39.22
Electricity contracts	(8)	Discounted cash flow	Forward electricity curves - price per MWh	24.82	- 77.96
Capacity contracts	(3)	Discounted cash flow	Forward capacity curves - price per MW day	95.16	- 105.36
Capacity option contracts	3	Discounted cash flow	Forward capacity option curves - price per MW day	4.68	- 77.96
Reserves	(12)		Bid-ask spreads, implied volatility, probability of default		
Total Level 3 derivatives	$ (85)				
Duke Energy Carolinas					
FERC mitigation power sale agreements	$ (12)	Discounted cash flow	Forward electricity curves - price per MWh	$ 25.83	- 48.69
Progress Energy					
Natural gas contracts	$ (27)	Discounted cash flow	Forward natural gas curves - price per MMBtu	$ 4.07	- 4.45
FERC mitigation power sale agreements	(11)	Discounted cash flow	Forward electricity curves - price per MWh	25.83	- 48.69
Total Level 3 derivatives	$ (38)				
Duke Energy Progress					
Natural gas contracts	$ (27)	Discounted cash flow	Forward natural gas curves - price per MMBtu	$ 4.07	- 4.45
FERC mitigation power sale agreements	(11)	Discounted cash flow	Forward electricity curves - price per MWh	25.83	- 48.69
Total Level 3 derivatives	$ (38)				
Duke Energy Ohio					
FTRs	$ 1	RTO auction pricing	FTR price - per MWh	$ 27.17	$ 39.22
Electricity contracts	(1)	Discounted cash flow	Forward electricity curves - price per MWh	25.90	- 57.50
Natural gas contracts	5	Discounted cash flow	Forward natural gas curves - price per MMBtu	3.30	- 4.51
Reserves	(11)		Bid-ask spreads, implied volatility, probability of default		
Total Level 3 derivatives	$ (6)				
Duke Energy Indiana					
FTRs	$ 10	RTO auction pricing	FTR price - per MWh	$ 23.63	$ 35.43

OTHER FAIR VALUE DISCLOSURES

The fair value and book value of long-term debt, including current maturities, is summarized in the following table. Estimates determined are not necessarily indicative of amounts that could have been settled in current markets. Fair value of long-term debt uses Level 2 measurements.

	December 31, 2013		December 31, 2012	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy	$ 40,256	$ 42,592	$ 39,461	$ 44,001
Duke Energy Carolinas	8,436	9,123	8,741	10,096
Progress Energy	14,115	15,234	14,428	16,563
Duke Energy Progress	5,235	5,323	4,840	5,277
Duke Energy Florida	4,886	5,408	5,320	6,222
Duke Energy Ohio	2,188	2,237	1,997	2,117
Duke Energy Indiana	3,796	4,171	3,702	4,268

At both December 31, 2013 and December 31, 2012, fair value of cash and cash equivalents, accounts and notes receivable, accounts payable, and notes payable and commercial paper are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated interest rates approximate market rates.

17. VARIABLE INTEREST ENTITIES

A VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. A qualitative analysis of control determines the party that consolidates a VIE. This assessment is based on (i) what party has the power to direct the most significant activities of the VIE that impact its economic performance, and (ii) what party has rights to receive benefits or is obligated to absorb losses that are significant to the VIE. The analysis of the party that consolidates a VIE is a continual reassessment. Other than the discussion below related to CRC, no financial support was provided to any of the VIEs during the years ended December 31, 2013, 2012 and 2011, or is expected to be provided in the future, that was not previously contractually required.

CONSOLIDATED VIEs

The table below shows the VIEs that Duke Energy, Duke Energy Carolinas and Duke Energy Progress consolidate and how these entities impact their respective Consolidated Balance Sheets.

	December 31, 2013						
(in millions)	DERF[a]	DEPR[b]	CRC	CinCapV	Renewables	Other	Total
ASSETS							
Current Assets							
Restricted receivables of variable interest entities	$ 673	$ 416	$ 595	$ 17	$ 18	$ -	$ 1,719
Other	-	-	-	10	89	2	101
Investments and Other Assets							
Other	-	-	-	51	29	-	80
Property, Plant and Equipment							
Property, plant and equipment, cost[c]	-	-	-	-	1,662	18	1,680
Accumulated depreciation and amortization	-	-	-	-	(170)	(5)	(175)
Regulatory Assets and Deferred Debits							
Other	1	1	-	-	34	-	36
Total assets	674	417	595	78	1,662	15	3,441
LIABILITIES AND EQUITY							
Current Liabilities							
Accounts payable	-	-	-	-	2	-	2
Taxes accrued	-	-	-	-	10	-	10
Current maturities of long-term debt	-	-	-	14	66	-	80
Other	-	-	-	10	17	-	27
Long-term Debt[d]	400	300	325	34	907	-	1,966
Deferred Credits and Other Liabilities							
Other	1	-	-	13	333	-	347
Total liabilities	401	300	325	71	1,335	-	2,432
Net assets of consolidated variable interest entities	$ 273	$ 117	$ 270	$ 7	$ 327	$ 15	$ 1,009

(a) DERF is consolidated by Duke Energy Carolinas and Duke Energy.
(b) DEPR is consolidated by Duke Energy Progress and Duke Energy.
(c) Restricted as collateral for non-recourse debt of VIEs.
(d) Non-recourse to the general assets of Duke Energy.

	December 31, 2012					
(in millions)	DERF[a]	CRC	CinCapV	Renewables	Other	Total
ASSETS						
Current Assets						
Restricted receivables of variable interest entities	$ 637	$ 534	$ 15	$ 16	$ (1)	$ 1,201
Other	-	-	4	133	2	139
Investments and Other Assets						
Other	-	-	62	14	2	78
Property, Plant and Equipment						
Property, plant and equipment, cost[b]	-	-	-	1,543	15	1,558
Accumulated depreciation and amortization	-	-	-	(98)	(5)	(103)
Regulatory Assets and Deferred Debits						
Other	-	-	-	40	-	40
Total assets	637	534	81	1,648	13	2,913
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable	-	-	-	1	-	1
Notes payable and commercial paper	-	312	-	-	-	312
Taxes accrued	-	-	-	62	-	62
Current maturities of long-term debt	-	-	13	459	-	472
Other	-	-	4	25	-	29
Long-term Debt[c]	300	-	48	504	-	852
Deferred Credits and Other Liabilities						
Deferred income taxes	-	-	-	154	-	154
Asset retirement obligation	-	-	-	23	-	23
Other	-	-	10	39	-	49
Total liabilities	300	312	75	1,267	-	1,954
Net assets of consolidated variable interest entities	$ 337	$ 222	$ 6	$ 381	$ 13	$ 959

(a) DERF is consolidated by Duke Energy Carolinas and Duke Energy.
(b) Restricted as collateral for non-recourse debt of VIEs.
(c) Non-recourse to the general assets of Duke Energy.

The obligations of these VIEs are non-recourse to Duke Energy, Duke Energy Carolinas and Duke Energy Progress. These entities have no requirement to provide liquidity to purchase assets of, or guarantee performance of these VIEs unless noted in the following paragraphs.

DERF

On a daily basis, Duke Energy Receivables Finance Company, LLC (DERF), a bankruptcy remote, special purpose subsidiary of Duke Energy Carolinas, buys certain accounts receivable arising from the sale of electricity and/or related services from Duke Energy Carolinas. DERF is a wholly owned limited liability company with a separate legal existence from its parent, and its assets are not generally available to creditors of Duke Energy Carolinas. DERF borrows $400 million under a credit facility to buy the receivables. Borrowing is limited to the amount of qualified receivables sold, which is expected to be in excess of $400 million. The receivables are used as collateral for commercial paper issued through third parties. The credit facility expires in October 2016 and is reflected on the Consolidated Balance Sheets as Long-term Debt. The secured credit facility was not structured to meet the criteria for sale accounting treatment under the accounting guidance for transfers and servicing of financial assets.

The most significant activity that impacts the economic performance of DERF is the decisions made to manage delinquent receivables. Duke Energy Carolinas consolidates DERF as it makes those decisions.

DEPR

On a daily basis, Duke Energy Progress Receivables Company, LLC (DEPR), a bankruptcy remote, special purpose subsidiary of Duke Energy Progress formed in 2013, buys certain accounts receivable arising from the sale of electricity and/or related services from Duke Energy Progress.

DEPR is a wholly owned limited liability company with a separate legal existence from its parent, and its assets are not generally available to creditors of Duke Energy Progress. DEPR borrows $300 million under a credit facility to buy the receivables. Borrowing is limited to the amount of qualified receivables sold, which is expected to be in excess of $300 million. The receivables are used as collateral for commercial paper issued through third parties. The credit facility expires in December 2016 and is reflected on the Consolidated Balance Sheets as Long-term Debt. The secured credit facility was not structured to meet the criteria for sale accounting treatment under the accounting guidance for transfers and servicing of financial assets.

The most significant activity that impacts the economic performance of DEPR is the decisions made to manage delinquent receivables. Duke Energy Progress consolidates DEPR as it makes those decisions.

CRC

On a revolving basis, CRC buys certain accounts receivable arising from the sale of electricity and/or related services from Duke Energy Ohio and Duke Energy Indiana. Receivables sold are securitized by CRC through a facility managed by two unrelated third parties and are used as collateral for commercial paper issued by the unrelated third parties. Proceeds Duke Energy Ohio and Duke Energy Indiana receive from the sale of receivables to CRC are typically 75 percent cash and 25 percent in the form of a subordinated note from CRC. The subordinated note is a retained interest in the receivables sold. Cash collections from the receivable are the sole source of funds to satisfy the related debt obligation. Depending on experience with collections, additional equity infusions to CRC may be required by Duke Energy to maintain a minimum equity balance of $3 million. There were no infusions to CRC during the years ended December 31, 2013 and 2012. For the year ended December 31, 2011, Duke Energy infused $6 million of equity to CRC to remedy net worth deficiencies. Borrowings fluctuate based on the amount of receivables sold. The credit facility expires in November 2016. The secured credit facility is reflected on the Consolidated Balance Sheets as Long-term Debt. CRC is considered a VIE because (i) equity capitalization is insufficient to support its operations, (ii) power to direct the most significant activities that impact economic performance of the entity are not performed by the equity holder, Cinergy, and (iii) deficiencies in net worth of CRC are not funded by Cinergy, but by Duke Energy. The most significant activity of CRC relates to the decisions made with respect to the management of delinquent receivables. Duke Energy consolidates CRC as it makes these decisions. Neither Duke Energy Ohio nor Duke Energy Indiana consolidate CRC.

CinCap V

CinCap V was created to finance and execute a power sale agreement with Central Maine Power Company for approximately 35 MW of capacity and energy. This agreement expires in 2016. CinCap V is considered a VIE because the equity capitalization is insufficient to support its operations. Duke Energy consolidates CinCap V as it has power to direct the most significant activities that impact the economic performance of the entity, which are the decisions to hedge and finance the power sales agreement.

Renewables

Certain of Duke Energy's renewable energy facilities are VIEs due to power purchase agreements with terms that approximate the expected life of the projects. These fixed price agreements effectively transfer commodity price risk to the buyer of the power. Certain other of Duke Energy's renewable energy facilities are VIEs due to Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Assets are restricted and cannot be pledged as collateral or sold to third parties without prior approval of debt holders. The most significant activities that impact the economic performance of these renewable energy facilities were decisions associated with siting, negotiating purchase power agreements, engineering, procurement and construction, and decisions associated with ongoing operations and maintenance-related activities. Duke Energy consolidated the entities as it makes all of these decisions.

NON-CONSOLIDATED VIEs

The tables below disclose VIEs the Duke Energy Registrants do not consolidate and how these entities impact the Duke Energy Registrants' respective Consolidated Balance Sheets.

	December 31, 2013				
	Duke Energy			Duke	Duke Energy Indiana[b]
(in millions)	Renewables	Other	Total		
Receivables	$ -	$ -	$ -	$ 114	$ 143
Investments in equity method unconsolidated affiliates	153	60	213	-	-
Intangibles	-	96	96	96	-
Investments and other assets	-	4	4	-	-
Total assets	153	160	313	210	143
Other current liabilities	-	3	3	-	-
Deferred credits and other liabilities	-	15	15	-	-
Total liabilities	-	18	18	-	-
Net assets	$ 153	$ 142	$ 295	$ 210	$ 143

(a) Reflects OVEC and retained interest in CRC.
(b) Reflects retained interest in CRC.

	December 31, 2012						
	Duke Energy					Duke	Duke
(in millions)	DukeNet	Renewables	FPC Capital I Trust[c]	Other	Total		
Receivables	$ -	$ -	$ -	$ -	$ -	$ 97	$ 116
Investments in equity method unconsolidated affiliates	118	147	-	27	292	-	-
Intangibles	-	-	-	104	104	104	-
Investments and other assets	-	-	9	2	11	-	-
Total assets	118	147	9	133	407	201	116
Other current liabilities	-	-	-	3	3	-	-
Deferred credits and other liabilities	-	-	319	17	336	-	-
Total liabilities	-	-	319	20	339	-	-
Net assets (liabilities)	$ 118	$ 147	$ (310)	$ 113	$ 68	$ 201	$ 116

(a) Reflects OVEC and retained interest in CRC.
(b) Reflects retained interest in CRC.
(c) The entire balance of Investments and other assets and $274 million of the Deferred Credits and Other Liabilities balance applies to Progress Energy.

The Duke Energy Registrants are not aware of any situations where the maximum exposure to loss significantly exceeds the carrying values shown above except for the power purchase agreement with the Ohio Valley Electric Corporation (OVEC), which is discussed below, and various guarantees, reflected in the table above as Deferred credits and other liabilities.

DukeNet

Until December 31, 2013, Duke Energy owned a 50 percent ownership interest in DukeNet. DukeNet was considered a VIE because it has entered into certain contractual arrangements that provide it with additional forms of subordinated financial support. The most significant activities that impacted DukeNet's economic performance relate to its business development and fiber optic capacity marketing and management activities. The power to direct these activities was jointly and equally shared by Duke Energy and the other joint venture partner.

On December 31, 2013, Duke Energy completed the sale of its ownership interest in DukeNet to Time Warner Cable, Inc. For more information on the sale of DukeNet, refer to Note 12.

Renewables

Duke Energy has investments in various renewable energy project entities. Some of these entities are VIEs due to power purchase agreements with terms that approximate the expected life of the project. These fixed price agreements effectively transfer commodity price risk to the buyer of the power. Duke Energy does not consolidate these VIEs because power to direct and control key activities is shared jointly by Duke Energy and other owners.

FPC Capital I Trust

At December 31, 2012, Progress Energy had variable interests in the FPC Capital I Trust (the Trust). The Trust, a finance subsidiary, was established for the sole purpose of issuing $300 million of 7.10% Cumulative QUIPS due 2039, and using the proceeds thereof to purchase $300 million of 7.10% Junior Subordinated Deferrable Interest Notes due 2039 from Florida Progress Funding Corporation (Funding Corp.). Funding Corp. was formed for the sole purpose of providing financing to Duke Energy Florida. On February 1, 2013, Duke Energy redeemed the QUIPS and subsequently terminated the Trust.

Other

The most significant of the Other non-consolidated VIEs is Duke Energy Ohio's 9 percent ownership interest in OVEC. Through its ownership interest in OVEC, Duke Energy Ohio has a contractual arrangement to buy power from OVEC's power plants through June 2040. Proceeds from the sale of power by OVEC to its power purchase agreement counterparties are designed to be sufficient to meet its operating expenses, fixed costs, debt amortization and, interest expense, as well as earn a return on equity. Accordingly, the value of this contract is subject to variability due to fluctuations in power prices and changes in OVEC's costs of business, including costs associated with its 2,256 MW of coal-fired generation capacity. As discussed in Note 5, proposed environmental rulemaking could increase the costs of OVEC, which would be passed through to Duke Energy Ohio. The initial carrying value of this contract was recorded as an intangible asset when Duke Energy acquired Cinergy in April 2006. This amount is included in the table above for Duke Energy and Duke Energy Ohio.

In addition, Duke Energy has guaranteed performance of certain entities in which it no longer has an equity interest.

CRC

See discussion under Consolidated VIEs for additional information related to CRC.

The subordinated notes held by Duke Energy Ohio and Duke Energy Indiana are stated at fair value and are classified within Receivables in their Consolidated Balance Sheets. Carrying values of retained interests are determined by allocating carrying value of the receivables between assets sold and interests retained based on relative fair value. The allocated basis of the subordinated notes are not materially different than their face value because (i) the receivables generally turnover in less than two months, (ii) credit losses are reasonably predictable due to the broad customer base and lack of significant concentration, and (iii) the equity in CRC is subordinate to all retained interests and thus would absorb losses first. The hypothetical effect on fair value of the retained interests assuming both a 10 percent and a 20 percent unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Ohio and Duke Energy Indiana on the retained interests using the acceptable yield method. This method generally approximates the stated rate on the notes since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both retained interests and purchased beneficial interest whenever it is determined that an other-than-temporary impairment has occurred.

The following table shows the gross and net receivables sold.

	Duke Energy Ohio		Duke Energy Indiana	
	December 31,		December 31,	
(in millions)	2013	2012	2013	2012
Receivables sold	$ 290	$ 282	$ 340	$ 289
Less: Retained interests	114	97	143	116
Net receivables sold	$ 176	$ 185	$ 197	$ 173

Key assumptions used in estimating the fair value in 2013 and 2012 is detailed in the following table.

	Duke Energy Ohio		Duke Energy Indiana	
	2013	2012	2013	2012
Anticipated credit loss ratio	0.6 %	0.7 %	0.3 %	0.3 %
Discount rate	1.2 %	1.2 %	1.2 %	1.2 %
Receivable turnover rate	12.8 %	12.7 %	10.3 %	10.2 %

The following tables show sales and cash flows related to receivables sold.

	Duke Energy Ohio			Duke Energy Indiana		
	Years Ended December 31,			Years Ended December 31,		
(in millions)	2013	2012	2011	2013	2012	2011
Sales						
Receivables sold	$ 2,251	$ 2,154	$ 2,390	$ 2,985	$ 2,773	$ 2,658
Loss recognized on sale	12	13	21	11	12	16
Cash Flows						
Cash proceeds from receivables sold	2,220	2,172	2,474	2,944	2,784	2,674
Collection fees received	1	1	1	1	1	1
Return received on retained interests	5	5	12	6	7	13

Cash flows from the sale of receivables are reflected within Operating Activities on Duke Energy Ohio's and Duke Energy Indiana's Consolidated Statements of Cash Flows.

Collection fees received in connection with the servicing of transferred accounts receivable are included in Operation, maintenance and other on Duke Energy Ohio's and Duke Energy Indiana's Consolidated Statements of Operations and Comprehensive Income. The loss recognized on sales of receivables is calculated monthly by multiplying the receivables sold during the month by the required discount. The required discount is derived monthly utilizing a three-year weighted-average formula that considers charge-off history, late charge history, and turnover history on the sold receivables, as well as a component for the time value of money. The discount rate, or component for the time value of money, is calculated monthly by summing the prior month-end LIBOR plus a fixed rate of 1.00 percent.

18. COMMON STOCK

Basic Earnings Per Share (EPS) is computed by dividing net income attributable to Duke Energy common shareholders, adjusted for distributed and undistributed earnings allocated to participating securities, by the weighted-average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income attributable to Duke Energy common shareholders, as adjusted for distributed and undistributed earnings allocated to participating securities, by the diluted weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other agreements to issue common stock, such as stock options, phantom shares and stock-based performance unit awards were exercised or settled. Duke Energy's participating securities are restricted stock units that are entitled to dividends declared on Duke Energy common shares during the restricted stock units' vesting period.

On July 2, 2012, just prior to the close of the merger with Progress Energy, Duke Energy executed a one-for-three reverse stock split. All earnings per share amounts included in this 10-K are presented as if the one-for-three reverse stock split had been effective January 1, 2011. The following table presents Duke Energy's basic and diluted EPS calculations and reconciles the weighted-average number of common shares outstanding to the diluted weighted-average number of common shares outstanding.

(In millions, except per-share amounts)	Income	Average Shares	EPS
2013			
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic and diluted	$ 2,640	706	$ 3.74
2012			
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic	$ 1,727	574	$ 3.01
Effect of dilutive securities:			
Stock options, performance and restricted stock		1	
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — diluted	$ 1,727	575	$ 3.01
2011			
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic and diluted	$ 1,702	444	$ 3.83

As of December 31, 2013, 2012 and 2011, 2 million, 1 million and 3 million, respectively, of stock options and performance and unvested stock awards were not included in the dilutive securities calculation in the above table because either the option exercise prices were greater than the average market price of the common shares during those periods, or performance measures related to the awards had not yet been met.

For the years ended December 31, 2013, 2012 and 2011, Duke Energy declared dividends of $3.09 per share, $3.03 per share and $2.97 per share, respectively.

19. SEVERANCE

2011 SEVERANCE PLAN

In conjunction with the merger with Progress Energy, in November 2011 Duke Energy and Progress Energy offered a voluntary severance plan to certain eligible employees. As this was a voluntary severance plan, all severance benefits offered under this plan are considered special termination benefits under U.S. GAAP. Special termination benefits are measured upon employee acceptance and recorded immediately absent any significant retention period. If a significant retention period exists, the cost of the special termination benefits are recorded ratably over the retention period. Approximately 1,100 employees from Duke Energy and Progress Energy requested severance during the voluntary window, which closed on November 30, 2011. The estimated amount of future severance expense associated with this voluntary plan through 2014 are not material.

Additionally, in the third quarter of 2012, a voluntary severance plan was offered to certain unionized employees of Duke Energy Ohio. Approximately 75 employees accepted the termination benefits during the voluntary window, which closed on October 8, 2012. The expense associated with this plan was not material.

In conjunction with the retirement of Crystal River Unit 3, severance benefits have been made available to certain eligible impacted unionized and non-unionized employees, to the extent that those employees do not find job opportunities at other locations. Approximately 600 employees worked at Crystal River Unit 3. For the year ended December 31, 2013, Duke Energy Florida deferred $26 million of severance costs as a regulatory asset. Severance costs expected to be accrued over the remaining retention period for employees identified to have a significant retention period is not material. However, these employees maintain the ability to accept job opportunities at other Duke Energy locations, which would result in severance not being paid. If a significant amount of these individuals redeploy within Duke Energy, the final severance benefits paid under the plan may be less than what has been accrued to date. Refer to Note 4 for further discussion regarding Crystal River Unit 3.

Amounts included in the table below represent direct and allocated severance and related expense recorded by the Duke Energy Registrants, and are recorded in Operation, maintenance and other within Operating Expenses on the Consolidated Statements of Operations. The Duke Energy Registrants recorded insignificant amounts for severance expense during 2011 for past and ongoing severance plans.

	Years Ended December 31,	
(in millions)	2013	2012
Duke Energy[a]	$ 34	$ 201
Duke Energy Carolinas	8	63
Progress Energy	19	82
Duke Energy Progress	14	55
Duke Energy Florida	5	27
Duke Energy Ohio	2	21
Duke Energy Indiana	2	18

(a) Includes $5 million and $14 million of accelerated stock award expense and $2 million and $19 million of COBRA and healthcare reimbursement expenses for 2013 and 2012, respectively.

Amounts included in the table below represent the severance liability for past and ongoing severance plans. Amounts for Subsidiary Registrants do not include allocated expense or associated cash payments. Amounts for Duke Energy Ohio and Duke Energy Indiana are not material.

(in millions)	Balance at December 31, 2012	Provision / Adjustments	Cash Reductions	Balance at December 31, 2013
Duke Energy	$ 135	$ 52	$ (123)	$ 64
Duke Energy Carolinas	12	6	(13)	5
Progress Energy	43	49	(48)	44
Duke Energy Progress	23	8	(20)	11
Duke Energy Florida	6	31	(13)	24

As part of Duke Energy Carolinas' 2011 rate case, the NCUC approved the recovery of $101 million of previously recorded expenses related to a prior year Voluntary Opportunity Plan. This amount was recorded as a reduction to Operation, maintenance, and other within Operating Expenses on the Consolidated Statements of Operations and recognized as a Regulatory asset on the Consolidated Balance Sheets in 2012.

20. STOCK-BASED COMPENSATION

Duke Energy's 2010 Long-Term Incentive Plan (the 2010 Plan) reserved 25 million shares of common stock for awards to employees and outside directors. Duke Energy has historically issued new shares upon exercising or vesting of share-based awards. However, Duke Energy may use a combination of new share issuances and open market repurchases for share-based awards that are exercised or become vested in the future. Duke Energy has not determined with certainty the amount of such new share issuances or open market repurchases.

The 2010 Plan allows for a maximum of 6.25 million shares of common stock to be issued under various stock-based awards other than options and stock appreciation rights.

In connection with the acquisition of Progress Energy in July 2012, Duke Energy assumed Progress Energy's 2007 Equity Incentive Plan (EIP). Stock-based awards granted under the Progress Energy EIP and held by Progress Energy employees were generally converted into outstanding Duke Energy stock-based compensation awards. The estimated fair value of these awards allocated to purchase price was $62 million. Refer to Note 2 for further information regarding the merger transaction.

The following table summarizes the total expense recognized by each of the Duke Energy Registrants, net of tax, for stock-based compensation.

(in millions)	Years Ended December 31, 2013	2012	2011
Duke Energy	$ 52	$ 48	$ 32
Duke Energy Carolinas	13	12	17
Progress Energy	23	25	20
Duke Energy Progress	14	16	12
Duke Energy Florida	9	9	8
Duke Energy Ohio	4	4	6
Duke Energy Indiana	4	4	4

Pretax stock-based compensation costs, the tax benefit associated with stock-based compensation expense, and stock-based compensation costs capitalized are included in the following table.

(in millions)	Years Ended December 31, 2013	2012	2011
Stock options	$ 2	$ 2	$ 2
Restricted stock unit awards	49	43	27
Performance awards	34	33	23
Pretax stock-based compensation cost	$ 85	$ 78	$ 52
Tax benefit associated with stock-based compensation expense	$ 33	$ 30	$ 20
Stock-based compensation costs capitalized	3	2	2

STOCK OPTIONS

The following table summarizes information about stock options outstanding.

	Options	Weighted-Average	Weighted-Average	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2012	1,654	$ 51		
Granted	310	69		
Exercised	(1,162)	48		
Forfeited or expired	(9)	41		
Outstanding at December 31, 2013	793	61	7y, 3m	$ 6
Exercisable at December 31, 2013	137	46	1y, 5m	3
Options expected to vest	656	64	8y, 5m	3

The exercise price of each option granted cannot be less than the market price of Duke Energy's common stock on the date of grant and the maximum option term is 10 years. The vesting periods range from immediate to three years. Options granted in 2013 and 2012 were expensed immediately; therefore, there is no future compensation cost associated with these options. The following table includes information related to Duke Energy's stock options.

(in millions)	Years Ended December 31, 2013	2012	2011
Intrinsic value of options exercised	$ 26	$ 17	$ 26
Tax benefit related to options exercised	10	7	10
Cash received from options exercised	9	21	74
Stock options granted (in thousands)	310	340	358

The following assumptions were used to determine the grant date fair value of stock options granted in 2013.

Risk-free interest rate[a]	1.0 %
Expected dividend yield[b]	4.7 %
Expected life[c]	6 years
Expected volatility[d]	18.1 %

(a) The risk-free rate is based upon the average of five-year and seven-year U.S. Treasury Constant Maturity rates as of the grant date.
(b) The expected dividend yield is based upon the most recent annualized dividend and the one-year average closing stock price.
(c) The expected life of options is derived from the simplified method approach.
(d) Volatility is based equally between historical and implied volatility. Historic volatility is based on Duke Energy's historical volatility over the expected life using daily stock prices. Implied volatility is the average for all option contracts with a term greater than six months using the strike price closest to the stock price on the valuation date.

RESTRICTED STOCK UNIT AWARDS

Restricted stock unit awards issued and outstanding generally vest over periods from immediate to three years. The following table includes information related to restricted stock unit awards.

	Years Ended December 31, 2013	2012	2011
Shares awarded (in thousands)	612	443	636
Fair value (in millions)[a]	$ 42	$ 28	$ 34

(a) Based on the market price of Duke Energy's common stock at the grant date.

The following table summarizes information about restricted stock unit awards outstanding.

	Shares	Weighted-Average Per Share Grant Date Fair Value
Outstanding at December 31, 2012	1,607	$ 64
Granted	612	69
Vested	(794)	63
Forfeited	(25)	68
Outstanding at December 31, 2013	1,400	66
Restricted stock unit awards expected to vest	1,365	66

The total grant date fair value of shares vested during the years ended December 31, 2013, 2012 and 2011 was $50 million, $34 million and $19 million, respectively. At December 31, 2013, Duke Energy had $21 million of unrecognized compensation cost, which is expected to be recognized over a weighted-average period of 1 year and 9 months.

PERFORMANCE AWARDS

Stock-based awards issued and outstanding generally vest over three years if performance targets are met.

Certain performance awards granted in 2013, 2012 and 2011 contain market conditions based on the total shareholder return (TSR) of Duke Energy stock relative to a pre-defined peer group (relative TSR). These awards are valued using a path-dependent model that incorporates expected relative

TSR into the fair value determination of Duke Energy's performance-based share awards. The model uses three-year historical volatilities and correlations for all companies in the pre-defined peer group, including Duke Energy, to simulate Duke Energy's relative TSR as of the end of the performance period. For each simulation, Duke Energy's relative TSR associated with the simulated stock price at the end of the performance period plus expected dividends within the period results in a value per share for the award portfolio. The average of these simulations is the expected portfolio value per share. Actual life to date results of Duke Energy's relative TSR for each grant is incorporated within the model.

Other performance awards not containing market conditions were awarded in 2012 and 2011. The performance goal for these awards is Duke Energy's return on equity over a three-year period. Awards are measured at grant date price.

The following table includes information related to performance awards.

	Years Ended December 31,		
	2013	2012	2011
Shares awarded (in thousands)	633	352	432
Fair value (in millions)	$ 28	$ 19	$ 20

The following table summarizes information about stock-based performance awards outstanding at the maximum level.

	Shares	Weighted-Average Per Share Grant Date Fair Value
Outstanding at December 31, 2012	2,346	$ 47
Granted	633	45
Vested	(858)	49
Forfeited	(299)	46
Outstanding at December 31, 2013	1,822	46
Stock-based performance awards expected to vest	1,646	47

The total grant date fair value of shares vested during the years ended December 31, 2013, 2012 and 2011 was $42 million, $56 million and $33 million, respectively. At December 31, 2013, Duke Energy had $22 million of unrecognized compensation cost, which is expected to be recognized over a weighted-average period of 1 year and 11 months.

21. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT RETIREMENT PLANS

Duke Energy maintains, and the Subsidiary Registrants participate in, qualified, non-contributory defined benefit retirement plans. The plans cover most U.S. employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits based upon a percentage of current eligible earnings based on age and/or years of service and interest credits. Certain employees are covered under plans that use a final average earnings formula. As of January 1, 2014, these defined benefit plans are closed to new participants. Under these average earnings formulas, a plan participant accumulates a retirement benefit equal to the sum of percentages of their (i) highest three-year or four-year average earnings, (ii) highest three-year or four-year average earnings in excess of covered compensation per year of participation (maximum of 35 years), and/or (iii) highest three or four-year average earnings times years of participation in excess of 35 years. Duke Energy also maintains, and the Subsidiary Registrants participate in, non-qualified, non-contributory defined benefit retirement plans which cover certain executives.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations.

Net periodic benefit costs disclosed in the tables below represent the cost of the respective benefit plan for the periods presented. However, portions of the net periodic benefit costs disclosed in the tables below have been capitalized as a component of property, plant and equipment. Amounts presented in the tables below for the Subsidiary Registrants represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of the Subsidiary Registrants. Additionally, the Subsidiary Registrants are allocated their proportionate share of pension and post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provide support to the Subsidiary Registrants. These allocated amounts are included in the governance and shared service costs discussed in Note 13.

Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefit payments to be paid to plan participants. The following table includes information related to the Duke Energy Registrants' contributions to its U.S. qualified defined benefit pension plans.

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Anticipated Contributions:							
2014	$ 143	$ 42	$ 51	$ 21	$ 21	$ 4	$ 9
Contributions Made:							
2013	**$ 250**	**$ -**	**$ 250**	**$ 63**	**$ 133**	**$ -**	**$ -**
2012	304	-	346	141	128	-	-
2011	200	33	334	217	112	48	52

QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 167	$ 49	$ 60	$ 22	$ 30	$ 6	$ 11
Interest cost on projected benefit obligation	320	80	116	50	53	21	28
Expected return on plan assets	(549)	(148)	(199)	(94)	(87)	(31)	(46)
Amortization of actuarial loss	244	60	101	46	49	13	24
Amortization of prior service (credit) cost	(11)	(6)	(4)	(1)	(2)	-	1
Other	7	2	2	1	1	-	1
Net periodic pension costs(a)(b)	$ 178	$ 37	$ 76	$ 24	$ 44	$ 9	$ 19

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 122	$ 35	$ 63	$ 25	$ 30	$ 6	$ 9
Interest cost on projected benefit obligation	307	90	127	58	56	31	30
Expected return on plan assets	(472)	(146)	(188)	(96)	(81)	(45)	(46)
Amortization of actuarial loss	144	45	93	37	48	10	15
Amortization of prior service cost (credit)	10	1	9	8	(1)	1	1
Other	6	2	2	1	1	-	-
Net periodic pension costs(a)(b)	$ 117	$ 27	$ 106	$ 33	$ 53	$ 3	$ 9

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 96	$ 37	$ 51	$ 20	$ 24	$ 7	$ 11
Interest cost on projected benefit obligation	232	85	132	61	57	32	30
Expected return on plan assets	(384)	(150)	(182)	(91)	(78)	(44)	(45)
Amortization of actuarial loss	77	37	66	25	33	7	14
Amortization of prior service cost	6	1	7	6	-	1	2
Other	18	7	-	-	-	2	2
Net periodic pension costs(a)(b)	$ 45	$ 17	$ 74	$ 21	$ 36	$ 5	$ 14

(a) Duke Energy amounts exclude $12 million, $14 million and $14 million for the years ended December 2013, 2012, and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

(b) Duke Energy Ohio amounts exclude $6 million, $6 million and $7 million for the years ended December 2013, 2012, and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net decrease	$ (788)	$ (205)	$ (253)	$ (109)	$ (146)	$ (96)	$ (99)
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	$ 18	$ -	$ -	$ -	$ -	$ -	$ -
Actuarial gains arising during the year	(33)	-	(2)	-	-	-	-
Prior year service credit arising during the year	(1)	-	-	-	-	-	-
Amortization of prior year actuarial losses	(15)	-	(3)	-	-	-	-
Reclassification of actuarial losses to regulatory assets	3	-	-	-	-	-	-
Net amount recognized in accumulated other comprehensive income	$ (28)	$ -	$ (5)	$ -	$ -	$ -	$ -

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net increase (decrease)	$ 976	$ (111)	$ (76)	$ (89)	$ 23	$ 22	$ 17
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	$ 14	$ -	$ -	$ -	$ -	$ 15	$ -
Reclassification of actuarial losses to an affiliate	-	-	-	-	-	(48)	-
Actuarial (gains) losses arising during the year	(2)	-	3	-	-	-	-
Prior year service credit arising during the year	(7)	-	-	-	-	-	-
Amortization of prior year actuarial losses	(13)	-	(2)	-	-	(3)	-
Reclassification of actuarial losses to regulatory assets	(20)	-	-	-	-	(1)	-
Amortization of prior year service cost	(1)	-	(1)	-	-	(1)	-
Net amount recognized in accumulated other comprehensive income	$ (29)	$ -	$ -	$ -	$ -	$ (38)	$ -

Reconciliation of Funded Status to Net Amount Recognized

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 8,030	$ 2,028	$ 2,868	$ 1,264	$ 1,309	$ 527	$ 684
Service cost	167	49	60	22	30	6	11
Interest cost	320	80	116	50	53	21	28
Actuarial gains	(399)	(73)	(118)	(26)	(75)	(71)	(56)
Transfers	-	(26)	(7)	(45)	(17)	(2)	(2)
Plan amendments	(41)	(13)	(19)	(8)	(7)	-	-
Benefits paid	(567)	(170)	(161)	(85)	(60)	(39)	(33)
Obligation at measurement date	$ 7,510	$ 1,875	$ 2,739	$ 1,172	$ 1,233	$ 442	$ 632
Accumulated Benefit Obligation at measurement date	$ 7,361	$ 1,875	$ 2,698	$ 1,172	$ 1,192	$ 429	$ 608
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 7,754	$ 2,151	$ 2,647	$ 1,289	$ 1,150	$ 446	$ 627
Actual return on plan assets	705	207	215	108	93	43	62
Benefits paid	(567)	(170)	(161)	(85)	(60)	(39)	(33)
Transfers	-	(26)	(7)	(45)	(17)	(2)	(2)
Employer contributions	250	-	250	63	133	-	-
Plan assets at measurement date	$ 8,142	$ 2,162	$ 2,944	$ 1,330	$ 1,299	$ 448	$ 654
Funded status of plan	$ 632	$ 287	$ 205	$ 158	$ 66	$ 6	$ 22

(in millions)	Year Ended December 31, 2012						
	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 4,880	$ 1,831	$ 2,729	$ 1,263	$ 1,179	$ 627	$ 613
Obligation assumed from acquisition	2,850	-	-	-	-	-	-
Service cost	122	35	63	25	30	6	9
Interest cost	307	90	127	58	56	31	30
Actuarial losses	489	73	166	34	120	68	76
Transfers	-	176	-	-	-	(167)	-
Plan amendments	(170)	(52)	(64)	(43)	(10)	-	(1)
Benefits paid	(448)	(125)	(153)	(73)	(66)	(38)	(43)
Obligation at measurement date	$ 8,030	$ 2,028	$ 2,868	$ 1,264	$ 1,309	$ 527	$ 684
Accumulated Benefit Obligation at measurement date	$ 7,843	$ 2,028	$ 2,820	$ 1,264	$ 1,261	$ 501	$ 653
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 4,741	$ 1,820	$ 2,191	$ 1,091	$ 969	$ 565	$ 582
Assets received from acquisition	2,285	-	-	-	-	-	-
Actual return on plan assets	872	280	263	130	119	86	88
Benefits paid	(448)	(125)	(153)	(73)	(66)	(38)	(43)
Transfers	-	176	-	-	-	(167)	-
Employer contributions	304	-	346	141	128	-	-
Plan assets at measurement date	$ 7,754	$ 2,151	$ 2,647	$ 1,289	$ 1,150	$ 446	$ 627
Funded status of plan	$ (276)	$ 123	$ (221)	$ 25	$ (159)	$ (81)	$ (57)

Amounts Recognized in the Consolidated Balance Sheets

(in millions)	December 31, 2013						
	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Prefunded pension[a]	$ 632	$ 287	$ 230	$ 158	$ 66	$ 2	$ 75
Noncurrent pension liability	$ -	$ -	$ 25	$ -	$ -	$ (4)	$ 53
Net asset recognized	$ 632	$ 287	$ 205	$ 158	$ 66	$ 6	$ 22
Regulatory assets	$ 1,599	$ 377	$ 826	$ 363	$ 395	$ 48	$ 147
Accumulated other comprehensive (income) loss							
Deferred income tax asset	$ (41)	$ -	$ (9)	$ -	$ -	$ -	$ -
Prior service credit	(5)	-	-	-	-	-	-
Net actuarial loss	121	-	21	-	-	-	-
Net amounts recognized in accumulated other comprehensive loss[b]	$ 75	$ -	$ 12	$ -	$ -	$ -	$ -
Amounts to be recognized in net periodic pension expense in the next year							
Unrecognized net actuarial loss	$ 149	$ 35	$ 71	$ 33	$ 32	$ 4	$ 7
Unrecognized prior service credit	(15)	(8)	(4)	(2)	(1)	-	-

(in millions)	December 31, 2012						
	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Prefunded pension[a]	$ 163	$ 123	$ -	$ 25	$ -	$ -	$ -
Noncurrent pension liability	$ 439	$ -	$ 221	$ -	$ 159	$ 81	$ 57
Net asset (liability) recognized	$ (276)	$ 123	$ (221)	$ 25	$ (159)	$ (81)	$ (57)
Regulatory assets	$ 2,387	$ 582	$ 1,079	$ 472	$ 541	$ 144	$ 246
Accumulated other comprehensive (income) loss							
Deferred income tax asset	$ (59)	$ -	$ (9)	$ -	$ -	$ -	$ -
Prior service credit	(4)	-	-	-	-	-	-
Net actuarial loss	166	-	26	-	-	-	-
Net amounts recognized in accumulated other comprehensive loss[b]	$ 103	$ -	$ 17	$ -	$ -	$ -	$ -

(a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.
(b) Excludes accumulated other comprehensive income of $16 million and $9 million as of 2013 and 2012, respectively, net of tax, associated with a Brazilian retirement plan.

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

As of December 31, 2013, no qualified pension plans had an accumulated benefit obligation in excess of plan assets.

	December 31, 2012				
(in millions)	Duke	Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Projected benefit obligation	$ 5,396	$ 2,868	$ 1,309	$ 527	$ 684
Accumulated benefit obligation	5,201	2,820	1,261	501	653
Fair value of plan assets	4,957	2,647	1,150	446	627

Assumptions Used for Pension Benefits Accounting

The discount rate used to determine the current year pension obligation and following year's pension 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 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.

The average remaining service period of active covered employees is nine years for Duke Energy, Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana and eight years for Progress Energy, Duke Energy Progress and Duke Energy Florida.

The following tables present the assumptions used for pension benefit accounting. For Progress Energy plans, the assumptions used in 2012 to determine net periodic pension cost reflect remeasurement as of July 1, 2012, due to the merger between Duke Energy and Progress Energy.

	Duke Energy			Progress Energy		
	December 31,			December 31,		
	2013	2012	2011	2013	2012	2011
Benefit Obligations						
Discount rate	**4.70 %**	4.10 %	5.10 %	**4.70 %**	4.10 %	4.75 %
Salary increase	**4.40 %**	4.30 %	4.40 %	**4.00 %**	4.00 %	4.00 %
Net Periodic Benefit Cost						
Discount rate	**4.10 %**	4.60-5.10%	5.00 %	**4.10 %**	4.60-4.75%	5.55 %
Salary increase	**4.30 %**	4.40 %	4.10 %	**4.00 %**	4.00 %	4.50 %
Expected long-term rate of return on plan assets	**7.75 %**	8.00 %	8.25 %	**7.75 %**	8.00-8.25%	8.50 %

Expected Benefit Payments

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ending December 31,							
2014	$ 667	$ 224	$ 190	$ 98	$ 68	$ 36	$ 47
2015	643	218	185	92	71	35	45
2016	640	212	190	93	74	34	46
2017	633	205	191	91	77	34	44
2018	623	196	194	91	80	34	46
2019 - 2023	2,933	807	969	422	430	171	227

NON-QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 3	$ -	$ 1	$ 1	$ -	$ -	$ -
Interest cost on projected benefit obligation	13	1	7	1	1	-	-
Amortization of actuarial loss	5	-	3	1	1	-	-
Amortization of prior service credit	(1)	-	(1)	-	-	-	-
Net periodic pension costs	$ 20	$ 1	$ 10	$ 3	$ 2	$ -	$ -

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 2	$ -	$ 2	$ 1	$ -	$ -	$ -
Interest cost on projected benefit obligation	12	1	8	1	2	-	-
Amortization of actuarial loss	4	-	5	1	-	-	-
Amortization of prior service cost (credit)	1	-	(1)	-	-	-	-
Net periodic pension costs	$ 19	$ 1	$ 14	$ 3	$ 2	$ -	$ -

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 1	$ -	$ 2	$ 1	$ -	$ -	$ -
Interest cost on projected benefit obligation	8	1	9	2	2	-	-
Amortization of actuarial loss	-	-	3	-	1	-	-
Amortization of prior service cost	2	-	-	-	-	-	-
Net periodic pension costs	$ 11	$ 1	$ 14	$ 3	$ 3	$ -	$ -

Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets and Liabilities

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net (decrease) increase	$ (14)	$ 1	$ (16)	$ (4)	$ (3)	$ -	$ (2)
Regulatory liabilities, net increase	$ 5	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	$ -	$ -	$ 1	$ -	$ -	$ -	$ -
Actuarial losses (gains) arising during the year	2	-	(5)	-	-	-	-
Prior year service credit arising during the year	(1)	-	-	-	-	-	-
Net amount recognized in accumulated other comprehensive loss (income)	$ 1	$ -	$ (4)	$ -	$ -	$ -	$ -

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net increase (decrease)	$ 34	$ -	$ (6)	$ (2)	$ 1	$ -	$ -
Regulatory liabilities, net increase	$ (8)	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	$ -	$ -	$ (1)	$ -	$ -	$ -	$ -
Actuarial (gains) losses arising during the year	(2)	-	3	-	-	-	-
Net amount recognized in accumulated other comprehensive (income) loss	$ (2)	$ -	$ 2	$ -	$ -	$ -	$ -

Reconciliation of Funded Status to Net Amount Recognized

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 335	$ 16	$ 176	$ 38	$ 45	$ 4	$ 5
Service cost	3	-	1	1	-	-	-
Interest cost	13	1	7	1	1	-	-
Actuarial losses	(15)	1	(11)	(3)	(3)	(1)	-
Settlements	(5)	-	-	-	-	-	-
Plan amendments	(1)	-	-	-	-	-	-
Transfers	-	-	(21)	-	-	-	-
Benefits paid	(26)	(3)	(12)	(3)	(4)	-	-
Obligation at measurement date	$ 304	$ 15	$ 140	$ 34	$ 39	$ 3	$ 5
Accumulated Benefit Obligation at measurement date	$ 302	$ 15	$ 140	$ 34	$ 39	$ 3	$ 5
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Benefits paid	(26)	(3)	(12)	(3)	(4)	-	-
Employer contributions	26	3	12	3	4	-	-
Plan assets at measurement date	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 160	$ 18	$ 177	$ 39	$ 44	$ 4	$ 5
Obligation assumed from acquisition	172	-	-	-	-	-	-
Service cost	2	-	2	1	-	-	-
Interest cost	12	1	8	1	2	-	-
Actuarial losses	18	-	11	3	3	-	-
Plan amendments	(5)	-	(12)	(4)	(2)	-	-
Transfers	-	1	-	-	-	-	-
Benefits paid	(24)	(4)	(10)	(2)	(2)	-	-
Obligation at measurement date	$ 335	$ 16	$ 176	$ 38	$ 45	$ 4	$ 5
Accumulated Benefit Obligation at measurement date	$ 332	$ 16	$ 175	$ 36	$ 44	$ 4	$ 5
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Benefits paid	(24)	(4)	(10)	(2)	(3)	-	-
Employer contributions	24	4	10	2	3	-	-
Plan assets at measurement date	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Amounts Recognized in the Consolidated Balance Sheets

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current pension liability[a]	$ 30	$ 2	$ 11	$ 2	$ 3	$ -	$ -
Noncurrent pension liability	274	13	129	32	36	3	5
Total accrued pension liability	$ 304	$ 15	$ 140	$ 34	$ 39	$ 3	$ 5
Regulatory assets	$ 45	$ 4	$ 18	$ 3	$ 6	$ -	$ -
Regulatory liabilities	$ 7	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated other comprehensive (income) loss							
Deferred income tax asset	$ -	$ -	$ (3)	$ -	$ -	$ -	$ -
Prior service credit	(1)	-	-	-	-	-	-
Net actuarial loss	1	-	7	-	-	-	-
Net amounts recognized in accumulated other comprehensive loss	$ -	$ -	$ 4	$ -	$ -	$ -	$ -
Amounts to be recognized in net periodic pension expense in the next year							
Unrecognized net actuarial loss	$ 5	$ -	$ 2	$ 1	$ -	$ -	$ -
Unrecognized prior service credit	(1)	-	(1)	(1)	-	-	-

	December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current pension liability[a]	$ 30	$ 3	$ 11	$ 2	$ 3	$ -	$ -
Noncurrent pension liability	305	13	165	36	42	4	5
Total accrued pension liability	$ 335	$ 16	$ 176	$ 38	$ 45	$ 4	$ 5
Regulatory assets	$ 59	$ 3	$ 34	$ 7	$ 9	$ -	$ 2
Regulatory liabilities	$ 2	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated other comprehensive (income) loss							
Deferred income tax asset	$ -	$ -	$ (4)	$ -	$ -	$ -	$ -
Net actuarial (gain) loss	(1)	-	12	-	-	-	-
Net amounts recognized in accumulated other comprehensive (income) loss	$ (1)	$ -	$ 8	$ -	$ -	$ -	$ -

(a) Included in Other within Current Liabilities on the Consolidated Balance Sheets.

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Projected benefit obligation	$ 304	$ 15	$ 140	$ 34	$ 39	$ 3	$ 5
Accumulated benefit obligation	302	15	140	34	39	3	5

	December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Projected benefit obligation	$ 335	$ 16	$ 176	$ 38	$ 45	$ 4	$ 5
Accumulated benefit obligation	332	16	175	36	44	4	5

Assumptions Used for Pension Benefits Accounting

The discount rate used to determine the current year pension obligation and following year's pension 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 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.

The average remaining service period of active covered employees is 13 years for Duke Energy and Progress Energy, nine years for Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana, 12 years for Duke Energy Progress and 17 years for Duke Energy Florida.

The following tables present the assumptions used for pension benefit accounting. For Progress Energy plans, the assumptions used in 2012 to determine net periodic pension cost reflect remeasurement as of July 1, 2012, due to the merger between Duke Energy and Progress Energy.

	Duke Energy			Progress Energy		
	December 31,			December 31,		
	2013	2012	2011	2013	2012	2011
Benefit Obligations						
Discount rate	**4.70 %**	4.10 %	5.10 %	**4.70 %**	4.10 %	4.80 %
Salary increase	**4.40 %**	4.30 %	4.40 %	**- %**	- %	5.25 %
Net Periodic Benefit Cost						
Discount rate	**4.10 %**	4.60-5.10%	5.00 %	**4.10 %**	4.60-4.80%	5.60 %
Salary increase	**4.30 %**	4.40 %	4.10 %	**- %**	- %	5.25 %

Expected Benefit Payments

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ending December 31,							
2014	$ 31	$ 3	$ 11	$ 2	$ 3	$ -	$ -
2015	28	2	11	2	3	-	-
2016	26	2	11	2	3	-	-
2017	27	2	11	2	3	-	-
2018	24	2	11	2	3	-	-
2019 - 2023	112	6	52	13	15	1	2

OTHER POST-RETIREMENT BENEFIT PLANS

Duke Energy provides, and the Subsidiary Registrants participate in, some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans. The health care benefits include medical, dental, and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments.

Duke Energy did not make any pre-funding contributions to its other post-retirement benefit plans during the years ended December 31, 2013, 2012 or 2011.

Components of Net Periodic Other Post-Retirement Benefit Costs

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 24	$ 2	$ 18	$ 9	$ 7	$ 1	$ 1
Interest cost on accumulated post-retirement benefit obligation	68	13	41	22	16	2	5
Expected return on plan assets	(14)	(11)	-	-	-	(1)	(1)
Amortization of actuarial loss (gain)	52	3	57	34	16	(1)	1
Amortization of prior service credit	(41)	(7)	(30)	(20)	(6)	(1)	-
Net periodic post-retirement benefit costs[a][b]	$ 89	$ -	$ 86	$ 45	$ 33	$ -	$ 6

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 16	$ 2	$ 17	$ 8	$ 7	$ 1	$ 1
Interest cost on accumulated post-retirement benefit obligation	56	15	43	23	18	3	6
Expected return on plan assets	(17)	(10)	(2)	-	(2)	(1)	(1)
Amortization of actuarial loss (gain)	14	3	35	20	12	(2)	-
Amortization of prior service credit	(8)	(5)	-	-	-	(1)	-
Amortization of net transition liability	10	7	4	-	3	-	-
Special termination benefit cost	9	1	5	2	1	-	-
Net periodic post-retirement benefit costs[a][b]	$ 80	$ 13	$ 102	$ 53	$ 39	$ -	$ 6

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 7	$ 2	$ 11	$ 5	$ 5	$ 1	$ 1
Interest cost on accumulated post-retirement benefit obligation	35	16	41	20	18	3	7
Expected return on plan assets	(15)	(10)	(2)	-	(2)	(1)	(1)
Amortization of actuarial (gain) loss	(3)	2	12	5	7	(2)	2
Amortization of prior service credit	(8)	(5)	-	-	-	(1)	-
Amortization of net transition liability	10	9	5	1	4	-	-
Net periodic post-retirement benefit costs[a][b]	$ 26	$ 14	$ 67	$ 31	$ 32	$ -	$ 9

(a) Duke Energy amounts exclude $8 million, $9 million and $8 million for the years ended December 31, 2013, 2012 and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

(b) Duke Energy Ohio amounts exclude $2 million for each of the years ended December 31, 2013, 2012 and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets and Liabilities

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net (decrease) increase	$ (683)	$ (51)	$ (634)	$ (388)	$ (166)	$ -	$ (6)
Regulatory liabilities, net increase (decrease)	$ 30	$ -	$ -	$ -	$ -	$ 3	$ 9
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	$ 2	$ -	$ -	$ -	$ -	$ -	$ -
Actuarial gains arising during the year	(4)	-	-	-	-	-	-
Prior year service credit arising during the year	(3)	-	-	-	-	-	-
Amortization of prior year actuarial loss	1	-	-	-	-	-	-
Net amount recognized in accumulated other comprehensive income	$ (4)	$ -	$ -	$ -	$ -	$ -	$ -

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net increase (decrease)	$ 484	$ (20)	$ 228	$ 170	$ 28	$ -	$ (6)
Regulatory liabilities, net decrease	$ (6)	$ -	$ -	$ -	$ -	$ (1)	$ (2)
Accumulated other comprehensive (income) loss							
Deferred income tax expense	$ (2)	$ -	$ -	$ -	$ -	$ (4)	$ -
Reclassification of actuarial losses to an affiliate	-	-	-	-	-	6	-
Actuarial losses arising during the year	-	-	-	-	-	2	-
Prior year service cost arising during the year	-	-	-	-	-	1	-
Amortization of prior year actuarial loss	-	-	-	-	-	1	-
Reclassification of actuarial gains to regulatory liabilities	4	-	-	-	-	-	-
Net amount recognized in accumulated other comprehensive loss	$ 2	$ -	$ -	$ -	$ -	$ 6	$ -

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

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Accumulated post-retirement benefit obligation at prior measurement date	$ 1,794	$ 316	$ 1,128	$ 612	$ 413	$ 48	$ 136
Service cost	24	2	18	9	7	1	1
Interest cost	68	13	41	22	16	2	5
Plan participants' contributions	47	15	14	6	7	3	3
Actuarial gains	(227)	(32)	(156)	(73)	(70)	(6)	(12)
Transfers	-	-	(1)	(8)	-	-	-
Benefits paid	(132)	(36)	(60)	(26)	(31)	(6)	(14)
Plan amendments	(476)	(16)	(455)	(311)	(91)	-	(3)
Accrued retiree drug subsidy	8	3	4	2	2	-	2
Accumulated post-retirement benefit obligation at measurement date	$ 1,106	$ 265	$ 533	$ 233	$ 253	$ 42	$ 118
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 198	$ 134	$ -	$ -	$ -	$ 7	$ 17
Actual return on plan assets	18	13	-	-	-	2	2
Benefits paid	(132)	(36)	(60)	(26)	(31)	(6)	(14)
Transfers[a]	-	(1)	-	-	-	-	-
Employer contributions	83	18	46	20	24	2	10
Plan participants' contributions	47	15	14	6	7	3	3
Plan assets at measurement date	$ 214	$ 143	$ -	$ -	$ -	$ 8	$ 18

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Accumulated post-retirement benefit obligation at prior measurement date	$ 667	$ 312	$ 841	$ 407	$ 368	$ 61	$ 135
Obligation assumed from acquisition	977	-	-	-	-	-	-
Service cost	16	2	17	8	7	1	1
Interest cost	56	15	43	23	18	3	6
Plan participants' contributions	41	18	13	5	7	4	8
Actuarial gains	198	28	291	205	49	3	(2)
Transfers	-	9	-	-	-	(16)	-
Benefits paid	(105)	(38)	(61)	(24)	(33)	(8)	(13)
Special termination benefit cost	9	1	5	2	1	-	-
Plan amendments	(70)	(33)	(25)	(16)	(6)	-	-
Accrued retiree drug subsidy	5	2	4	2	2	-	1
Accumulated post-retirement benefit obligation at measurement date	$ 1,794	$ 316	$ 1,128	$ 612	$ 413	$ 48	$ 136
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 181	$ 120	$ 37	$ -	$ 37	$ 9	$ 14
Actual return on plan assets	23	12	2	-	2	1	2
Benefits paid	(105)	(38)	(61)	(24)	(33)	(8)	(13)
Transfers[a]	-	5	(39)	-	(39)	(3)	-
Employer contributions	58	17	48	19	26	4	6
Plan participants' contributions	41	18	13	5	7	4	8
Plan assets at measurement date	$ 198	$ 134	$ -	$ -	$ -	$ 7	$ 17

(a) Progress Energy and Duke Energy Florida amounts reflect assets that did not meet the definition of plan assets. These assets are included in Other within Investments and Other Assets on the Consolidated Balance Sheets.

Amounts Recognized in the Consolidated Balance Sheets

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current post-retirement liability[a]	$ 39	$ -	$ 36	$ 17	$ 16	$ 2	$ -
Noncurrent post-retirement liability	853	122	497	216	237	32	100
Total accrued post-retirement liability	$ 892	$ 122	$ 533	$ 233	$ 253	$ 34	$ 100
Regulatory assets	$ (162)	$ (34)	$ (129)	$ (97)	$ 4	$ -	$ 71
Regulatory liabilities	$ 131	$ -	$ -	$ -	$ -	$ 21	$ 77
Accumulated other comprehensive (income) loss							
Deferred income tax liability	$ 4	$ -	$ -	$ -	$ -	$ -	$ -
Prior service credit	(5)	-	-	-	-	-	-
Net actuarial gain	(6)	-	-	-	-	-	-
Net amounts recognized in accumulated other comprehensive income	$ (7)	$ -	$ -	$ -	$ -	$ -	$ -
Amounts to be recognized in net periodic pension expense in the next year							
Unrecognized net actuarial loss (gain)	$ 38	$ 3	$ 46	30	$ 10	$ (2)	$ (6)
Unrecognized prior service credit	(125)	(10)	(112)	(73)	(21)	-	-

	December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current post-retirement liability[a]	$ 50	$ -	$ 47	$ 23	$ 20	$ 2	$ -
Noncurrent post-retirement liability	1,546	182	1,081	589	393	39	119
Total accrued post-retirement liability	$ 1,596	$ 182	$ 1,128	$ 612	$ 413	$ 41	$ 119
Regulatory assets	$ 521	$ 17	$ 505	$ 291	$ 170	$ -	$ 77
Regulatory liabilities	$ 101	$ -	$ -	$ -	$ -	$ 18	$ 68
Accumulated other comprehensive (income) loss							
Deferred income tax liability	$ 2	$ -	$ -	$ -	$ -	$ -	$ -
Prior service credit	(3)	-	-	-	-	-	-
Net actuarial gain	(2)	-	-	-	-	-	-
Net amounts recognized in accumulated other comprehensive income	$ (3)	$ -	$ -	$ -	$ -	$ -	$ -

(a) Included in Other within Current Liabilities on the Consolidated Balance Sheets.

Assumptions Used for Other Post-Retirement Benefits Accounting

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 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 present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

The following tables present the assumptions used for other post-retirement benefits accounting. For Progress Energy plans, the assumptions used in 2012 to determine net periodic other post-retirement benefit cost reflect remeasurement as of July 1, 2012, due to the merger between Duke Energy and Progress Energy.

	Duke Energy			Progress Energy		
	December 31,			December 31,		
	2013	2012	2011	2013	2012	2011
Benefit Obligations						
Discount rate	**4.70 %**	4.10 %	5.10 %	**4.70 %**	4.10 %	4.85 %
Net Periodic Benefit Cost						
Discount rate	**4.10 %**	4.60-5.10%	5.00 %	**4.10 %**	4.60-4.85%	5.70 %
Expected long-term rate of return on plan assets	**7.75 %**	5.20-8.00%	5.36-8.25%	**- %**	N/A-5.00%	5.00 %
Assumed tax rate	**35 %**	35 %	35 %			

Assumed Health Care Cost Trend Rate

	December 31,	
	2013	2012
Health care cost trend rate assumed for next year	**8.50 %**	8.50 %
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	**5.00 %**	5.00 %
Year that rate reaches ultimate trend	**2021**	2020

Sensitivity to Changes in Assumed Health Care Cost Trend Rates

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
1-Percentage Point Increase							
Effect on total service and interest costs	$ 11	$ 2	$ 7	$ 4	$ 3	$ 1	$ 1
Effect on post-retirement benefit obligation	42	10	20	9	10	2	4
1-Percentage Point Decrease							
Effect on total service and interest costs	(9)	(1)	(6)	(3)	(2)	-	(1)
Effect on post-retirement benefit obligation	(36)	(9)	(16)	(7)	(8)	(1)	(4)

Expected Benefit Payments

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ending December 31,							
2014	$ 85	$ 21	$ 36	$ 17	$ 17	$ 4	$ 11
2015	88	22	38	17	17	4	12
2016	89	23	38	18	17	4	12
2017	89	23	38	18	17	3	11
2018	89	24	38	18	17	3	11
2019 - 2023	413	109	180	81	84	17	47

PLAN ASSETS

Description and Allocations

Duke Energy Master Retirement Trust

Assets for both the qualified pension and other post-retirement benefits are maintained in the Duke Energy Master Retirement Trust. Approximately 98 percent of the Duke Energy Master Retirement Trust assets were allocated to qualified pension plans and approximately 2 percent were allocated to other post-retirement plans, as of December 31, 2013 and 2012. The investment objective of the Duke Energy Master Retirement Trust is to achieve reasonable returns, subject to a prudent level of portfolio risk, for the purpose of enhancing the security of benefits for plan participants.

The asset allocation targets were set after considering the investment objective and the risk profile. Equity securities are held for their high expected return. Debt securities, hedge funds, real estate and other global securities are held for diversification. Investments within asset classes are to be diversified to achieve broad market participation and reduce the impact of individual managers or investments. Duke Energy regularly reviews its actual asset allocation and periodically rebalances its investments to the targeted allocation when considered appropriate.

Qualified pension and other post-retirement benefits for the Subsidiary Registrants are derived from the Duke Energy Master Retirement Trust, as such, each are allocated their proportionate share of the assets discussed below.

The following table includes the target asset allocations by asset class at December 31, 2013 and the actual asset allocations for the Duke Energy Master Retirement Trust.

		Actual Allocation at December 31,	
	Target Allocation	2013	2012
U.S. equity securities	10 %	10 %	28 %
Non-U.S. equity securities	8 %	8 %	15 %
Global equity securities	10 %	10 %	10 %
Global private equity securities	3 %	3 %	3 %
Debt securities	63 %	63 %	32 %
Hedge funds	2 %	3 %	4 %
Real estate and cash	2 %	1 %	4 %
Other global securities	2 %	2 %	4 %
Total	100 %	100 %	100 %

Progress Energy Master Retirement Trust

As of December 31, 2012, assets for Progress Energy qualified pension benefits were maintained in the Progress Energy Master Retirement Trust. As of January 1, 2013, assets previously held in the Progress Energy Master Retirement Trust were transferred into the Duke Energy Master Retirement Trust. The following table includes the actual asset allocations for the Progress Energy Master Retirement Trust at December 31, 2012.

	Actual Allocation at December 31, 2012
U.S. equity securities	20 %
Non-U.S. equity securities	14 %
Global equity securities	8 %
Global private equity securities	10 %
Debt securities	35 %
Hedge funds	9 %
Real estate and cash	1 %
Other global securities	3 %
Total	100 %

VEBA I

Duke Energy also invests other post-retirement assets in the Duke Energy Corporation Employee Benefits Trust (VEBA I). The investment objective of VEBA I is to achieve sufficient returns, subject to a prudent level of portfolio risk, for the purpose of promoting the security of plan benefits for participants. VEBA I is passively managed.

The following table includes the weighted-average returns expected by asset classes and the target asset allocations at December 31, 2013 and the actual asset allocations for VEBA I.

		Actual Allocation at December 31,	
	Target Allocation	2013	2012
U.S. equity securities	30 %	29 %	23 %
Debt securities	45 %	29 %	32 %
Cash	25 %	42 %	45 %
Total	100 %	100 %	100 %

Fair Value Measurements

Duke Energy classifies recurring and non-recurring fair value measurements based on the fair value hierarchy as discussed in Note 16.

Valuation methods of the primary fair value measurements disclosed above are as follows:

Investments in equity securities

Investments in equity securities, other than those accounted for as equity and cost method investments, are typically valued at the closing price in the principal active market as of the last business day of the reporting period. Principal active markets for equity prices include published exchanges such as NASDAQ and NYSE. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. Prices have not been adjusted to reflect after-hours market activity. The majority of investments in equity securities are valued using Level 1 measurements. When (i) the Duke Energy Registrants lack the ability to redeem investments valued on a net asset value per share basis at net asset value per share in the near future or (ii) net asset value per share is not available at the measurement date, the fair value measurement of the investment is categorized as Level 3.

Investments in debt securities

Most debt investments are valued based on a calculation using interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating. Most debt valuations are Level 2 measurements. If the market for a

particular fixed income security is relatively inactive or illiquid, the measurement is Level 3. U.S. Treasury debt is typically Level 1.

Investments in short-term investment funds

Investments in short-term investment funds are valued at the net asset value of units held at year end. Investments in short-term investment funds with published prices are valued as Level 1. Investments in short-term investment funds with unpublished prices are valued as Level 2.

Investments in real estate investment trusts

Investments in real estate investment trusts are valued based upon property appraisal reports prepared by independent real estate appraisers. The Chief Real Estate Appraiser of the asset manager is responsible for assuring that the valuation process provides independent and reasonable property market value estimates. An external appraisal management firm not affiliated with the asset manager has been appointed to assist the Chief Real Estate Appraiser in maintaining and monitoring the independence and the accuracy of the appraisal process.

Duke Energy Master Retirement Trust

The following table provides the fair value measurement amounts for the Duke Energy Master Retirement Trust qualified pension and other post-retirement assets.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Equity securities	$ 2,877	$ 1,801	$ 1,022	$ 54
Corporate debt securities	2,604	-	2,601	3
Short-term investment funds	1,158	254	904	-
Partnership interests	307	-	-	307
Hedge funds	164	-	111	53
Real estate trusts	95	-	-	95
U.S. government securities	927	-	927	-
Guaranteed investment contracts	33	-	-	33
Governments bonds - foreign	19	-	18	1
Cash	58	58	-	-
Government and commercial mortgage backed securities	7	-	7	-
Net pending transactions and other investments	12	7	5	-
Total assets(a)	$ 8,261	$ 2,120	$ 5,595	$ 546

(a) Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana were allocated approximately 28 percent, 35 percent, 16 percent, 16 percent, 5 percent and 8 percent, respectively, of the Duke Energy Master Retirement Trust assets at December 31, 2013. Accordingly, all Level 1, 2 and 3 amounts included in the table above are allocable to the Subsidiary Registrants using these percentages.

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Equity securities	$ 2,993	$ 1,415	$ 1,575	$ 3
Corporate debt securities	1,391	-	1,388	3
Short-term investment funds	100	23	77	-
Partnership interests	141	-	-	141
Hedge funds	97	-	97	-
Real estate trusts	167	-	-	167
U.S. government securities	237	-	237	-
Guarantees investment contracts	37	-	-	37
Governments bonds - foreign	65	-	64	1
Cash	4	4	-	-
Asset backed securities	14	-	14	-
Net pending transactions and other investments	(16)	(21)	5	-
Total assets(a)	$ 5,230	$ 1,421	$ 3,457	$ 352

(a) Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana were allocated approximately 43 percent, 9 percent and 12 percent, respectively, of the Duke Energy Master Retirement Trust assets at December 31, 2012. Accordingly, all Level 1, 2 and 3 amounts included in the table above are allocable to Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana using these percentages.

The following table provides a reconciliation of beginning and ending balances of assets of master trusts measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

(in millions)	2013	2012
Balance at January 1	$ 352	$ 322
Combination of trust assets	288	-
Purchases, sales, issuances and settlements		
Purchases	25	21
Sales	(152)	(4)
Total gains (losses) and other	33	13
Balance at December 31	$ 546	$ 352

Progress Energy Master Retirement Trust

The following table provides the fair value measurement amounts for the Progress Energy Master Retirement Trust qualified pension assets.

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Equity securities	$ 1,094	$ 361	$ 733	$ -
Corporate debt securities	432	-	432	-
Partnership interests	154	-	-	154
Hedge funds	313	-	189	124
U.S. government securities	515	405	110	-
Governments bonds - foreign	6	-	6	-
Cash	160	113	47	-
Net pending transactions and other investments	16	-	6	10
Total assets[a]	$ 2,690	$ 879	$ 1,523	$ 288

(a) Duke Energy Progress and Duke Energy Florida were allocated approximately 48 percent and 44 percent, respectively, of the Progress Energy Master Trust assets at December 31, 2012. Accordingly, all Level 1, 2 and 3 amounts included in the table above are allocable to Duke Energy Progress and Duke Energy Florida using these percentages.

The following table provides a reconciliation of beginning and ending balances of Progress Trust assets measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

(in millions)	2013	2012
Balance at January 1	$ 288	$ 311
Combination of trust assets	(288)	-
Purchases, sales, issuances and settlements		
Purchases	-	13
Sales	-	(14)
Transfers in and/or out of level 3	-	(41)
Total gains (losses) and other	-	19
Balance at December 31	$ -	$ 288

VEBA I

The following tables provide the fair value measurement amounts for VEBA I other post-retirement assets.

	December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 21	$ -	$ 21	$ -
Equity securities	15	-	15	-
Debt securities	15	-	15	-
Total assets	$ 51	$ -	$ 51	$ -

	December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 22	$ -	$ 22	$ -
Equity securities	12	-	12	-
Debt securities	16	-	16	-
Total assets	$ 50	$ -	$ 50	$ -

EMPLOYEE SAVINGS PLANS

Duke Energy sponsors, and the Subsidiary Registrants participate in, employee savings plans that cover substantially all U.S. employees. Most employees participate in a matching contribution formula where Duke Energy provides a matching contribution generally equal to 100 percent of employee before-tax and Roth 401(k) contributions, and, as applicable, after-tax contributions, of up to 6 percent of eligible pay per pay period. Dividends on Duke Energy shares held by the savings plans are charged to retained earnings when declared and shares held in the plans are considered outstanding in the calculation of basic and diluted earnings per share.

The following table includes pretax employer matching contributions made by Duke Energy and expensed by the Subsidiary Registrants.

(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ended December 31,							
2013	$ 134	$ 45	$ 45	$ 25	$ 14	$ 3	$ 7
2012	107	37	45	24	15	4	6
2011	86	37	44	23	14	4	8

22. INCOME TAXES

INCOME TAX EXPENSE

Components of Income Tax Expense

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current income taxes							
Federal	$ (123)	$ 49	$ (221)	$ (70)	$ (143)	$ (21)	$ (88)
State	(37)	11	(37)	(10)	(13)	(2)	7
Foreign	151	-	-	-	-	-	-
Total current income taxes	(9)	60	(258)	(80)	(156)	(23)	(81)
Deferred income taxes							
Federal	1,129	464	555	316	326	93	276
State	142	75	84	59	44	5	29
Foreign	14	-	-	-	-	-	-
Total deferred income taxes[(a)]	1,285	539	639	375	370	98	305
Investment tax credit amortization	(15)	(5)	(8)	(7)	(1)	-	(1)
Income tax expense from continuing operations	1,261	594	373	288	213	75	223
Tax benefit from discontinued operations	(27)	-	(26)	-	-	-	-
Total income tax expense included in Consolidated Statements of Operations	$ 1,234	$ 594	$ 347	$ 288	$ 213	$ 75	$ 223

(a) Includes benefits of net operating loss (NOL) carryforwards of $837 million at Duke Energy, $458 million at Progress Energy, $64 million at Duke Energy Progress, $301 million at Duke Energy Florida, $29 million at Duke Energy Ohio and $179 million at Duke Energy Indiana.

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current income taxes							
Federal	$ (46)	$ (1)	$ (88)	$ (48)	$ 6	$ 26	$ (27)
State	35	(25)	2	(6)	-	11	27
Foreign	133	-	-	-	-	-	-
Total current income taxes	122	(26)	(86)	(54)	6	37	-
Deferred income taxes							
Federal	513	408	226	162	121	72	(47)
State	64	77	40	9	21	(9)	(25)
Foreign	20	-	-	-	-	-	-
Total deferred income taxes[a]	597	485	266	171	142	63	(72)
Investment tax credit amortization	(14)	(6)	(8)	(7)	(1)	(2)	(1)
Income tax expense (benefit) from continuing operations	705	453	172	110	147	98	(73)
Tax expense from discontinued operations	24	-	29	-	-	-	-
Total income tax expense (benefit) included in Consolidated Statements of Operations	$ 729	$ 453	$ 201	$ 110	$ 147	$ 98	$ (73)

(a) Includes benefits of NOL carryforwards of $1,127 million at Duke Energy, $245 million at Duke Energy Carolinas, $357 million at Progress Energy, $257 million at Duke Energy Progress, $25 million at Duke Energy Florida, $99 million at Duke Energy Ohio and $205 million at Duke Energy Indiana.

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current income taxes							
Federal	$ (37)	$ (122)	$ (91)	$ (27)	$ (60)	$ (95)	$ 95
State	21	30	29	21	5	1	42
Foreign	164	-	-	-	-	-	-
Total current income taxes	148	(92)	(62)	(6)	(55)	(94)	137
Deferred income taxes							
Federal	526	531	365	262	214	194	(38)
State	56	40	27	6	22	(2)	(23)
Foreign	32	-	-	-	-	-	-
Total deferred income taxes[a]	614	571	392	268	236	192	(61)
Investment tax credit amortization	(10)	(7)	(7)	(6)	(1)	(2)	(2)
Income tax expense from continuing operations	752	472	323	256	180	96	74
Tax benefit from discontinued operations	-	-	(3)	-	-	-	-
Total income tax expense included in Consolidated Statements of Operations	$ 752	$ 472	$ 320	$ 256	$ 180	$ 96	$ 74

(a) Includes benefits of NOL carryforwards of $274 million at Duke Energy, $79 million at Duke Energy Carolinas, $213 million at Progress Energy, $54 million at Duke Energy Progress, $41 million at Duke Energy Florida and $47 million at Duke Energy Ohio.

Duke Energy Income from Continuing Operations before Income Taxes

(in millions)	Years Ended December 31, 2013	2012	2011
Domestic	$ 3,320	$ 1,827	$ 1,780
Foreign	600	624	685
Income from continuing operations before income taxes	$ 3,920	$ 2,451	$ 2,465

Statutory Rate Reconciliation

The following tables present a reconciliation of income tax expense at the U.S. federal statutory tax rate to the actual tax expense from continuing operations.

(in millions)	Year Ended December 31, 2013 Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35 percent	$ 1,372	$ 549	$ 361	$ 276	$ 188	$ 62	$ 203
State income tax, net of federal income tax effect	67	56	31	31	20	2	23
Tax differential on foreign earnings	(45)	-	-	-	-	-	-
AFUDC equity income	(55)	(32)	(18)	(15)	(3)	-	(5)
Renewable energy production tax credits	(59)	-	-	-	-	-	-
Other items, net	(19)	21	(1)	(4)	8	11	2
Income tax expense from continuing operations	$ 1,261	$ 594	$ 373	$ 288	$ 213	$ 75	$ 223
Effective tax rate	32.2 %	37.8 %	36.2 %	36.5 %	39.6 %	42.2 %	38.4 %

(in millions)	Year Ended December 31, 2012 Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35 percent	$ 858	$ 461	$ 185	$ 134	$ 145	$ 96	$ (43)
State income tax, net of federal income tax effect	64	34	33	1	14	1	1
Tax differential on foreign earnings	(66)	-	-	-	-	-	-
AFUDC equity income	(101)	(54)	(37)	(24)	(13)	(2)	(26)
Renewable energy production tax credits	(25)	-	-	-	-	-	-
Other items, net	(25)	12	(9)	(1)	1	3	(5)
Income tax expense (benefit) from continuing operations	$ 705	$ 453	$ 172	$ 110	$ 147	$ 98	$ (73)
Effective tax rate	28.8 %	34.3 %	32.7 %	28.7 %	35.7 %	36.0 %	59.5 %

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Income tax expense, computed at the statutory rate of 35 percent	$ 863	$ 457	$ 319	$ 270	$ 173	$ 102	$ 85
State income tax, net of federal income tax effect	50	46	39	18	17	(1)	13
Tax differential on foreign earnings	(44)	-	-	-	-	-	-
AFUDC equity income	(91)	(59)	(36)	(25)	(11)	(2)	(31)
Renewable energy production tax credits	(21)	-	-	-	-	-	-
Other items, net	(5)	28	1	(7)	1	(3)	7
Income tax expense from continuing operations	$ 752	$ 472	$ 323	$ 256	$ 180	$ 96	$ 74
Effective tax rate	30.5 %	36.1 %	35.6 %	33.2 %	36.3 %	33.1 %	30.6 %

Valuation allowances have been established for certain foreign and state NOL carryforwards and state income tax credits 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 tables.

DEFERRED TAXES

Net Deferred Income Tax Liability Components

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	$ 245	$ 56	$ 136	$ 9	$ 96	$ (13)	$ 9
Capital lease obligations	59	11	-	-	-	-	(2)
Pension, postretirement and other employee benefits	649	18	341	119	145	23	54
Progress Energy merger purchase accounting adjustments[a]	1,184	-	-	-	-	-	-
Tax credits and NOL carryforwards	4,307	488	1,965	396	365	165	521
Other	265	15	116	39	43	20	14
Valuation allowance	(192)	-	(40)	(1)	-	-	-
Total deferred income tax assets	6,517	588	2,518	562	649	195	596
Investments and other assets	(1,396)	(999)	(209)	(160)	(49)	(17)	(7)
Accelerated depreciation rates	(12,615)	(4,400)	(3,663)	(2,528)	(1,160)	(1,937)	(1,591)
Regulatory assets and deferred debits	(3,185)	(609)	(1,389)	(202)	(1,159)	(168)	(117)
Total deferred income tax liabilities	(17,196)	(6,008)	(5,261)	(2,890)	(2,368)	(2,122)	(1,715)
Net deferred income tax liabilities	$ (10,679)	$ (5,420)	$ (2,743)	$ (2,328)	$ (1,719)	$ (1,927)	$ (1,119)

(a) Primarily related to capital lease obligations and debt fair value adjustments.

On July 23, 2013, HB 998 was signed into law. HB 998 reduces the North Carolina corporate income tax rate from a statutory 6.9 percent to 6.0 percent in January 2014 with a further reduction to 5.0 percent in January 2015. Duke Energy recorded a net reduction of approximately $145 million to its North Carolina deferred tax liability in the third quarter of 2013. The significant majority of this deferred tax liability reduction was offset by recording a regulatory liability pending NCUC determination of the disposition of the amounts related to Duke Energy Carolinas and Duke Energy Progress. The impact of HB 998 did not have a significant impact on the financial position, results of operation, or cash flows of Duke Energy, Duke Energy Carolinas, Progress Energy or Duke Energy Progress.

The following table presents the expiration of tax credits and NOL carryforwards.

	December 31, 2013	
(in millions)	Amount	Expiration Year
Investment Tax Credits	$ 498	2029 - 2033
Alternative Minimum Tax Credits	1,028	Indefinite
Federal NOL carryforwards	2,471	2030 - 2033
State NOL carryforwards and credits[a]	189	2014 - 2033
Foreign NOL carryforwards[b]	121	2015 - 2033
Total tax credits and NOL carryforwards	$ 4,307	

(a) A valuation allowance of $83 million has been recorded on the state NOL carryforwards, state tax credits and state capital loss carryforwards, as presented in the Net Deferred Income Tax Liability Components table.
(b) A valuation allowance of $109 million has been recorded on the foreign NOL carryforwards, as presented in the Net Deferred Income Tax Liability Components table. Certain foreign NOL carryforwards have an indefinite expiration period.

	December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	$ 256	$ 64	$ 110	$ 24	$ 76	$ (10)	$ 22
Capital lease obligations	60	13	-	-	-	-	(1)
Pension, postretirement and other employee benefits	1,320	117	712	318	257	62	94
Progress Energy merger purchase accounting adjustments[a]	1,312	-	-	-	-	-	-
Tax credits and NOL carryforwards	3,311	447	1,536	309	91	152	340
Other	408	22	230	82	126	10	27
Valuation allowance	(226)	-	(77)	-	-	(1)	-
Total deferred income tax assets	6,441	663	2,511	733	550	213	482
Investments and other assets	(1,093)	(838)	(112)	(108)	(6)	(25)	(18)
Accelerated depreciation rates	(11,208)	(4,289)	(2,803)	(2,178)	(592)	(1,823)	(1,131)
Regulatory assets and deferred debits	(3,819)	(627)	(1,775)	(465)	(1,318)	(197)	(185)
Total deferred income tax liabilities	(16,120)	(5,754)	(4,690)	(2,751)	(1,916)	(2,045)	(1,334)
Net deferred income tax liabilities	$ (9,679)	$ (5,091)	$ (2,179)	$ (2,018)	$ (1,366)	$ (1,832)	$ (852)

(a) Primarily related to capital lease obligations and debt fair value adjustments.

Classification of Deferred Tax Assets (Liabilities) in the Consolidated Balance Sheets

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current Assets: Other	$ 1,373	$ 286	$ 540	$ 229	$ 110	$ 85	$ 52
Investments and Other Assets: Other	45	-	-	-	-	-	-
Deferred Credits and Other Liabilities: Other	(12,097)	(5,706)	(3,283)	(2,557)	(1,829)	(2,012)	(1,171)
Net deferred income tax liabilities	$ (10,679)	$ (5,420)	$ (2,743)	$ (2,328)	$ (1,719)	$ (1,927)	$ (1,119)

	December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current Assets: Other	$ 732	$ 90	$ 359	$ 144	$ 152	$ 21	$ 1
Investments and Other Assets: Other	85	-	20	-	-	-	-
Current Liabilities: Other	(6)	-	-	-	-	-	-
Deferred Credits and Other Liabilities: Other	(10,490)	(5,181)	(2,558)	(2,162)	(1,518)	(1,853)	(853)
Net deferred income tax liabilities	$ (9,679)	$ (5,091)	$ (2,179)	$ (2,018)	$ (1,366)	$ (1,832)	$ (852)

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, 2013 on which Duke Energy has not provided deferred income taxes and foreign withholding taxes is approximately $2.4 billion. The amount of unrecognized deferred tax liability related to these undistributed earnings is estimated at between $300 million and $375 million.

UNRECOGNIZED TAX BENEFITS

The following tables present changes to unrecognized tax benefits.

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Unrecognized tax benefits — January 1	$ 540	$ 271	$ 131	$ 67	$ 44	$ 36	$ 32
Unrecognized tax benefits increases (decreases)							
Gross decreases — tax positions in prior periods	(231)	(100)	(86)	(45)	(37)	(36)	(31)
Decreases due to settlements	(66)	-	-	-	-	-	-
Reduction due to lapse of statute of limitations	(13)	-	(13)	-	1	-	-
Total changes	(310)	(100)	(99)	(45)	(36)	(36)	(31)
Unrecognized tax benefits — December 31	$ 230	$ 171	$ 32	$ 22	$ 8	$ -	$ 1

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Unrecognized tax benefits — January 1	$ 385	$ 260	$ 173	$ 73	$ 80	$ 32	$ 24
Acquisitions	128	-	-	-	-	-	-
Unrecognized tax benefits increases (decreases)							
Gross increases — tax positions in prior periods	29	12	23	10	12	2	6
Gross decreases — tax positions in prior periods	(4)	-	(72)	(19)	(52)	-	-
Gross increases — current period tax positions	28	15	8	4	4	4	4
Gross decreases — current period tax positions	(9)	(5)	(1)	(1)	-	(2)	(2)
Decreases due to settlements	(13)	(11)	-	-	-	-	-
Reduction due to lapse of statute of limitations	(4)	-	-	-	-	-	-
Total changes	155	11	(42)	(6)	(36)	4	8
Unrecognized tax benefits — December 31	$ 540	$ 271	$ 131	$ 67	$ 44	$ 36	$ 32

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Unrecognized tax benefits — January 1	$ 342	$ 217	$ 176	$ 74	$ 99	$ 29	$ 21
Unrecognized tax benefits increases (decreases)							
Gross increases — tax positions in prior periods	49	42	88	19	66	4	3
Gross decreases — tax positions in prior periods	(18)	(8)	(24)	(14)	(21)	(5)	(3)
Gross increases — current period tax positions	16	9	9	8	1	4	3
Gross decreases — current period tax positions	-	-	(8)	(4)	(4)	-	-
Decreases due to settlements	(4)	-	(68)	(10)	(61)	-	-
Total changes	43	43	(3)	(1)	(19)	3	3
Unrecognized tax benefits — December 31	$ 385	$ 260	$ 173	$ 73	$ 80	$ 32	$ 24

The following table includes additional information regarding the Duke Energy Registrants' unrecognized tax benefits. It is reasonably possible that Duke Energy and Duke Energy Carolinas will reflect an approximate $4 million reduction in unrecognized tax benefits within the next 12 months due to expected settlements. All other Duke Energy Registrants do not anticipate a material increase or decrease in unrecognized tax benefits within the next 12 months.

	December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
Amount that if recognized, would affect the effective tax rate or regulatory liability[a]	$ 128	$ 116	$ 2	$ 1	$ 1	$ 1
Amount that if recognized, would be recorded as a component of discontinued operations	8	-	-	-	-	-

(a) Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana are unable to estimate the specific amounts that would affect the effective tax rate versus the regulatory liability.

OTHER TAX MATTERS

The following tables include interest recognized in the Consolidated Statements of Operations and the Consolidated Balance Sheets.

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Net interest income recognized related to income taxes	$ 2	$ 2	$ 6	$ 7	$ -	$ 4	$ 1
Interest payable related to income taxes	27	8	10	2	7	-	-

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Net interest income recognized related to income taxes	$ 10	$ 9	$ -	$ -	$ -	$ -	$ 2
Net interest expense recognized related to income taxes	-	-	2	-	2	-	-
Interest receivable related to income taxes	-	7	-	-	-	-	-
Interest payable related to income taxes	7	-	17	8	9	3	1

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Net interest income recognized related to income taxes	$ 12	$ 5	$ 24	$ 6	$ 22	$ -	$ -
Net interest expense recognized related to income taxes	-	-	-	-	-	1	1
Interest receivable related to income taxes	8	5	-	-	-	-	-
Interest payable related to income taxes	-	-	21	8	7	3	3

Duke Energy and its subsidiaries are no longer subject to U.S. federal examination for years before 2006. The years 2006 and 2007 are in Appeals. The IRS is currently auditing the federal income tax returns for years 2008 through 2011. 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 2004.

23. OTHER INCOME AND EXPENSES, NET

The components of Other income and expenses, net on the Consolidated Statements of Operations are as follows.

	Year Ended December 31, 2013						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Interest income	$ 26	$ 1	$ 7	$ 1	$ 3	$ 6	$ 6
Foreign exchange losses	(18)	-	-	-	-	-	-
AFUDC equity	157	91	50	42	8	1	15
Deferred returns	39	32	7	7	-	-	-
Other income (expense)	58	(4)	30	7	19	(3)	(3)
Other income and expense, net	$ 262	$ 120	$ 94	$ 57	$ 30	$ 4	$ 18

	Year Ended December 31, 2012						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Interest income	$ 50	$ 11	$ 2	$ 1	$ 1	$ 10	$ 7
Foreign exchange losses	(5)	-	-	-	-	-	-
AFUDC equity	300	154	106	69	37	6	84
Deferred returns	24	24	-	-	-	-	-
Other income (expense)	28	(4)	22	9	1	(3)	(1)
Other income and expense, net	$ 397	$ 185	$ 130	$ 79	$ 39	$ 13	$ 90

	Year Ended December 31, 2011						
(in millions)	Duke	Duke Energy Carolinas	Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Interest income	$ 53	$ 10	$ 2	$ 1	$ 1	$ 14	$ 14
Foreign exchange gains	2	-	-	-	-	-	-
AFUDC equity	260	168	103	71	32	5	88
Contingent value obligations mark-to-market loss	-	-	(59)	-	-	-	-
Deferred returns	10	10	-	-	-	-	-
Other income (expense)	51	(2)	6	8	(3)	-	(5)
Other income and expense, net	$ 376	$ 186	$ 52	$ 80	$ 30	$ 19	$ 97

24. SUBSEQUENT EVENTS

For information on subsequent events related to acquisitions, dispositions and sales of other assets, regulatory matters and commitments and contingencies, see Notes 2, 4 and 5.

25. QUARTERLY FINANCIAL DATA (UNAUDITED)

DUKE ENERGY

The following table includes the results of Progress Energy beginning July 2, 2012. Quarterly EPS amounts are meant to be stand-alone calculations and are not always additive to the full-year amount due to rounding and the weighting of share issuances.

(in millions, except per share data)	First Quarter	Second	Third	Fourth	Total
2013					
Operating revenues	$ 5,898	$ 5,879	$ 6,709	$ 6,112	$ 24,598
Operating income	1,215	821	1,743	1,203	4,982
Income from continuing operations	634	345	994	686	2,659
Net income	634	342	1,008	692	2,676
Net income attributable to Duke Energy Corporation	634	339	1,004	688	2,665
Earnings per share:					
Income from continuing operations attributable to Duke Energy Corporation common shareholders					
Basic	$ 0.89	$ 0.48	$ 1.40	$ 0.96	$ 3.74
Diluted	$ 0.89	$ 0.48	$ 1.40	$ 0.96	$ 3.74
Net income attributable to Duke Energy Corporation common shareholders					
Basic	$ 0.89	$ 0.48	$ 1.42	$ 0.97	$ 3.77
Diluted	$ 0.89	$ 0.48	$ 1.42	$ 0.97	$ 3.76
2012					
Operating revenues	$ 3,630	$ 3,577	$ 6,722	$ 5,695	$ 19,624
Operating income	495	786	1,078	767	3,126
Income from continuing operations	297	449	594	406	1,746
Net income	299	448	598	437	1,782
Net income attributable to Duke Energy Corporation	295	444	594	435	1,768
Earnings per share:					
Income from continuing operations attributable to Duke Energy Corporation common shareholders					
Basic	$ 0.66	$ 0.99	$ 0.84	$ 0.57	$ 3.01
Diluted	$ 0.66	$ 0.99	$ 0.84	$ 0.57	$ 3.01
Net income attributable to Duke Energy Corporation common shareholders					
Basic	$ 0.66	$ 0.99	$ 0.85	$ 0.62	$ 3.07
Diluted	$ 0.66	$ 0.99	$ 0.85	$ 0.62	$ 3.07

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

(in millions)	First Quarter	Second	Third	Fourth	Total
2013 (a)					
Costs to achieve Progress Energy merger (see Note 2)	$ (55)	$ (82)	$ (88)	$ (72)	$ (297)
Crystal River Unit 3 charges (see Note 4)	-	(295)	-	(57)	(352)
Harris and Levy nuclear development charges (see Note 4)	-	(87)	-	-	(87)
Gain on sale of DukeNet (see Note 12)	-	-	-	105	105
Total	$ (55)	$ (464)	$ (88)	$ (24)	$ (631)
2012					
Costs to achieve Progress Energy merger (see Note 2)	$ (8)	$ (7)	$ (457)	$ (164)	$ (636)
Edwardsport IGCC charges (see Note 4)	(420)	-	(180)	(28)	(628)
Voluntary Opportunity Plan deferral (see Note 19)	101	-	-	-	101
Total	$ (327)	$ (7)	$ (637)	$ (192)	$ (1,163)

(a) Revised retail rates became effective in January for Duke Energy Florida, May for Duke Energy Ohio, June for Duke Energy Progress and September for Duke Energy Carolinas (see Note 4 for further information).

DUKE ENERGY CAROLINAS

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013					
Operating revenues	$ 1,729	$ 1,591	$ 1,919	$ 1,715	$ 6,954
Operating income	434	351	604	420	1,809
Net income	244	181	342	209	976
2012					
Operating revenues	$ 1,501	$ 1,616	$ 1,939	$ 1,609	$ 6,665
Operating income	475	386	440	216	1,517
Net income	266	211	258	130	865

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

(in millions)	First Quarter	Second	Third	Fourth	Total
2013 (a)					
Costs to achieve Progress Energy merger (see Note 2)	$ (22)	$ (35)	$ (34)	$ (29)	$ (120)
2012					
Costs to achieve Progress Energy merger (see Note 2)	$ (4)	$ (5)	$ (184)	$ (46)	$ (239)
Voluntary Opportunity Plan deferral (see Note 19)	101	-	-	-	101
Total	$ 97	$ (5)	$ (184)	$ (46)	$ (138)

(a) Revised retail rates became effective in September in both North Carolina and South Carolina (see Note 4 for further information).

PROGRESS ENERGY

(in millions)	First Quarter	Second	Third	Fourth	Total
2013					
Operating revenues	$ 2,186	$ 2,281	$ 2,766	$ 2,300	$ 9,533
Operating income	430	114	671	403	1,618
Income (loss) from continuing operations	154	(13)	328	190	659
Net income (loss)	154	(17)	342	196	675
Net income (loss) attributable to Parent	153	(17)	341	195	672
2012					
Operating revenues	$ 2,102	$ 2,288	$ 2,788	$ 2,227	$ 9,405
Operating income	363	277	379	118	1,137
Income (loss) from continuing operations	141	68	154	(8)	355
Net income	152	64	157	34	407
Net income attributable to Parent	150	63	155	32	400

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

(in millions)	First Quarter	Second	Third	Fourth	Total
2013 (a)					
Costs to achieve the merger with Duke Energy (see Note 2)	$ (19)	$ (33)	$ (42)	$ (28)	$ (122)
Crystal River Unit 3 charges (see Note 4)	-	(295)	-	(57)	(352)
Harris and Levy nuclear development charges (see Note 4)	-	(87)	-	-	(87)
Total	$ (19)	$ (415)	$ (42)	$ (85)	$ (561)
2012					
Costs to achieve the merger with Duke Energy (see Note 2)	$ (7)	$ (20)	$ (217)	$ (82)	$ (326)
Florida replacement power refund (see Note 4)	-	-	(100)	-	(100)
Crystal River Unit 3 charges (see Note 4)	-	-	-	(192)	(192)
Total	$ (7)	$ (20)	$ (317)	$ (274)	$ (618)

(a) Revised retail rates became effective in January in Florida and June in North Carolina (see Note 4 for further information).

DUKE ENERGY PROGRESS

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013					
Operating revenues	$ 1,216	$ 1,135	$ 1,430	$ 1,211	$ 4,992
Operating income	212	166	303	251	932
Net income	110	77	175	138	500
2012					
Operating revenues	$ 1,090	$ 1,090	$ 1,398	$ 1,128	$ 4,706
Operating income	107	83	172	148	510
Net income	52	31	96	93	272

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013 (a)					
Costs to achieve the merger with Duke Energy (see Note 2)	$ (11)	$ (22)	$ (32)	$ (19)	$ (84)
Harris nuclear development charges (see Note 4)	-	(22)	-	-	(22)
Total	$ (11)	$ (44)	$ (32)	$ (19)	$ (106)
2012					
Costs to achieve the merger with Duke Energy (see Note 2)	$ (4)	$ (12)	$ (180)	$ (36)	$ (232)

(a) Revised retail rates became effective in June in North Carolina (see Note 4 for further information).

DUKE ENERGY FLORIDA

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013					
Operating revenues	$ 968	$ 1,142	$ 1,332	$ 1,085	$ 4,527
Operating income (loss)	221	(53)	369	151	688
Net income (loss)	110	(57)	197	75	325
2012					
Operating revenues	$ 1,010	$ 1,196	$ 1,388	$ 1,095	$ 4,689
Operating income (loss)	255	196	207	(29)	629
Net income (loss)	128	83	100	(45)	266

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

(in millions)	First Quarter	Second	Third	Fourth	Total
2013 (a)					
Costs to achieve the merger with Duke Energy (see Note 2)	$ (8)	$ (11)	$ (10)	$ (9)	$ (38)
Crystal River Unit 3 charges (see Note 4)	-	(295)	-	(57)	(352)
Levy nuclear development charges (see Note 4)	-	(65)	-	-	(65)
Total	$ (8)	$ (371)	$ (10)	$ (66)	$ (455)
2012					
Costs to achieve the merger with Duke Energy (see Note 2)	$ (3)	$ (8)	$ (37)	$ (46)	$ (94)
Replacement power refund (see Note 4)	-	-	(100)	-	(100)
Crystal River Unit 3 charges (see Note 4)	-	-	-	(192)	(192)
Total	$ (3)	$ (8)	$ (137)	$ (238)	$ (386)

(a) Revised retail rates became effective in January (see Note 4 for further information).

DUKE ENERGY OHIO

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013					
Operating revenues	$ 747	$ 811	$ 819	$ 868	$ 3,245
Operating (loss) income	(17)	108	116	44	251
Net (loss) income	(21)	58	59	6	102
2012					
Operating revenues	$ 912	$ 717	$ 757	$ 766	$ 3,152
Operating income	138	95	42	74	349
Net income	74	45	14	42	175

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

(in millions)	First Quarter	Second	Third	Fourth	Total
2013 (a)					
Costs to achieve Progress Energy merger (see Note 2)	$ (4)	$ (4)	$ (4)	$ (4)	$ (16)
2012					
Costs to achieve Progress Energy merger (see Note 2)	$ (1)	$ (1)	$ (22)	$ (12)	$ (36)

(a) Revised retail rates became effective in May (see Note 4 for further information).

DUKE ENERGY INDIANA

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013					
Operating revenues	$ 724	$ 700	$ 755	$ 747	$ 2,926
Operating income	181	168	203	181	733
Net income	90	82	104	82	358
2012					
Operating revenues	$ 688	$ 685	$ 718	$ 626	$ 2,717
Operating (loss) income	(272)	134	(30)	93	(75)
Net (loss) income	(167)	77	(19)	59	(50)

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013					
Costs to achieve Progress Energy merger (see Note 2)	$ (4)	$ (5)	$ (5)	$ (5)	$ (19)
2012					
Costs to achieve Progress Energy merger (see Note 2)	$ (1)	$ (1)	$ (21)	$ (11)	$ (34)
Edwardsport IGCC charges (see Note 4)	(420)	-	(180)	(28)	(628)
Total	$ (421)	$ (1)	$ (201)	$ (39)	$ (662)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	7,142,279,478
4	Property Under Capital Leases	62,983,674
5	Plant Purchased or Sold	
6	Completed Construction not Classified	1,433,717,357
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	8,638,980,509
9	Leased to Others	
10	Held for Future Use	4,854,336
11	Construction Work in Progress	100,276,197
12	Acquisition Adjustments	269,453,622
13	TOTAL Utility Plant (Total of lines 8 thru 12)	9,013,564,664
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	3,110,485,398
15	Net Utility Plant (Total of lines 13 and 14)	5,903,079,266
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	2,753,486,937
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	205,367,057
22	TOTAL In Service (Total of lines 18 thru 21)	2,958,853,994
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	132,986
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	132,986
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	151,498,418
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	3,110,485,398

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3	5,787,117,909	1,088,806,042		266,355,527
4	14,844,188	42,563,364		5,576,122
5				
6	691,976,182	632,765,106		108,976,069
7				
8	6,493,938,279	1,764,134,512		380,907,718
9				
10	4,854,336			
11	85,620,578	7,043,617		7,612,002
12	269,453,622			
13	6,853,866,815	1,771,178,129		388,519,720
14	2,479,335,414	476,086,519		155,063,465
15	4,374,531,401	1,295,091,610		233,456,255
16				
17				
18	2,249,496,228	456,986,562		47,004,147
19				
20				
21	78,207,782	19,099,957		108,059,318
22	2,327,704,010	476,086,519		155,063,465
23				
24				
25				
26				
27				
28	132,986			
29				
30	132,986			
31				
32	151,498,418			
33	2,479,335,414	476,086,519		155,063,465

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. 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) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant	16,555,356	146,736
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	16,555,356	146,736
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8		
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				
3				
4			303,763	17,005,855
5			303,763	17,005,855
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and		
40	Manufactured Gas Production Plant (Submit Supplementary	15,848,623	1,156,069
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	15,848,623	1,156,069
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land		
45	350.2 Rights-of-Way		
46	351 Structures and Improvements		
47	352 Wells		
48	352.1 Storage Leaseholds and Rights		
49	352.2 Reservoirs		
50	352.3 Non-recoverable Natural Gas		
51	353 Lines		
52	354 Compressor Station Equipment		
53	355 Other Equipment		
54	356 Purification Equipment		
55	357 Other Equipment		
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru		
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminaling and		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				
40	20,749			16,983,943
41	20,749			16,983,943
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75				
76				
77				
78				
79				
80				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,		
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights		
84	365.2 Rights-of-Way		
85	366 Structures and Improvements		
86	367 Mains		
87	368 Compressor Station Equipment		
88	369 Measuring and Regulating Station Equipment		
89	370 Communication Equipment		
90	371 Other Equipment		
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)		
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	9,117,280	
95	375 Structures and Improvements	1,534,498	
96	376 Mains	1,010,389,800	66,017,963
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	25,575,091	1,996,746
99	379 Measuring and Regulating Station Equipment-City Gate	263,232	
100	380 Services	419,004,650	30,577,142
101	381 Meters	45,612,974	1,320,767
102	382 Meter Installations	29,083,834	65,453
103	383 House Regulators	23,781,409	1,088,362
104	384 House Regulator Installations	16,814,075	75,359
105	385 Industrial Measuring and Regulating Station Equipment	3,531,431	3,204
106	386 Other Property on Customers' Premises		
107	387 Other Equipment	929,856	
108	388 Asset Retirement Costs for Distribution Plant	4,328,442	(1,467,681)
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	1,589,966,572	99,677,315
110	GENERAL PLANT		
111	389 Land and Land Rights		
112	390 Structures and Improvements	2,155,534	
113	391 Office Furniture and Equipment	2,025,214	31,797
114	392 Transportation Equipment	668,778	
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	8,113,493	264,756
117	395 Laboratory Equipment	54,460	10,908
118	396 Power Operated Equipment	219,039	
119	397 Communication Equipment	27,758,671	6,886,849
120	398 Miscellaneous Equipment		
121	Subtotal (Enter Total of lines 111 thru 120)	40,995,189	7,194,310
122	399 Other Tangible Property		
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	40,995,189	7,194,310
125	TOTAL (Accounts 101 and 106)	1,663,365,740	108,174,430
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	1,663,365,740	108,174,430

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				9,117,280
95			(223,106)	1,311,392
96	3,161,708			1,073,246,055
97				
98	8,065			27,563,772
99				263,232
100	3,974,390			445,607,402
101	354,295		10,299	46,589,745
102	100,376		(55,756)	28,993,155
103				24,869,771
104				16,889,434
105				3,534,635
106				
107	63,982			865,874
108	(415,118)			3,275,879
109	7,247,698		(268,563)	1,682,127,626
110				
111				
112	123,531			2,032,003
113				2,057,011
114	53,686			615,092
115				
116				8,378,249
117				65,368
118				219,039
119			4,806	34,650,326
120				
121	177,217		4,806	48,017,088
122				
123				
124	177,217		4,806	48,017,088
125	7,445,664		40,006	1,764,134,512
126				
127				
128				
129	7,445,664		40,006	1,764,134,512

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds $500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments for Current Year (d)
1	2004 Bank of America Leasing & Capital		meters	2,514,408
2	2005 Bank of America Leasing & Capital		meters	964,591
3	2006 Bank of America Leasing & Capital		meters	1,044,628
4	2007 Bank of America Leasing & Capital		meters	1,055,662
5	2009 Bank of America Leasing & Capital		meters	1,192,822
6	2010 Bank of America Leasing & Capital		meters	732,798
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	**Total**			**7,504,909**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than $1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	OHIO GAS DELIVERY - CAST IRON BARE STEEL	2,653,957	
2	PROJECTS LESS THAN A $1 MILLION	4,389,660	
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45	**Total**	**7,043,617**	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) X An Original (2) _ A Resubmission	/ /	2013/Q4

General Description of Construction Overhead Procedure

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. CONSTRUCTION OVERHEAD COSTS INCLUDE ENGINEERING AND SUPERVISORY SALARIES, ADMINISTRATIVE AND GENERAL SALARIES AND ASSOCIATED PAYROLL TAXES AND BENEFITS AND EMPLOYEE EXPENSES.

IN GENERAL, IF ENGINEERS, SUPERVISORS, AND CLERICAL EMPLOYEES DEVOTE ALL OR SUBSTANTIALLY ALL OF THEIR TIME TO CAPITAL CONSTRUCTION PROJECTS, THE SALARIES AND RELATED EXPENSES ARE CHARGED DIRECTLY TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS.

FOR POWER DELIVERY, CONSTRUCTION OVERHEAD COSTS ARE CHARGED TO THE ALLOCATION POOLS AND FROM THERE TRANSFERRED TO THE SPECIFIC CAPITAL CONSTRUCTION PROJECTS WHERE THE LABOR (INTERNAL AND CONTRACT) WAS CHARGED DURING THE MONTH.

2. ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) IS APPLIED TO THE TOTAL CONSTRUCTION EXPENDITURES, LESS CERTAIN EXCLUSIONS, ON JOBS UNDER CONSTRUCTION. EFFECTIVE JULY 1, 1982, THE RESPONDENT ADOPTED THE PRACTICE OF UPDATING THE AFUDC RATE MONTHLY, AS AUTHORIZED BY THE FEDERAL ENERGY REGULATORY COMMISSION IN A LETTER DATED MAY 27, 1982. THE AVERAGE AFUDC RATE FOR 2013 WAS 1.75%. THE MONTHLY RATE DOES NOT INCLUDE A REDUCTION FOR THE INCOME TAX EFFECT ON THE COST OF DEBT.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

General Description of Construction Overhead Procedure (continued)

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

1. For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.
2. Identify, in a footnote, the specific entity used as the source for the capital structure figures.
3. Indicate, in a footnote, if the reported rate of return is one that has been approved in a rate case, black-box settlement rate, or an actual three-year average rate.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ration (percent) (c)	Cost Rate Percentage (d)
	(1) Average Short-Term Debt	S		
	(2) Short-Term Interest			s
	(3) Long-Term Debt	D		d
	(4) Preferred Stock	P		p
	(5) Common Equity	C		c
	(6) Total Capitalization			
	(7) Average Construction Work In Progress Balance	W		

2. Gross Rate for Borrowed Funds $s(S/W) + d[(D/(D+P+C)) (1-(S/W))]$

3. Rate for Other Funds $[1-(S/W)] [p(P/(D+P+C)) + c(C/(D+P+C))]$

4. Weighted Average Rate Actually Used for the Year:
   a. Rate for Borrowed Funds -
   b. Rate for Other Funds -

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Accumulated Provision for Depreciation of Gas 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 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable 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.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	427,713,616	427,713,616		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	43,006,508	43,006,508		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	19,370	19,370		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	(325,953)	(325,953)		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	42,699,925	42,699,925		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(7,391,977)	(7,391,977)		
13	Cost of Removal	(3,403,930)	(3,403,930)		
14	Salvage (Credit)	46,262	46,262		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(10,842,169)	(10,842,169)		
16	Other Debit or Credit Items (Describe) (footnote details):	(2,584,810)	(2,584,810)		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	456,986,562	456,986,562		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	8,913,761	8,913,761		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage				
25	Other Storage Plant				
26	Base Load LNG Terminaling and Processing Plant				
27	Transmission				
28	Distribution	441,864,652	441,864,652		
29	General	6,208,149	6,208,149		
30	TOTAL (Total of lines 21 thru 29)	456,986,562	456,986,562		

FOOTNOTE DATA

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

ARO Provision ($325,953)

Schedule Page: 219 Line No.: 3 Column: c

This amount includes $2,411,286 of common plant provision that was allocated to gas utility plant. This amount ties to the depreciation expense shown on on page 115, line 6, column l. $2,411,286 ties to the amount of common plant that was allocated to gas plant per page 336, line 11, column B.

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

Common Utility Plant Provision	($2,411,286)
Deferral of SmartGrid Projects	($91,465)
Transfers/Adjustments	($82,059)
	($2,584,810)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of								
2	Gas Delivered to Storage					136,161			136,161
3	Gas Withdrawn from					8,817,990			8,817,990
4	Other Debits and Credits					41,326,253			41,326,253
5	Balance at End of Year					32,644,424			32,644,424
6	Dth					7,152,539			7,152,539
7	Amount Per Dth					4.5640			4.5640

FOOTNOTE DATA

Schedule Page: 220 Line No.: 5 Column: f

During the months of January - October, 2013 gas inventory was stored and managed by Duke Energy's Asset Manager. In November Duke Energy entered into a new agreement with the same Asset Manager but the stored gas was reclassified from 174.273 to account 164.1

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Investments (Account 123, 124, and 136)

1. Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for:

(a) Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.

(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	* (b)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During the Year (d)
1	123 NONE			
2				
3	124 CINCINNATI NEW MARKETS FUND		3,201,120	
4	DATE ACQUIRED:04/20/05			
5	DATE OF MATURITY			
6				
7	136 NONE			
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Investments (Account 123, 124, and 136) (continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3. Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
5. Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
6. In column (i) 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 different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2					
3			3,201,120		
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder 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	09/30/1945		
2	INVESTMENT AT COST			40,980
3	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			91,827
4	PURCHASE ACCOUNTING GOODWILL ALLOCATION			6,553
5	ADVANCES-OPEN ACCOUNT			6,090
6	SUBTOTAL			145,450
7				
8	DUKE ENERGY KENTUCKY, INC.	09/30/1945		
9	INVESTMENT AT COST			27,397,284
10	DUKE ENERGY KENTUCKY, INC & PURCH ACCTG UNAPPROPRIATED			344,789,684
11	PURCHASE ACCOUNTING GOODWILL ALLOCATION			172,312,903
12	CLEARING OF PURCHASE ACCOUNTING I&D & WORKERS COMP			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			(145,000,000)
19	SUBTOTAL			546,659,155
20				
21	TRI-STATE IMPROVEMENT COMPANY	01/14/1964		
22	INVESTMENT AT COST			25,000
23	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			(2,295,710)
24	PURCHASE ACCOUNTING ADJUSTMENTS			2,690,629
25	PURCHASE ACCOUNTING GOODWILL ALLOCATION			(168,780)
26	ADVANCES-OPEN ACCOUNT			360,924
27	SUBTOTAL			612,063
28				
29	KO TRANSMISSION COMPANY	04/11/1994		
30	INVESTMENT AT COST			10
31	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			5,118,644
32	DEFERRED TAX RECONCILIATION ADJUSTMENTS			43,869
33	ADVANCES-OPEN ACCOUNT			617,865
34	EQUITIZE BALANCE BETWEEN KO AND DUKE ENERGY OHIO			(4,387,362)
35	SUBTOTAL			1,393,026
36				
37	DUKE ENERGY COMMERCIAL ASSET MANAGEMENT			
38	INVESTMENT AT COST (FAYETTE, LEE, WASHINGTON, & HANGING ROCK)	04/01/2011		1,032,299,496
39	INVESTMENT AT COST (VERMILLION)	05/01/2011		138,400,465

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Investments in Subsidiary Companies (Account 123.1) (continued)

4. Designate in a footnote, any securities, notes, or accounts that were pledged, 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 in 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 different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1				
2			40,980	
3	17,637		109,464	
4			6,553	
5			6,090	
6	17,637		163,087	
7				
8				
9			27,397,284	
10	45,185,816		389,975,500	
11			172,312,903	
12			48,089	
13			(164,697)	
14			880,824	
15			140,061,362	
16			3,183,706	
17			3,150,000	
18		40,000,000	(185,000,000)	
19	45,185,816	40,000,000	551,844,971	
20				
21				
22			25,000	
23	(2,409,253)		(4,704,963)	
24			2,690,629	
25			(168,780)	
26			360,924	
27	(2,409,253)		(1,797,190)	
28				
29				
30			10	
31	544,783		5,663,427	
32			43,869	
33			617,865	
34		(3,164,484)	(1,222,878)	
35	544,783	(3,164,484)	5,102,293	
36				
37				
38			1,032,299,496	
39			138,400,465	

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2013/Q4

Investments in Subsidiary Companies (Account 123.1) (continued)

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			251,296,962
2	ADVANCES-OPEN ACCOUNT			426,962
3	DECAM DIVIDEND TO PARENT			(500,000,000)
4	DUKE ENERGY OHIO NON-NATIVE ALLOWANCE CONTRIBUTION			24,021,779
5	VERMILLION SALE TO DUKE ENERGY INDIANA			(28,206,555)
6	SUBTOTAL			918,239,109
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	**TOTAL Cost of Account 123.1 $** 1,489,152,738		**TOTAL**	1,467,048,803

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Investments in Subsidiary Companies (Account 123.1) (continued)

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1	15,435,464		266,732,426	
2			426,962	
3			(500,000,000)	
4			24,021,779	
5		(165,004)	(28,041,551)	
6	15,435,464	(165,004)	933,839,577	
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	58,774,447	36,670,512	1,489,152,738	

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	
2	Prepaid Rents	
3	Prepaid Taxes	11,513,204
4	Prepaid Interest	
5	Miscellaneous Prepayments	22,600,660
6	TOTAL	34,113,864

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	Income Taxes	84,984,632		Various	12,779,190		72,205,442
2							
3	Accelerated Gas Main Replacement Program	13,830,156	2,147,436	407.3	335,007		15,642,585
4							
5	Deferred PIP Uncollectible -- Gas	2,717,103	11,690,464	Various	11,470,356		2,937,211
6	(Amortized in accordance with Rate per MCF billed)						
7							
8	Bad Debt to be Recovered		234,248				234,248
9	(Amortized in accordance with rider revenue)						
10	Bad Debt to be Recovered - Generation	1,744,340	2,384,381	407.3	4,128,721		
11	(Amortized in accordance with rider revenue)						
12	ARO Other Regulatory Asset	545,222	68,091				613,313
13	Gas ARO Other Regulatory Asset	14,417,824	961,364	108	342,009		15,037,179
14							
15	Manufactured Gas Plant Reg Asset	77,114,562	26,519,224	426/ 407.4	13,549,428		90,084,358
16							
17	Interest Rate Hedges	1,219,750		427	59,500		1,160,250
18	(Amortized over lives of various instruments)						
19	Accrued Pension Post Retire Purchase Accounting	45,847,354		926	5,050,008		40,797,346
20	(Amortization varies based on actuarial projections)						
21	Pension Post Retire Purchase Accounting - FAS87 NQ	319,366		926	64,440		254,926
22	Pension Post Retire Purchase Accounting - FAS106	23,439,097		253 / 926	1,643,580		21,795,517
23	SmartGrid	60,999,774	45,271,956	Various	41,604,657		64,667,073
24	Supplier Cost Recovery Rider		17,836,863	555	9,137,278		8,699,585
25	Load Factor Adjustment Deferral		294,513				294,513
26	2007 DEO Gas Rate Case (Amortized 60 months, beginning June 2008)	40,417		928	40,417		
27	2012 DEO Gas Rate Case (Amortized 60 months, beginning December 2013)		405,000	928	6,750		398,250
28	2012 DEO Electric Dist. Rate Case (Amortized 36 months, beginning May 2013)		352,413	928	51,413		301,000
29	Deferred DSM Costs (Amortized in accordance with rider revenue)	14,354,282	20,374,404	Various	24,255,426		10,473,260
30	Hurricane Ike Regulatory Asset (Amortized in accordance with rider revenue)	7,698,687		407.3	5,322,286		2,376,401
31	Base Transmission Rider	5,742,751	11,592,908	407.3	10,458,495		6,877,164
32	MISO Transmission Expansion Projects	71,985,040	5,199,815	Various	6,381,742		70,803,113
33	MISO Hillcrest Project		3,540,724				3,540,724
34	Save-a-Watt Regulatory Asset	13,794,175	445,762	254/ 456	14,080,914		159,023

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Other Regulatory Assets (Account 182.3) (continued)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.
5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
35	Ohio Distribution Decoupling Rider	3,500,000	3,271,221	456	2,347,503		4,423,718
36	Camera Costs AMRP - Reg Asset	4,969,021	24,248	232	615		4,992,654
37	Alternative Energy Recovery Rider		1,447,404	242/407.3	1,057,929		389,475
38	Electric Choice Supplier Website		145,034	Various	15,179		129,855
39	Electric Economic Comp Fund		6,818,528	143 / 456	2,335,955		4,482,573
40	**Total**	**449,263,553**	**161,026,001**		**166,518,798**	**0**	**443,770,756**

FOOTNOTE DATA

Schedule Page: 232 Line No.: 3 Column: a

Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning June 2002)	278,718
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning June 2002)	45,968
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2003)	229,339
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2003)	537,201
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2003)	90,375
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2004)	322,979
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2004)	496,761
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2004)	128,971
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2005)	234,324
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2005)	620,525
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2005)	119,306
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2006)	48,399
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2006)	838,482

FOOTNOTE DATA

Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2006)	140,483
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2007)	123,099
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2007)	1,049,307
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2007)	105,520
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2008)	163,260
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2008)	1,377,264
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2008)	119,288
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2009)	107,568
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2009)	603,680
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2009)	163,542
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2009)	13,672
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2010)	26,821
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2010)	921,193
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2010)	141,952

FOOTNOTE DATA

Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2010)	149,102
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2011)	19,197
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2011)	984,150
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2011)	449,615
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2011)	427,553
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2012)	22,612
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2012)	800,616
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2012)	514,996
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2012)	163,804
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2013)	465,475
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2013)	1,159,977
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2013)	797,068
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2013)	86,247
Accelerated Gas Main Replacement Program Post In Service Carrying Costs	554,176

Total	15,642,585

Schedule Page: 232 Line No.: 23 Column: a

SmartGrid Gas Furnace Deferred Costs (Amortized in accordance with rider revenue)	3,179,206
SmartGrid 2010 Deferred Costs (Amortized 12 months, beginning April 2013)	438,030
SmartGrid 2011 Deferred Costs (Amortized 12 months, beginning April 2013)	3,200,694
SmartGrid 2012 Deferred Costs	17,619,370
SmartGrid 2013 Deferred Costs	(2,097,660)
SmartGrid 2008 PISCC (Amortized 541 months, beginning May 2010)	355,015
SmartGrid 2009 PISCC (Amortized 660 months, beginning April 2011)	1,500,117
SmartGrid 2010 PISCC (Amortized 690 months, beginning July 2012)	2,613,142
SmartGrid 2010 Deferred Depreciation (Amortized 12 months, beginning June 2012)	0
SmartGrid 2011 PISCC (Amortized 690 months, beginning April 2013)	5,501,213
SmartGrid 2011 Deferred Depreciation (Amortized 12 months, beginning April 2013)	1,393,147
SmartGrid 2012 PISCC (Amortized 236 months, beginning December 2013)	8,658,570
SmartGrid 2012 Deferred Depreciation	5,082,895
SmartGrid 2013 PISCC	9,154,414
SmartGrid 2013 Deferred Depreciation	8,068,920
Total	64,667,073

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Miscellaneous Deferred Debits (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance at End of Year (f)
1	Deferred compensation	3,079,545	69,652			3,149,197
2						
3	Vacation accrual	5,181,471		242/926	591,660	4,589,811
4						
5	Accrued pension post retire FAS158	118,331,772		various	83,544,262	34,787,510
6						
7	Indirect overhead allocation	112,498	28,198,051	various	27,948,909	361,640
8	pool - undistributed					
9						
10	Goodwill - PA	746,918,647				746,918,647
11						
12	Ohio excise tax	3,207,567		236	855,355	2,352,212
13						
14	Cincinnati Zoo naming right	190,000		404	30,000	160,000
15	(Amort 5/1/2009-4/30/2019)					
16						
17	Fuel - EA		115,362,462	186	115,362,462	
18						
19	OVEC investment	103,653,750		405	7,755,000	95,898,750
20	(Amort 4/1/2006-3/31/2026)					
21						
22	Joint owner	4,755,087	1,588,443	various	6,346,641	(3,111)
23						
24	Fixed gas deferred O&M	10,057,235		146	10,057,235	
25						
26	Private outdoor lighting	607,308	561,077	186/557	466,135	702,250
27						
28	Accum expenses - debt	107,806	290,600	various	393,146	5,260
29						
30	Ohio SSO / MRO Exp.	5,553,530	9,555,107	182/555	15,108,637	
31						
32	2012 Gas rate case	319,440	274,095	186/928	593,535	
33						
34	2012 Electric Distrib Rate Case	268,156	135,790	various	403,946	
35						
36	Other	471,868	3,950,947	various	4,105,579	317,236
37						
38						
39	Miscellaneous Work in Progress					
40	**Total**	**1,002,815,680**	**159,986,224**		**273,562,502**	**889,239,402**

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Accumulated Deferred Income Taxes (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric	35,247,636	49,460,399	23,269,777
3	Gas	62,025,741	43,301,582	23,220,188
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	97,273,377	92,761,981	46,489,965
6	Other (Specify) (footnote details)	127,455,569	63,575,623	50,929,199
7	TOTAL Account 190 (Total of lines 5 thru 6)	224,728,946	156,337,604	97,419,164
8	Classification of TOTAL			
9	Federal Income Tax	217,803,222	154,326,170	94,198,173
10	State Income Tax	6,925,724	2,011,434	3,220,991
11	Local Income Tax			

Accumulated Deferred Income Taxes (Account 190) (continued)

Line No.	Changes During Year Amounts Debited to Account 410.2 (e)	Changes During Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Account No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			Footnote	54,258			9,002,756
3					Footnote	4,667,104	46,611,451
4							
5				54,258		4,667,104	55,614,207
6	1,088,266	590,245			Footnote	13,782,480	128,093,604
7	1,088,266	590,245		54,258		18,449,584	183,707,811
8							
9	1,068,914	498,719		53,266		20,101,193	177,152,957
10	19,352	91,526		992		(1,651,609)	6,554,854
11							

Schedule Page: 234 Line No.: 6 Column: b

	Beginning Balance
Federal NOL	83,243,297
Emissions Allowance Expense	35,631,990
Property Tax Reserves	18,614,066
Asset Retirement Obligation	1,844,571
State NOL	1,783,937
Accrued Vacation	1,139,060
Retirement Plan Expense	(6,597,271)
Pension	(4,280,958)
Other Post-Employment Benefits	(3,820,495)
Mark To Market	(2,146,287)
Unamortized Debt	(971,743)
Other	3,015,402
	127,455,569

Schedule Page: 234 Line No.: 6 Column: k

	Ending Balance
Federal NOL	101,701,866
Property Tax Reserves	23,600,287
Retirement Plan Expense	7,034,902
State NOL	2,274,190
Asset Retirement Obligation	1,890,776
Pension	(4,539,293)
Other Post-Employment Benefits	(3,695,625)
Mark To Market	(2,394,043)
Other	2,220,544
	128,093,604

Schedule Page: 234 Line No.: 2 Column: g

Adjustments include:
- Transactions with Account Groups 254 and 236.
- Reclassifications between Electric - Utility and Other.

Schedule Page: 234 Line No.: 3 Column: i

Adjustments include:
- Transactions with Account Group 254.
- Reclassifications between Gas - Utility and Other.

Schedule Page: 234 Line No.: 6 Column: i

Adjustments include reclassifications between Electric - Utility and Other and Gas - Utility and Other.

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per Share (c)	Call Price at End of Year (d)
1	COMMON STOCK	120,000,000	8.50	
2				
3	TOTAL COMMON STOCK (ACCT 201)	120,000,000		
4				
5	PREFERRED STOCK			
6				
7	TOTAL PREFERRED STOCK (ACCT 204)			
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	89,663,086	762,136,231				
2						
3	89,663,086	762,136,231				
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

FOOTNOTE DATA

Schedule Page: 250 Line No.: 1 Column: b

The respondent's Common Stock is not listed on a national stock exchange.

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.

(b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Donations Received From Stockholders (Account 208)	
2	Balance: Beginning of Year	1,506,928,418
3		
4		
5		
6		
7	Subtotal Balance: End of Year	1,506,928,418
8		
9	Reduction in Par of Stated Value of Capital Stock (Account 209)	
10		
11	Gain on Resale or Cancellation of Reaquired Capital Stock (Acct 210)	
12		
13	Miscellaneous Paid-In Capital (Account 211)	
14	Balance: Beginning of Year	3,374,798,183
15	Vermillion Sale to Duke Energy Indiana-Tax Correction	165,004
16		
17	Subtotal Balance: End of Year	3,374,963,187
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40	**Total**	**4,881,891,605**

Securities Issued or Assumed and Securities Refunded or Retired During the Year

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.
2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gain or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.
5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

The following securities were issued:

Series: 3.80% First Mortage Bonds
Issued: September 6, 2013
Due: September 1, 2023
Principle: $300,000,000
Unamortized Expense: $1,683,500
Unamortized Discount: $99,000

Series: Floating Rate Note due 2015
Issued: September 6, 2013
Due: March 6, 2015
Principle: $150,000,000
Unamortized Expense: $391,500

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Long-Term Debt (Accounts 221, 222, 223, and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	Account 221 - First Mortgage Bonds			
2				
3	Ohio Air Quality Development 1995 Series A	09/01/1995	09/01/2030	42,000,000
4	Ohio Air Quality Development 1995 Series B	09/01/1995	09/01/2030	42,000,000
5	Ohio Air Quality Development 2002 Series A	09/10/2002	09/01/2037	42,000,000
6	Ohio Air Quality Development 2002 Series B	09/10/2002	09/01/2037	42,000,000
7		10/11/2007	01/01/2024	
8	Ohio Water Development 2007 Revenue Refunding Series A	10/11/2007	01/01/2024	
9	5.45% First Mortgage Bonds Due 2019	03/23/2009	04/01/2019	450,000,000
10	Ohio Air Quality Development 2004 Series A	11/10/2004	11/01/2039	47,000,000
11	Ohio Air Quality Development 2004 Series B	11/10/2004	11/01/2039	47,000,000
12	3.80% First Mortgage Bonds due 2023	09/06/2013	09/01/2023	300,000,000
13	Floating Rate Note due 2015	09/06/2013	03/06/2015	150,000,000
14				
15	Subtotal Account 221			1,162,000,000
16				
17	Account 222 & 223 - None			
18				
19	Account 224 - Notes Payable			
20				
21				
22	6.9% Unsecured Debentures Due in 2025	06/01/1995	06/01/2025	150,000,000
23	5.40% Debentures Due in 2033	06/16/2003	06/15/2033	200,000,000
24	5.375% Debentures Due in 2033	06/16/2003	06/15/2033	200,000,000
25	Ohio Air Quality Development 2007 Revenue Series A	11/29/2007	12/01/2041	70,000,000
26	Ohio Air Quality Development 2007 Revenue Series B	11/29/2007	12/01/2041	70,000,000
27	Todhunter Sale of Gas Storage Facility to TEPPCO	09/01/2007	08/31/2027	7,270,887
28	2.10% First Mortage Bonds Due 2013	12/14/2009	06/15/2013	
29				
30	Subtotal Account 224			697,270,887
31				
32				
33	SEE FOOTNOTE			
34				
35	OCI Amortization			
36				
37				
38				
39				
40	**TOTAL**			1,859,270,887

Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per $100 at End of Year (i)
1	0.000				
2					
3	0.255	172,401			100.00
4	0.150	121,840			100.00
5	0.328	470,079			100.00
6	0.335	267,356			100.00
7		20,527			
8		14,968			
9	5.450	24,525,000			0.40
10	0.336	404,672			100.00
11	0.338	404,341			100.00
12	3.800	3,641,667			0.15
13	0.385	192,655			0.00
14					
15		30,235,506			
16					
17					
18					
19					
20					
21					
22	6.900	10,350,000			
23	5.400	10,800,000			0.20
24	5.375	10,750,000			0.20
25	0.334	519,256			100.00
26	0.334	452,756			100.00
27	4.770				
28		2,391,667			0.15
29					
30		35,263,679			
31					
32					
33					
34					
35		59,500			
36					
37					
38					
39					
40		65,558,685			

FOOTNOTE DATA

Schedule Page: 256 Line No.: 7 Column: a

Pollution Control Bond was purchased back on November 30, 2012. The bond is now classified as a treasury bond.

Schedule Page: 256 Line No.: 8 Column: a

Pollution Control Bond was purchased back on November 30, 2012. The bond is now classified as a Treasury Bond.

Schedule Page: 256 Line No.: 27 Column: a

In July 2007, Duke Energy Ohio sold a cavern sotrage facility to TEPPCO. Under the rules of FAS 66, this transaction could not be accounted for as a sale and as such the consideration received has been recorded as long term debt on the Respondent's books.

Schedule Page: 256 Line No.: 33 Column: a

On September 30, 2013, duke Energy corporation filed a Form S-3 Shelf Registration Statement providing for the registration for the issuance of public securities. The Registration Statement includes Duke Energy Ohio, Inc. and has no limitation as to the amount of public securities to be offered. The Registration Statement was effective as of the filing date and is expected to remain effective for approximately 3 years.

On May 1, 2013, the long-term financing authority, PUCO Case No. 13-752-GE-AIS, was approved to issue securities in the form of Secured and Unsecured notes, Tax Exempt notes, and Capital leases, and it expires on April 30, 2014. The order provides the authorization to issue up to $800M of first mortgage bonds, senior and junior unsecured debentures, or other forms of unsecured indebtedness. Additionally, the authorization provides for the issuance of up to $450M of tax-exempt bonds and $100M of capital leases. Also, the authorization provides the authority to use interest rate hedges to help manage interest rate risk.

Schedule Page: 256 Line No.: 1 Column: e

The interst rate for each variable rate bond is the December 2013 average rate.

Schedule Page: 256 Line No.: 9 Column: i

Footnote for line 9, 12, 22, 23, 24, 28:
Redemption price of the Debenture is based on the present value of the future interest and principal payments discounted at a rate equal to the yield of US government securities with a maturity similar to the Debenture plus a certain spread. This spread is presented in column i and is shown as basis points. The calculated Redemption Price can never be less than $100.

Schedule Page: 256 Line No.: 13 Column: i

N/A - bond is not redeemable prior to maturity

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1					
2	UNAMORTIZED EXPENSE				
3	6.9% UNSECURED DEBENTURES DUE 6/01/25	150,000,000	2,871,122	06/01/1995	06/01/2025
4	OHIO AIR QUALITY DEV. 1995 SERIES A	42,000,000	272,300	09/01/1995	09/01/2030
5	OHIO AIR QUALITY DEV. 1995 SERIES B	42,000,000	272,300	09/01/1995	09/01/2030
6	5.45% FIRST MORTG BONDS DUE 4/1/19	450,000,000	2,174,657	03/23/2009	04/01/2019
7	2.10% FIRST MORTG BONDS DUE 6/15/13	250,000,000	687,500	12/17/2009	06/15/2013
8	3.80% First Mortgage Bonds Due 2023	300,000,000	1,683,500	09/06/2013	09/01/2023
9	Floating Rate Note due 2015	150,000,000	391,500	09/06/2013	03/06/2015
10	OHIO AIR QUALITY DEV. 2002 SERIES A	42,000,000	437,702	09/10/2002	09/01/2037
11	INSURANCE EXPENSE - OHIO AIR QUALITY DEV. 2002 SERIES A	42,000,000	807,465	09/10/2002	09/01/2037
12	OHIO AIR QUALITY DEV. 2002 SERIES B	42,000,000	437,702	09/10/2002	09/01/2037
13	INSURANCE EXPENSE - OHIO AIR QUALITY DEV. 2002 SERIES B	42,000,000	807,465	09/10/2002	09/01/2037
14	5.40% DEBENTURES DUE 6/15/33	200,000,000	1,295,647	06/16/2003	06/15/2033
15	5.375% DEBENTURES DUE 6/15/33	200,000,000	840,299	06/16/2003	06/15/2033
16	REOFF OHIO AIR QUALITY DEV. 1995B	42,000,000	150,000	08/01/2003	09/01/2030
17	MASTER CREDIT FACILITY			11/18/2011	11/18/2017
18	REOFF OHIO AIR QUALITY DEV. 1995A	42,000,000	150,000	08/01/2003	08/01/2030
19	OHIO AIR QUALITY DEV. 2004 SERIES A	47,000,000	799,672	11/18/2004	11/01/2039
20	OHIO AIR QUALITY DEV. 2004 SERIES B	47,000,000	799,672	11/18/2004	11/01/2039
21	OHIO AIR QUALITY DEV. 2007 REVENUE SERIES A	70,000,000	495,000	12/01/2007	12/01/2041
22	OHIO AIR QUALITY DEV. 2007 REVENUE SERIES B	70,000,000	495,000	12/01/2007	12/01/2041
23	SUBTOTAL ACCOUNT 181				
24					
25					
26	UNAMORTIZED PREMIUM				
27	PURCH ACCTG - 5.40% DEBENTURES DUE 6/15/33	200,000,000	(2,590,117)	04/01/2006	06/15/2033
28	PURCH ACCTG - 6.90% UNSECURED DEBENTURES DUE 6/1/25	150,000,000	(6,459,047)	04/01/2006	06/01/2025
29	SUBTOTAL ACCOUNT 225				
30					
31					
32					
33					
34					
35					
36					
37					
38					
39	UNAMORTIZED DISCOUNT				
40	6.9% UNSECURED DEBENTURES DUE 2025	150,000,000	975,000	06/01/1995	06/01/2025

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1				
2				
3	686,549		55,293	631,256
4	96,301		5,451	90,850
5	101,209		5,729	95,480
6	1,398,160		223,706	1,174,454
7	108,375		108,375	
8		1,873,727	166,006	1,707,721
9		486,613	149,355	337,258
10	309,015		12,528	296,487
11	569,415		23,084	546,331
12	309,015		12,528	296,487
13	569,415		23,084	546,331
14	567,221		27,729	539,492
15	488,534		23,882	464,652
16	56,551		3,201	53,350
17	2,644,290	376,225	538,321	2,482,194
18	55,124		3,120	52,004
19	614,203		22,890	591,313
20	614,203		22,890	591,313
21	1,008,262		34,868	973,394
22	1,008,262		34,868	973,394
23	11,204,104	2,736,565	1,496,908	12,443,761
24				
25				
26				
27	(1,944,486)	95,059		(1,849,427)
28	(4,186,803)	337,192		(3,849,611)
29	(6,131,289)	432,251		(5,699,038)
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	403,905		32,535	371,370
1	112,242		17,960	94,282
2	5,538		5,538	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226) (continued)

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)
1	5.45% DEBENTURES DUE 4/1/19	450,000,000	180,000	03/23/2009	04/01/2019
2	2.10% DEBENTURES DUE 6/15/13	250,000,000	42,500	12/17/2009	06/15/2013
3	OHIO AIR QUALITY DEV. 1995 SERIES A	42,000,000	149,265	09/01/1995	09/01/2030
4	OHIO AIR QUALITY DEV. 1995 SERIES B	42,000,000	149,265	09/01/1995	09/01/2030
5	5.40% DEBENTURES DUE 6/15/33	200,000,000	35,366,184	06/16/2003	06/15/2033
6	5.375% DEBENTURES DUE 6/15/33	200,000,000	17,312,591	06/16/2003	06/15/2033
7	3.80% First Mortgage Bonds Due 2023	300,000,000	99,000	09/06/2013	09/01/2023
8	SUBTOTAL ACCOUNT 226				
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226) (continued)

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
3	75,301		4,262	71,039
4	75,324		4,264	71,060
5	24,120,589		1,179,171	22,941,418
6	12,934,311		632,313	12,301,998
7		99,000	3,167	95,833
8	37,727,210	99,000	1,879,210	35,947,000
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

FOOTNOTE DATA

Schedule Page: 258 Line No.: 17 Column: a

Duke Energy has access to a $6 billion, 5-year master credit facility, expiring December 2018. The Duke Energy Registrants each have borrowing capacity under the master credit facility up to specified sublimits for each borrower. Duke Energy Ohio has a $550 million borrowing limit as of December 31, 2013.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Unamortized Loss and Gain on Reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1						
2						
3	FIRST MORTGAGE BONDS - 9.70%, 10-1/8%	11/11/1995	200,000,000	(3,724,487)	370,083	316,415
4	POLLUTION CONTROL BONDS - 10-1/8% DATED DECEMBER 1, 1985 DUE DECEMBER 1, 2015	11/11/1995	84,000,000	(3,554,482)	181,459	119,245
5	FIRST MORTGAGE BONDS - 10.20% DATED DECEMBER 1, 1990 DUE DECEMBER 1, 2020	10/30/1995	4,000,000	(1,950,399)	215,660	188,418
6	FIRST MORTGAGE BONDS - 8.95% SERIES	03/03/1997	100,000,000	(1,480,555)	187,749	166,791
7	FIRST MORTGAGE BONDS - 8-1/2%	03/30/1998	100,000,000	(987,703)	136,863	122,704
8	FIRST MORTGAGE BONDS - 7.20%	07/14/1999	34,500,000	(316,026)	49,032	44,472
9	OAQD BONDS 1985 A SERIES	10/01/2002	42,000,000	(300,358)	23,288	15,304
10	OAQD BONDS 1985 B SERIES	10/01/2002	42,000,000	(299,568)	23,226	15,263
11	DEBENTURES - 8.28% JR SB	06/30/2003	100,000,000	(3,158,778)	1,295,188	1,191,572
12	FIRST MORTGAGE BONDS - 7.20%	10/01/2003	265,500,000	(5,485,728)	2,127,840	1,929,902
13	OAQD BONDS 2001 A SERIES	09/01/2010	12,100,000	(534,966)	480,496	457,152
14						
15	TOTAL ACCOUNT 189		984,100,000	(21,793,050)	5,090,884	4,567,238
16						
17	FIRST MORTGAGE BONDS - 7.20%	07/14/1999	34,500,000	1,006,250	(445,953)	(404,469)
18						
19	TOTAL ACCOUNT 257		34,500,000	1,006,250	(445,953)	(404,469)
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Reconciliation of Reported Net Income with Taxable Income for Feder Income Taxes

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No.	Details (a)	Amount (b)
1	Net Income for the Year (Page 116)	112,578,513
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions In Aid Of Construction	2,863,686
6		
7		
8	TOTAL	2,863,686
9	Deductions Recorded on Books Not Deducted for Return	
10	See footnote for details	197,180,224
11		
12		
13	TOTAL	197,180,224
14	Income Recorded on Books Not Included in Return	
15	Equity in Earnings of Subsidiary	58,774,447
16	Allowance For Funds Used During Construction	1,456,614
17	Past In-Service Carrying Costs	1,836,065
18	TOTAL	62,067,126
19	Deductions on Return Not Charged Against Book Income	
20	See footnote for details	412,033,576
21		
22		
23		
24		
25		
26	TOTAL	412,033,576
27	Federal Tax Net Income	(161,478,279)
28	Show Computation of Tax:	
29	Tax at 35% of -161,478,279	(56,517,398)
30	Less: Prior Period Adjustments	8,499,204
31	Less: NOLs	(39,128,125)
32	Less: Other	171,166
33		
34		
35	Tax of Respondent	(26,059,643)

Schedule Page: 261 Line No.: 10 Column: b

Federal Income Tax Expense - Net Of ITC	24,250,045
State Income Tax Expense	(2,332,816)
Reg Asset Accr Pension Post Ret	82,457,759
Current Portion of Reg Asset	22,303,408
MGP Sites	11,953,750
After Tax ADC,M&E,ITC Permanent	10,771,984
RSP Cost Capitalization	7,755,000
Reg Asset - Electric Rate Case Expense	5,482,294
Regulatory Asset - Hurricane Ike Storm Damage	5,322,286
Reg Asset - Pension Post Retirement	5,050,008
Reg Asset - AccrPension FAS 158	3,330,861
Tax Interest Capitalized	2,816,978
Regulatory Asset - Smart Grid Gas Furnace	2,787,070
Regulatory Asset - Smart Grid Deferred Other O&M	2,767,953
Non-Cash Overhead Basis Adjustment	2,020,777
Book Capital Lease Meters	1,726,009
Reg Asset - Pension Post Retirement	1,643,580
Charitable Contributions	1,400,000
Mark-to-Market ST	1,027,521
Regulatory Asset - ARO	920,247
Joint Owner Pension Rec-NC	681,059
Business Meals	668,825
Amortization Of Loss On Reacquired Debt	605,564
Reg Asset Vac Pay Accrual	591,660
Uncollectible Accounts Provision Adjustment	566,270
Other	612,132
Total	197,180,224

Schedule Page: 261 Line No.: 20 Column: b

Depreciation Deducted in Excess of Book	173,730,571
Pension Cost - FASB-87	78,628,354
Loss On ACRS	24,159,008
263A Adjustment	16,000,000
Regulatory Asset - MGP Costs	12,969,795
Save-A-Watt Regulated Deferred Liability	8,916,978
Regulatory Asset Supplier Cost Recovery	8,699,585
Regulatory Asset - Smart Grid PISCC	8,284,290
Unbilled Revenue - Fuel	7,907,994
Repairs 481(a) Pursuant to 3115	7,245,899
Regulatory Asset - Base Transmission Rider	6,877,164
Property Tax	6,203,543
Post Retirement Benefits - Health Care	5,656,545
Electric Meters & Transformers - Leased	5,507,630
Deferred Ohio Gross Receipts	4,909,441
Gain On Sale Of Lattice Towers	3,540,724
Cost Of Removal Adjustment	3,041,321
Tax Interest Accrual	2,988,235
Reg Asset - Distribution Decoupling Rider	2,673,718
Unamortized Debt Premium	2,074,590
Post Employment Benefits - SFAS 112	1,967,433

FOOTNOTE DATA

Mark-to-Market LT	1,726,986
Offsite Gas Storage Costs	1,592,003
Qualified Pension Plan	1,472,597
Retirees' Supplemental Pension Plan	1,466,677
Regulatory Asset/Liab - Load Factor Adj Rider	1,463,550
Emissions Allowance Deduction	1,320,727
Section 174 R&E Deduction	1,291,000
Vacation Pay Accruals	1,170,091
Reg Asset - Transition from MISO to PJM	984,307
Regulatory Asset - Smart Grid Deferred Depreciation	938,031
Lease Meters - Current	912,824
Gas Supplier Refunds	875,049
Annual Incentive Plan Comp	660,567
Demand Side Management	601,551
Severance Accrual	585,756
Other	2,989,042
Total	412,033,576

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1			
2	FEDERAL TAXES		
3	INCOME	(72,007,906)	
4	FEDERAL INSURANCE	203,106	
5	UNEMPLOYMENT	47,894	
6	HIGHWAY & FUEL		
7			
8			
9			
10	STATE TAXES		
11	INCOME	(474,388)	2,452,271
12	UNEMPLOYMENT	942	
13	SALES & USE	171,585	
14	PROPERTY	400,282	
15	EXCISE	11,259,558	
16			
17			
18			
19	OTHER TAXES		
20	LOCAL PROPERTY	132,383,763	
21	CINCINNATI FRANCHISE	223,774	
22	OHIO COMMERCIAL	1,658,968	
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
	TOTAL	73,867,578	2,452,271

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged) (continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under $250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1					
2					
3	(26,059,643)	(90,802,942)	(11,837,125)	(7,588,528)	11,513,204
4	12,153,348	12,195,871		160,583	
5	325,963	337,950		35,907	
6	20,943	20,943			
7					
8					
9					
10					
11	178,708	(97,747)	(76,304)	(2,726,508)	
12	15,635	15,755		822	
13	(10)	208,956		(37,381)	
14	517,141	496,607		420,816	
15	96,772,727	95,996,521		12,085,541	
16					
17					
18					
19					
20	128,768,159	123,655,101		137,496,821	
21	1,032,685	978,948		227,734	
22	4,505,259	3,766,780		2,397,447	
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
	TOTAL 218,230,915	146,772,743	(11,913,429)	142,473,254	11,513,204

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1				
2				
3	(17,140,390)	(7,021,363)		(1,897,890)
4	8,777,650	2,706,465		669,233
5	235,350	90,613		
6	16,796	4,147		
7				
8				
9				
10				
11	209,215	34,613		(65,120)
12	9,646	5,989		
13	(9)	(1)		
14	517,141			
15	70,251,718	26,521,009		
16				
17				
18				
19				
20	102,829,559	25,890,900		47,700
21	1,026,249	6,436		
22	4,505,259			
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
TOTAL	171,238,184	48,238,808		(1,246,077)

FOOTNOTE DATA

Schedule Page: 262 Line No.: 3 Column: f

KTRA Adjustments	11,347,931
FIN 48 Adjustments	489,194
Total	11,837,125

Schedule Page: 262 Line No.: 11 Column: f

KTRA Adjustments	207,781
FIN 48 Adjustments	(131,477)
Total	76,304

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Miscellaneous Current and Accrued Liabilities (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than $250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Vacation Entitlement Reserve	5,150,561
2	Deferred Revenue - Unbilled Fuel	165,129
3	Retirement Bank Accrual	2,406,026
4	Provision for Incentive Benefits Program	1,687,604
5	FAS 158 Liabilities	2,385,356
6	Wages Payable Accrual	1,710,894
7	Deferred Revenue Payable - Other	65,860
8	Severance Reserve/Accrual	1,163,186
9	Collateral Liabilities	457,610
10	Employee Other Insurance Deductions	143,278
11	Accrued Liabilities - MW Joint Owner	6,587,206
12	Contract Retentions	883,264
13	MISO MTEP Short Term Accruals	3,945,000
14	Deferred Revenue - PJM Premium Deferral	2,569,236
15	Other	381,137
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	**Total**	**29,701,347**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than $250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Customer Choice Program - Deposit	600,000	146	50,000	200,000	750,000
2						
3	Gas Refund and Recon. Adj.					
4	- Due Customers	899,597	191, 805	875,068	19	24,548
5						
6	Employee Postretirement Benefit					
7	Cost - DP&L	3,511,676	165, 232	1,233,566	3,137	2,281,247
8						
9	Postretirement Benefits Health					
10	Care DP&L/CSP Share	(10,333,507)	various	737,457	700,205	(10,370,759)
11						
12	Pension Cost Adj.					
13	- DP&L/CSP Share	23,733,650	232, 253	5,515,771	1,754,578	19,972,457
14						
15	Bankruptcy Settlement Reserve	920,165	various	415,743	6,566	510,988
16						
17	Pension Cost Adj. - FAS 106	14,712,550	182.3, 228	2,429,441	4,847,407	17,130,516
18						
19	SmartGrid Reserve	10,527,502	various	5,312,027	402,586	5,618,061
20						
21	Deferred Credit Affiliate					
22	- Gain on Sale of I/C Inventory	980,817	various	461,829		518,988
23						
24	Misc. Deferred Credits	(81,427)	146, 514	140,500	123,200	(98,727)
25						
26	MISO MTEP Accrual	72,579,036	various	6,623,956	4,457,721	70,412,801
27						
28	Legal Settlement Reserve				350,000	350,000
29						
30	2012 Gas/Elec Rate Case Contribution					
31	Accrual (2013-2015)				700,000	700,000
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	**Total**	**118,050,059**		**23,795,358**	**13,545,419**	**107,800,120**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	502,240,757	74,008,564	46,802,013
3	Gas	295,403,053	40,635,456	17,713,453
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	797,643,810	114,644,020	64,515,466
6	Other (Specify) (footnote details)	578,686,342	54,787,302	41,741,642
7	TOTAL Account 282 (Enter Total of lines 5 thr	1,376,330,152	169,431,322	106,257,108
8	Classification of TOTAL			
9	Federal Income Tax	1,353,498,134	166,200,432	103,138,498
10	State Income Tax	22,832,018	3,230,890	3,118,610
11	Local Income Tax			

Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			Footnote	13,781,350	281	19,566,525	523,662,133
3					Footnote	8,285,124	310,039,932
4							
5				13,781,350		27,851,649	833,702,065
6	349,755	760,978			Footnote	13,954,035	577,366,744
7	349,755	760,978		13,781,350		41,805,684	1,411,068,809
8							
9	343,361	747,065		13,529,386		31,921,053	1,397,764,697
10	6,394	13,913		251,964		9,884,631	13,304,112
11							

Schedule Page: 274 Line No.: 6 Column: b

	Beginning Balance
Property, Plant & Equipment - ARAM	422,811,431
Property, Plant & Equipment - Repairs	112,973,968
Property, Plant & Equipment - DTL	71,662,086
Depreciation	17,718,574
Book Capitalized Interest - FAS 34	6,158,351
263A Adjustment	5,382,947
Casualty Loss	3,525,213
Self-Developed Software	2,609,750
AFUDC Interest	2,164,601
Impairment Of Plant Assets	(57,217,721)
Tax Interest Capitalized	(6,956,076)
Other	(2,146,782)
	578,686,342

Schedule Page: 274 Line No.: 6 Column: k

	Ending Balance
Property, Plant & Equipment - ARAM	422,811,431
Property, Plant & Equipment - Repairs	115,540,532
Property, Plant & Equipment - DTL	61,924,979
Depreciation	21,628,287
263A Adjustment	8,305,173
Book Capitalized Interest - FAS 34	5,484,853
Casualty Loss	3,525,213
Self-Developed Software	2,609,750
Impairment Of Plant Assets	(57,256,872)
Tax Interest Capitalized	(7,149,376)
Other	(57,226)
	577,366,744

Schedule Page: 274 Line No.: 3 Column: i

Adjustments include transactions with Account Group 182 and reclassifications between Gas - Utility and Other.

Schedule Page: 274 Line No.: 2 Column: g

Adjustments include transactions with Account Group 182 and reclassifications between Electric - Utility and Other.

Schedule Page: 274 Line No.: 6 Column: i

Adjustments include transactions with Account Group 182 and reclassifications between Electric - Utility and Other and Gas - Utility and Other.

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year Amounts Debited to Account 410.1 (c)	Changes During Year Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric	69,609,530	15,471,685	36,801,267
3	Gas	64,990,169	6,725,825	14,999,709
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	134,599,699	22,197,510	51,800,976
6	Other (Specify) (footnote details)	68,792,891	2,456,386	46,726,526
7	TOTAL Account 283 (Total of lines 5 thru	203,392,590	24,653,896	98,527,502
8	Classification of TOTAL			
9	Federal Income Tax	197,008,319	24,203,150	96,726,128
10	State Income Tax	6,384,271	450,746	1,801,374
11	Local Income Tax			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes during Year Amounts Debited to Account 410.2 (e)	Changes during Year Amounts Credited to Account 411.2 (f)	Adjustments Debits Acct. No. (g)	Adjustments Debits Amount (h)	Adjustments Credits Account No. (i)	Adjustments Credits Amount (j)	Balance at End of Year (k)
1							
2			Footnote	9,478,641			57,758,589
3			Footnote	4,741,034			61,457,319
4							
5				14,219,675			119,215,908
6	103,864	10,695	Footnote	9,903,578			34,519,498
7	103,864	10,695		24,123,253			153,735,406
8							
9	101,965	10,499		24,298,502			148,875,309
10	1,899	196		(175,249)			4,860,097
11							

Schedule Page: 276 Line No.: 6 Column: b

	Beginning Balance
Emissions Allowance Trading	43,640,774
RSP Costs Capitalization	36,715,133
Deferred Pipeline Installation Costs	3,562,368
Retirement Plan Expense	(14,931,681)
Other	(193,703)
	68,792,891

Schedule Page: 276 Line No.: 6 Column: k

	Ending Balance
RSP Costs Capitalization	33,649,450
Other	870,048
	34,519,498

Schedule Page: 276 Line No.: 2 Column: g

Adjustments include reclassifications between Electric - Utility and Other.

Schedule Page: 276 Line No.: 3 Column: g

Adjustments include reclassifications between Gas - Utility and Other.

Schedule Page: 276 Line No.: 6 Column: g

Adjustments include:
- Reclassifications between Electric - Utility and Other and Gas - Utility and Other.
- Transfer of deferreds to Duke Energy Commercial Asset Management.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $250,000, whichever is less) may be grouped by classes.
4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Income Taxes	2,669,617	Various	337,440			2,332,177
2							
3	Save-A-Watt Regulatory Liability	8,916,978	456	9,076,002		445,763	286,739
4	(Amortized in accordance with rider revenue)						
5							
6	Bad Debt Expense Over Collection	1,061,208	407.3 /	1,702,019		9,943,304	9,302,493
7			407.4				
8							
9	Load Factor Adjustment Deferral	1,169,037	456	5,983,110		4,814,073	
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45	**Total**	**13,816,840**		**17,098,571**	**0**	**15,203,140**	**11,921,409**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
1	Total Sales (480-488)	1,066,613			17,062,407	17,062,407
2	Transportation of Gas for Others (489.2 and 489..3)					
3	Rate - Case #PRO8-27				3,846	3,846
4	Rate FT	2,082,127			16,128,667	16,128,667
5	Rate IT	1,673,491			1,332,120	1,332,120
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Monthly Quantity & Revenue Data by Rate Schedule

1. Reference to account numbers in the USofA is provided in parentheses beside applicable data. Quantities must not be adjusted for discounts.
2. Total Quantities and Revenues in whole numbers
3. Report revenues and quantities of gas by rate schedule. Where transportation services are bundled with storage services, reflect only transportation Dth. When reporting storage, report Dth of gas withdrawn from storage and revenues by rate schedule.
4. Revenues in Column (c) include transition costs from upstream pipelines. Revenue (Other) in Column (e) includes reservation charges received by the pipeline plus usage charges, less revenues reflected in Columns (c) and (d). Include in Column (e), revenue for Accounts 490-495.
5. Enter footnotes as appropriate.

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
1	2,236,826			19,703,761	19,703,761	3,597,743			28,790,944	28,790,944
2										
3				8,141	8,141				17,000	17,000
4	3,966,535			13,025,714	13,025,714	5,669,115			15,356,639	15,356,639
5	1,856,548			1,463,583	1,463,583	1,970,046			1,537,039	1,537,039
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44										
45										
46										

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item (a)	Month 1 Quantity (b)	Month 1 Revenue Costs and Take-or-Pay (c)	Month 1 Revenue (GRI & ACA) (d)	Month 1 Revenue (Other) (e)	Month 1 Revenue (Total) (f)
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63	Total Transportation (Other than Gathering)	3,755,618			17,464,633	17,464,633
64	Storage (489.4)					
65						
66						
67						
68						
69						
70						
71						
72						
73						
74						
75						
76						
77						
78						
79						
80						
81						
82						
83						
84						
85						
86						
87						
88						
89						
90	Total Storage					
91	Gathering (489.1)					
92	Gathering-Firm					
93	Gathering-Interruptible					
94	Total Gathering (489.1)					
95	Additional Revenues					
96	Products Sales and Extraction (490-492)					
97	Rents (493-494)				191,214	191,214
98	Other Gas Revenues (495)				1,283	1,283
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				192,497	192,497

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58										
59										
60										
61										
62										
63	5,823,083			14,497,438	14,497,438	7,639,161			16,910,678	16,910,678
64										
65										
66										
67										
68										
69										
70										
71										
72										
73										
74										
75										
76										
77										
78										
79										
80										
81										
82										
83										
84										
85										
86										
87										
88										
89										
90										
91										
92										
93										
94										
95										
96										
97				213,032	213,032				213,032	213,032
98									685	685
99										
100				213,032	213,032				213,717	213,717

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Item	Month 1 Quantity	Month 1 Revenue Costs and Take-or-Pay	Month 1 Revenue (GRI & ACA)	Month 1 Revenue (Other)	Month 1 Revenue (Total)
	(a)	(b)	(c)	(d)	(e)	(f)
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	4,822,231			34,719,537	34,719,537

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Monthly Quantity & Revenue Data by Rate Schedule (continued)

Line No.	Month 2 Quantity (g)	Month 2 Revenue Costs and Take-or-Pay (h)	Month 2 Revenue (GRI & ACA) (i)	Month 2 Revenue (Other) (j)	Month 2 Revenue (Total) (k)	Month 3 Quantity (l)	Month 3 Revenue Costs and Take-or-Pay (m)	Month 3 Revenue (GRI & ACA) (n)	Month 3 Revenue (Other) (o)	Month 3 Revenue (Total) (p)
101	8,059,909			34,414,231	34,414,231	11,236,904			45,915,339	45,915,339

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1	156,394,706	175,961,622	156,394,707	175,961,621	13,879,978	14,699,054
2	60,350,946	60,310,289	60,350,946	60,310,289	6,345,178	5,978,944
3	4,027,146	3,725,349	4,027,146	3,725,349	475,663	425,489
4						
5	404,344	336,458	404,344	336,458	228,148	78,650
6						
7						
8	325,258	363,654	325,258	363,654		
9						
10						
11	182,028,343	139,068,510	182,028,343	139,068,510	56,062,612	45,482,374
12						
13						
14						
15						
16	2,338,202	2,284,558	2,338,202	2,284,558		
17						
18	7,801	7,203	7,801	7,203		
19	405,876,746	382,057,643	405,876,747	382,057,642		
20						
21	405,876,746	382,057,643	405,876,747	382,057,642		

THIS PAGE WAS INTENTIONALLY LEFT BLANK

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Other Gas Revenues (Account 495)

Report below transactions of $250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below $250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	Items under the Threshold	7,801
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
	Total	**7,801**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	1,847,198	1,280,146
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(Less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	131,510,661	121,875,374
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	0	0
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	(18,048,298)	(17,262,086)
76	(Less) 805.1 Purchases Gas Cost Adjustments	0	0
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	113,462,363	104,613,288
78	806 Exchange Gas	(6,325,765)	864,162
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	735,821	791,399
82	807.3 Maintenance of Purchased Gas Measuring Stations	175,364	294,488
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	271,956	277,507
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	1,183,141	1,363,394

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	0	0
87	(Less) 808.2 Gas Delivered to Storage-Credit	0	0
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	0	0
93	812 Gas Used for Other Utility Operations-Credit	0	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	0	0
95	813 Other Gas Supply Expenses	0	0
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	108,319,739	106,840,844
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	110,166,937	108,120,990
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	0	0
102	815 Maps and Records	0	0
103	816 Wells Expenses	0	0
104	817 Lines Expense	0	0
105	818 Compressor Station Expenses	0	0
106	819 Compressor Station Fuel and Power	0	0
107	820 Measuring and Regulating Station Expenses	0	0
108	821 Purification Expenses	0	0
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	0	0
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering	0	0
117	831 Maintenance of Structures and Improvements	0	0
118	832 Maintenance of Reservoirs and Wells	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	0	0
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0
126	B. Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering	0	0
129	841 Operation Labor and Expenses	0	0
130	842 Rents	0	0
131	842.1 Fuel	0	0
132	842.2 Power	0	0
133	842.3 Gas Losses	0	0
134	TOTAL Operation (Total of lines 128 thru 133)	0	0
135	Maintenance		
136	843.1 Maintenance Supervision and Engineering	0	0
137	843.2 Maintenance of Structures	0	0
138	843.3 Maintenance of Gas Holders	0	0
139	843.4 Maintenance of Purification Equipment	0	0
140	843.5 Maintenance of Liquefaction Equipment	0	0
141	843.6 Maintenance of Vaporizing Equipment	0	0
142	843.7 Maintenance of Compressor Equipment	0	0
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0
144	843.9 Maintenance of Other Equipment	0	0
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	365
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	365
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	365
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	33,071	43,729
205	871 Distribution Load Dispatching	564,362	606,058
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	7,826,905	7,455,861
209	875 Measuring and Regulating Station Expenses-General	104,516	72,254
210	876 Measuring and Regulating Station Expenses-Industrial	67,289	117,011
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0
212	878 Meter and House Regulator Expenses	5,910,923	1,395,958
213	879 Customer Installations Expenses	6,474,346	6,085,898
214	880 Other Expenses	3,153,300	2,918,366
215	881 Rents	0	0
216	TOTAL Operation (Total of lines 204 thru 215)	24,134,712	18,695,135
217	Maintenance		
218	885 Maintenance Supervision and Engineering	206,368	196,508
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	3,849,288	4,005,998
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	86,923	137,427
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	10,983	10,646
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0
225	892 Maintenance of Services	248,788	205,525
226	893 Maintenance of Meters and House Regulators	963,774	885,544
227	894 Maintenance of Other Equipment	129,067	294,669
228	TOTAL Maintenance (Total of lines 218 thru 227)	5,495,191	5,736,317
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	29,629,903	24,431,452
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	568	0
233	902 Meter Reading Expenses	2,290,959	2,410,525
234	903 Customer Records and Collection Expenses	10,746,538	12,239,300

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	12,707,914	12,138,752
236	905 Miscellaneous Customer Accounts Expenses	60	575
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	25,746,039	26,789,152
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	586,565	590,612
242	909 Informational and Instructional Expenses	51,068	38,171
243	910 Miscellaneous Customer Service and Informational Expenses	6,633,081	8,166,135
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	7,270,714	8,794,918
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	(6,027)
248	912 Demonstrating and Selling Expenses	5	13,278
249	913 Advertising Expenses	73,555	136,913
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	73,560	144,164
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	7,103,292	10,284,791
255	921 Office Supplies and Expenses	5,895,576	6,057,796
256	(Less) 922 Administrative Expenses Transferred-Credit	32	(194)
257	923 Outside Services Employed	4,414,640	4,974,493
258	924 Property Insurance	274,307	282,154
259	925 Injuries and Damages	1,322,551	1,142,072
260	926 Employee Pensions and Benefits	14,305,001	9,600,884
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	867,256	780,316
263	(Less) 929 Duplicate Charges-Credit	477,415	399,504
264	930.1General Advertising Expenses	6,113	18,539
265	930.2Miscellaneous General Expenses	3,220,695	2,313,515
266	931 Rents	2,701,727	3,166,974
267	TOTAL Operation (Total of lines 254 thru 266)	39,633,711	38,222,224
268	Maintenance		
269	932 Maintenance of General Plant	153,965	291,157
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	39,787,676	38,513,381
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	212,674,829	206,794,422

FOOTNOTE DATA

Schedule Page: 317 Line No.: 3 Column: c

OPERATION:	**2012**
711 Gas Boiler Labor	$9,130
712 Other Power Expenses	7,956
717 Liquified Petroleum Gas Expense	123,970
728 Liquified Petroleum Gas	28,276
735 Misc. Production Expense	83,764
736 Gas Raw Material - Rents	614,092
Total Operation	**$867,188**
Maintenance:	
742 Production Equipment	412,958
Total Maintenance	**412,958**
Total Manufactured Gas Production	**$1,280,146**

Schedule Page: 317 Line No.: 3 Column: b

OPERATION:	**2013**
711 Gas Boiler Labor	$16,797
712 Other Power Expenses	14,239
717 Liquified Petroleum Gas Expense	184,031
728 Liquified Petroleum Gas	309,939
735 Misc. Production Expense	198,434
736 Gas Raw Material - Rents	614,092
Total Operation	**$1,337,532**
Maintenance:	
742 Production Equipment	509,666
Total Maintenance	**509,666**
Total Manufactured Gas Production	**$1,847,198**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Exchange and Imbalance Transactions

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others Amount (b)	Gas Received from Others Dth (c)	Gas Delivered to Others Amount (d)	Gas Delivered to Others Dth (e)
1	Texas Gas Transmission - Zone 4 NNS	105,303	47,147	105,303	47,147
2	Duke Energy Ohio Enhanced Firm Balancing Service	(6,431,069)	(1,085,173)	(6,431,069)	(1,085,173)
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	**Total**	**(6,325,766)**	**(1,038,026)**	**(6,325,766)**	**(1,038,026)**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of $250,000 or more however, amounts less than $250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	95,032
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	56,268
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer	
	agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Other expenses	
5	Business and Service Company Support	2,778,195
6	Dues and Subscriptions to Various Organizations	210,548
7	Director's Fees and Expenses	74,222
8	Shareholder's Communications/Systems	3,769
9	Account Analysis Reconcilation Adjustments	2,654
10	Leased Circuit Charges - Other	7
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	**Total**	3,220,695

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant				2,241,912
2	Production plant, manufactured gas	384,933			
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	38,044,016			
10	General plant	2,166,273			658,495
11	Common plant-gas	2,411,286			1,134,537
12	TOTAL	43,006,508	0		4,034,944

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1			2,241,912	Intangible plant
2			384,933	Production plant, manufactured gas
3				Production and gathering plant, natural gas
4				Products extraction plant
5				Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8				Transmission plant
9			38,044,016	Distribution plant
10			2,824,768	General plant
11			3,545,823	Common plant-gas
12			47,041,452	TOTAL

FOOTNOTE DATA

Schedule Page: 336 Line No.: 12 Column: c

Duke Energy Ohio has received approval to defer income statement impacts of FAS 143. Accordingly, ARO depreciation expense of ($352,953) related to Gas was deferred to account 182 in 2013.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)	16,507	2.33
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	48,017	5.97
9	Distribution Plant	1,681,995	2.24
10	Intangible Plant	17,006	14.16
11			
12			
13			
14			
15			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Account 425 - Miscellaneous Amortization	
2	Total Account 425	
3		
4	Account 426.1 - Donations	
5	Ohio Partners for Affordable Energy	1,050,000
6	People Working Cooperatively	1,050,000
7	Customer Assistance Programs	192,671
8	Sponsorships	136,711
9	Economic Development	100,000
10	Global Sustainable Electricity Partnership	85,777
11	Consumer Credit Counseling Services	10,500
12	Items Under Threshold	243,068
13		
14	Account 426.2 - Life Insurance	
15	Items Under Threshold	(141)
16		
17	Account 426.3 - Penalties	
18	EPA Penalty	46,800
19	FERC, RFC & SERC Settlement	(109,320)
20	Scope Services Reimbursement	(300,000)
21	Items Under Threshold	15,625
22		
23	Account 426.4 - Expenditures	
24	Civic, Political & Related Activities	2,269,030
25		
26	Account 426.5 - Other Deductions	
27	MGP Land Purchase	2,337,580
28	Sale of A/R Fees	901,531
29	Loss on Sale of Airplane	364,967
30	Legal Reserve	350,000
31	Coal Asset Transfer	63,128
32	Electricity Mark to Market Gain	(436,897)
33	Power Trading Mark to Market Gain	(1,696,579)
34	Items Under Threshold	19,393
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts (continued)

Line No.	Item (a)	Amount (b)
1	Total Account 426	6,693,844
2		
3	Account 430 - Interest on Debt to Associated Companies	
4	Money Pool - Duke Energy Ohio to Duke Energy Corporation	383,369
5	Money Pool - Duke Energy Ohio to Duke Energy Carolinas	79,533
6	Money Pool - Duke Energy Ohio to Duke Energy Indiana	29,569
7	Money Pool - Duke Energy Ohio to Duke Energy Florida	20,992
8	Money Pool - Duke Energy Ohio to Progress Energy Service Company	18,903
9	Money Pool - Duke Energy Ohio to Duke Energy Kentucky	4,494
10	Money Pool - Duke Energy Ohio to Duke Energy Progress	545
11	Total Account 430	537,405
12		
13	Account 431 - Other Interest Expense	
14	Credit Facility	1,146,493
15	Capital Meter Lease Interest	1,084,455
16	Customer Service Deposits @ 3% Annum	751,964
17	Interest - Assigned from Service Company	350,591
18	Deferred Compensation for Board of Directors	34,365
19	Certified Retail Energy Suppliers	14,847
20	Swap FV Adjustments	(520,366)
21	Swap Net Interest	(1,981,712)
22	FIN 48	(3,001,685)
23	Items Under Threshold	8,825
24	Total Account 431	(2,112,223)
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Regulatory Commission Fees				
2	Gas Related				
3	Public Utilities Commission of Ohio (PUCO)	468,893		468,893	
4	Ohio Consumers' Council	82,177		82,177	
5	PUCO - Division of Forecasting	51,571		51,571	
6					
7	Electric Related				
8	Public Utilities Commission of Ohio	1,296,245		1,296,245	
9	Ohio Consumers' Council	227,177		227,177	
10	PUCO - Division of Forecasting	112,949		112,949	
11					
12	Pipeline Safety Fund				
13	PUCO Assessment	29,913		29,913	
14					
15	Public Utilities Commission of Ohio				
16	Case No. 07-589-GA-AIR				
17	Request for Rate Increase - Gas		40,417	40,417	40,417
18					
19	Case No. 12-1682-EL-AIR				
20	Request for Rate Increase - Electric		102,946	102,946	
21					
22	Case No. 12-1685-GA-AIR				
23	Request for Rate Increase - Gas		194,285	194,285	
24					
25	**Total**	2,268,925	337,648	2,606,573	40,417

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than $250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1							
2							
3	Gas	928	468,893				
4	Gas	928	82,177				
5	Gas	928	51,571				
6							
7							
8	Electric	928	1,296,245				
9	Electric	928	227,177				
10	Electric	928	112,949				
11							
12							
13	Gas	928	29,913				
14							
15							
16							
17	Gas	928	40,417			40,417	
18							
19							
20	Electric	928	102,946	387,000		86,000	301,000
21							
22							
23	Gas	928	194,285	405,000		6,750	398,250
24							
25			2,606,573	792,000		133,167	699,250

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Employee Pensions and Benefits (Account 926)

1. Report below the items contained in Account 926, Employee Pensions and Benefits.

Line No.	Expense (a)	Amount (b)
1	Pensions – defined benefit plans	5,153,969
2	Pensions – other	768,104
3	Post-retirement benefits other than pensions (PBOP)	558,095
4	Post- employment benefit plans	(563,674)
5	Other (Specify)	
6	Medical and Dental	2,248,759
7	Vacation Carryover	(54,712)
8	Life Insurance	95,064
9	Service/Safety Awards	27,368
10	Other Work/Family Benefits/Tuition	13,531
11	Benefits Distribution	4,450,089
12	Other	1,608,545
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
	Total	**14,305,138**

FOOTNOTE DATA

Schedule Page: 352 Line No.: 11 Column: a

Includes allocated benefits from DE Ohio, DE Kentucky, and Service Company through a system generated journal entry that adds a loaded percentage for benefits to all labor charged to DE Ohio with an offset to the 926 account on the originating entity.

Schedule Page: 352 Line No.: 12 Column: a

Other expenses are primarily executive savings plan, severance and vacation costs.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production	(2,285)	31,284,897	16,869	31,299,481
4	Transmission	313,749	1,409,235	929	1,723,913
5	Distribution	5,747,306	9,310,143	8,120	15,065,569
6	Customer Accounts	2,946,132	9,362,552	6,638	12,315,322
7	Customer Service and Informational	138,045	2,854,688	1,614	2,994,347
8	Sales				
9	Administrative and General	39,691	33,002,325	17,818	33,059,834
10	TOTAL Operation (Total of lines 3 thru 9)	9,182,638	87,223,840	51,988	96,458,466
11	Maintenance				
12	Production	75,243	20,846,068		20,921,311
13	Transmission	615,485	1,130,256		1,745,741
14	Distribution	6,398,756	5,256,204		11,654,960
15	Administrative and General	172,577	335,660		508,237
16	TOTAL Maintenance (Total of lines 12 thru 15)	7,262,061	27,568,188		34,830,249
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	72,958	52,130,965	16,869	52,220,792
19	Transmission (Total of lines 4 and 13)	929,234	2,539,491	929	3,469,654
20	Distribution (Total of lines 5 and 14)	12,146,062	14,566,347	8,120	26,720,529
21	Customer Accounts (line 6)	2,946,132	9,362,552	6,638	12,315,322
22	Customer Service and Informational (line 7)	138,045	2,854,688	1,614	2,994,347
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	212,268	33,337,985	17,818	33,568,071
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	16,444,699	114,792,028	51,988	131,288,715
26	Gas				
27	Operation				
28	Production - Manufactured Gas	118,888	26,820	194	145,902
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	52,124	705,832	1,011	758,967
31	Storage, LNG Terminaling and Processing				
32	Transmission				
33	Distribution	5,557,065	5,852,112	15,224	11,424,401
34	Customer Accounts	1,557,508	5,253,902	9,089	6,820,499
35	Customer Service and Informational	83,512	2,460,840	3,395	2,547,747
36	Sales				
37	Administrative and General	70,007	5,808,223	7,843	5,886,073
38	TOTAL Operation (Total of lines 28 thru 37)	7,439,104	20,107,729	36,756	27,583,589
39	Maintenance				
40	Production - Manufactured Gas	215,023	46,712		261,735
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission				
45	Distribution	1,679,571	1,003,415		2,682,986

Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General		492		492
47	TOTAL Maintenance (Total of lines 40 thru 46)	1,894,594	1,050,619		2,945,213
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	333,911	73,532	194	407,637
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	52,124	705,832	1,011	758,967
53	Storage, LNG Terminaling and Processing (Total of ll. 31 and 43)				
54	Transmission (Total of lines 32 and 44)				
55	Distribution (Total of lines 33 and 45)	7,236,636	6,855,527	15,224	14,107,387
56	Customer Accounts (Total of line 34)	1,557,508	5,253,902	9,089	6,820,499
57	Customer Service and Informational (Total of line 35)	83,512	2,460,840	3,395	2,547,747
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	70,007	5,808,715	7,843	5,886,565
60	Total Operation and Maintenance (Total of lines 50 thru 59)	9,333,698	21,158,348	36,756	30,528,802
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	25,778,397	135,950,376	88,744	161,817,517
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	14,079,214	23,414,331	3,259,629	40,753,174
67	Gas Plant	5,983,304	8,663,879	325,013	14,972,196
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	20,062,518	32,078,210	3,584,642	55,725,370
70	Plant Removal (By Utility Departments)				
71	Electric Plant	1,977,156	1,768,888		3,746,044
72	Gas Plant	754,927	242,555		997,482
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	2,732,083	2,011,443		4,743,526
75	Other Accounts (Specify) (footnote details)	(7,801,760)	9,689,120		1,887,360
76	TOTAL Other Accounts	(7,801,760)	9,689,120		1,887,360
77	TOTAL SALARIES AND WAGES	40,771,238	179,729,149	3,673,386	224,173,773

FOOTNOTE DATA

Schedule Page: 354 Line No.: 75 Column: b

Projects for Duke Subsidiaries and Merchandising	$ 185,459
Other Work in Progress	($8,016,478)
Other Accounts	$ 29,259
Total Other Accounts Direct Payroll Distribution	($7,801,760)

Schedule Page: 354 Line No.: 75 Column: c

Projects for Duke Subsidiaries and Merchandising	$ 231,423
Other Work in Progress	$8,221,464
Other Accounts	$1,236,233
Total Other Accounts Direct Payroll Distribution	$9,689,120

Schedule Page: 354 Line No.: 75 Column: e

Projects for Duke Subsidiaries and Merchandising	$ 416,882
Other Work in Progress	$ 204,986
Other Accounts	$1,265,492
Total Other Accounts Direct Payroll Distribution	$1,887,360

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising,labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than $250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.
(a) Name of person or organization rendering services.
(b) Total charges for the year.
2. Sum under a description "Other", all of the aforementioned services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned services.
4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	WRIGHT & TALISMAN P C - LEGAL SERVICES - FERC	3,242,274
2	MCGUIRE WOODS - LEGAL SERVICES - REGULATORY, FERC	1,890,049
3	TENDRIL NETWORKS INC - CONSULTING - ENERGY EFFICIENCY	1,785,825
4	INTERNATIONAL BUSINESS MACHINES CORP - CONSULTING - IT	1,268,463
5	GENERAL ELECTRIC INTERNATIONAL INC - CONSULTING - ENGINEERING	622,325
6	ITRON INC - CONSULTING - RESOURCE MANAGEMENT	619,933
7	PORTER WRIGHT MORRIS & ARTHUR - LEGAL SERVICES- LITIGATION,	615,140
8	REGULATORY	
9	SIDLEY AUSTIN LLP - LEGAL SERVICES - LITIGATION, FINANCE	530,250
10	CRA INTERNATIONAL INC - CONSULTING - ELECTRICITY PROCUREMENT	519,449
11	AUCTIONS	
12	STANDARD & POORS FINANCIAL SERVICES - FINANCIAL SERVICES	319,500
13	FROST BROWN TODD LLC - LEGAL SERVICES - LITIGATION, REGULATORY,	310,538
14	EMPLOYMENT, ENVIRONMENTAL	
15	NETCRACKER TECHNOLOGY SOLUTIONS INC - CONSULTING - IT	279,750
16	OTHER	4,473,821
17		
18	TOTAL	16,477,317
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than $250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to $250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Services provided by Duke Energy Business Services (Service Company transactions)	Duke Energy Business Services, LLC	Various	465,298,306
3	Services provided by Progress Energy Service Company (Service Company transactions)	Progress Energy Service Company, LLC	Various	4,568,572
4	Duke Energy Commercial Enterprises provided generation services	Duke Energy Commercial Enterprises, Inc	Various	172,478,609
5	Duke Energy Commercial Enterprises provided other goods and services	Duke Energy Commercial Enterprises, Inc	Various	31,425
6	Duke Energy Kentucky provided transmission and distribution services	Duke Energy Kentucky, Inc	Various	2,019,466
7	Duke Energy Kentucky provided gas distribution system services	Duke Energy Kentucky, Inc	Various	1,124,810
8	Duke Energy Kentucky provided other goods and services	Duke Energy Kentucky, Inc	Various	76,255
9	Duke Energy Indiana provided transmission and distribution services	Duke Energy Indiana, Inc	Various	1,635,502
10	Duke Energy Indiana provided other goods and services	Duke Energy Indiana, Inc	Various	124,457
11	Duke Energy Carolinas provided customer services	Duke Energy Carolinas, LLC	Various	9,212,512
12	Duke Energy Carolinas provided transmission and distribution services	Duke Energy Carolinas, LLC	Various	2,457,200
13	Duke Energy Carolinas provided other goods and services	Duke Energy Carolinas, LLC	Various	241,206
14	Duke Energy Carolinas provided generation services	Duke Energy Carolinas, LLC	Various	174,576
15	Duke Energy Progress provided customer and market services	Duke Energy Progress, Inc	Various	983,337
16	Duke Energy Progress provided other goods and services	Duke Energy Progress, Inc	Various	369,985
17	Duke Energy Progress provided transmission and distribution services	Duke Energy Progress, Inc	Various	107,153
18	Duke Energy Progress provided generation services	Duke Energy Progress, Inc	Various	74,824
19	Duke Energy Florida provided customer and market services	Duke Energy Florida, Inc	Various	310,333
20	Goods or Services Provided for Affiliated Company			
21	Duke Energy Ohio provided services to Duke Energy Business Services (Service Company)	Duke Energy Business Services, LLC	Various	25,145,659
22	Duke Energy Ohio provided transmission and distribution services	Duke Energy Indiana, Inc	Various	3,704,704
23	Duke Energy Ohio provided other goods and services	Duke Energy Indiana, Inc	Various	68,386
24	Duke Energy Ohio provided transmission and distribution services	Duke Energy Kentucky, Inc	Various	5,536,120
25	Duke Energy Ohio provided gas distribution system services	Duke Energy Kentucky, Inc	Various	1,476,413
26	Duke Energy Ohio provided generation services	Duke Energy Kentucky, Inc	Various	128,904
27	Duke Energy Ohio provided other goods and services	Duke Energy Kentucky, Inc	Various	1,930
28	Duke Energy Ohio provided gas transmission services	KO Transmission Company	Various	24,315
29				
30	Total			36,086,431
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Transactions with Associated (Affiliated) Companies (continued)

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Total			661,288,528
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Schedule Page: 358 Line No.: 2 Column: a

When an employee of the Service Company performs services for a Client Company, costs will be directly assigned or distributed or allocated. For allocated services, the allocation method will be on a basis reasonably related to the service performed. The Service Company Utility Service Agreement prescribes 23 Service Company functions and approximately 20 allocation methods.

Functions and Allocation Methods:

Information Systems
- Number of Central Processing Unit Seconds Ratio
- Number of Personal Computer Workstations Ratio
- Number of Information Systems Servers Ratio
- Number of Employees Ratio
- Three Factor Formula

Meters
- Number of Customers Ratio

Transportation
- Number of Employees Ratio
- Three Factor Formula

Electric System Maintenance
- Circuit Miles of Electric Transmission Lines Ratio
- Circuit Miles of Electric Distribution Lines Ratio

Marketing and Customer Relations
- Number of Customers Ratio

Electric Transmission & Distribution Engineering & Construction
- Electric Transmission Plant's Construction - Expenditures Ratio
- Electric Distribution Plant's Construction - Expenditures Ratio

Power Engineering & Construction
- Electric Production Plant's Construction - Expenditures Ratio

Human Resources
- Number of Employees Ratio

Materials Management
- Procurement Spending Ratio
- Inventory Ratio

Facilities
- Square Footage Ratio
- Number of Employees Ratio

Accounting
- Three Factor Formula
- Generating Unit MW Capability Ratio

Power Planning and Operations
- Electric Peak Load Ratio
- Weighted Avg of the Circuit Miles of Electric Distribution Lines Ratio and the Electric Peak Load Ratio
- Sales Ratio
- Weighted Avg of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio
- Generating Unit MW Capability Ratio

Public Affairs
- Three Factor Formula
- Weighted Avg of Number of Customers Ratio and Number of Employees Ratio

Legal
- Three Factor Formula

Rates
- Sales Ratio

Finance
- Three Factor Formula

FOOTNOTE DATA

Rights of Way
- Circuit Miles of Electric Transmission Lines Ratio
- Circuit Miles of Electric Distribution Lines Ratio
- Electric Peak Load Ratio

Internal Auditing
- Three Factor Formula

Environmental, Health and Safety
- Three Factor Formula
- Sales Ratio

Fuels
- Sales Ratio

Investor Relations
- Three Factor Formula

Planning
- Three Factor Formula

Executive
- Three Factor Formula

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Auxiliary Peaking Facilities

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.
2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.
3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No.	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?
1	Eastern Avenue - Ohio	Liquid Petroleum Gas Installation	91,000	11,866,668	**Yes**
2	Dicks Creek - Ohio	Liquid Petroleum Gas Installation	40,800	3,852,346	**No**
3	Erlanger, Kentucky - Owned by Duke KY	Liquid Petroleum Gas Installation	44,940	7,428,765	**No**
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2013/Q4

Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales,transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01	Name of System:			
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		23,973,547	
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305		
6	Gas of Others Received for Distribution (Account 489.3)	301		
7	Gas of Others Received for Contract Storage (Account 489.4)	307	54,730,913	
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328	(1,038,026)	
10	Gas Received as Imbalances (Account 806)	328		
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)			
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for			
15	Other Receipts (Specify) (footnote details)		34,111	
16	Total Receipts (Total of lines 3 thru 15)		77,700,545	
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		21,966,992	
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305		
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	56,062,612	
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328	(1,038,026)	
25	Gas Delivered as Imbalances (Account 806)	328		
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)			
28	Gas Used for Compressor Station Fuel	509		
29	Other Deliveries and Gas Used for Other Operations		47,289	
30	Total Deliveries (Total of lines 18 thru 29)		77,038,867	
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		661,678	
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		77,700,545	