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

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)

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 2015/Q4

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, 2015, 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, 2015, 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 13, 2016

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

IDENTIFICATION

01 Exact Legal Name of Respondent Duke Energy Ohio, Inc.	Year/Period of Report End of 2015/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 Charmain Barnes	06 Title of Contact Person Sr. Accounting Analyst	
07 Address of Contact Person (Street, City, State, Zip Code) 550 S. Tryon Street, Charlotte, NC 28202		
08 Telephone of Contact Person, Including Area Code 980-373-1369	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	10 Date of Report *(Mo, Da, Yr)* 04/13/2016

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 Brian D. Savoy	12 Title SVP Chief Accting Off & Controller
13 Signature Brian D. Savoy	14 Date Signed 04/13/2016

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	04/13/2016	End of 2015/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."

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		
74	Footnote Reference	551		
75	Footnote Text	552		
76	Stockholder's Reports (check appropriate box)			
	[ ] Four copies will be submitted [X] No annual report to stockholders is prepared			

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
Senior Vice President, Chief Accounting Officer & Controller
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	04/13/2016	End of 2015/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
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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

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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	Duke Energy Beckjord, LLC	I	Public Utility	100	Not used
2	Duke Energy Kentucky, Inc.	D	Public Utility	100	Not used
3	KO Transmission Company	D	Transportation of Energy	100	Not used
4	Miami Power Corporation	D	Transmission of Electric	100	Not used
5	Ohio Valley Electric Corporation	J	Owns Generating Facility	9	Not used
6	Tri-State Improvement Corporation	D	Real Estate	100	Not used
7	Duke Energy SAM, LLC	D	Public Utility	100	Not used
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Schedule Page: 103 Line No.: 7 Column: a

On August 21, 2014, Duke Energy Commercial Enterprises, Inc., an indirect wholly owned subsidiary of Duke Energy Corporation, and Duke Energy SAM, LLC, a wholly owned subsidiary of Duke Energy Ohio, entered into a PSA with a subsidiary of Dynegy whereby Dynegy will acquire Duke Energy's Disposal Group for approximately $2.8 billion in cash subject to adjustments at closing for changes in working capital and capital expenditures. This transaction closed on April 2, 2015.

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.	3. Give the date and place of such meeting:
	Total: 89663086 By Proxy:	

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		
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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	04/13/2016	2015/Q4

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.

1. None

2. See Notes to Financial Statements, Note 2, "Acquisitions and Dispositions"

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

4. None

5. None

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

7. None

8. No wage scale changes during the period to report.

   No wage scale changes during the third quarter of 2015 to report.

   During the second quarter 2015, employees bargained for by IBEW Local 1347, UWUA, IUU Local 600 and USW Local 12049 and USW Local 5541 received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled $580,736.00 in annualized costs or a monthly amount of approximately $48,394.67.

During the first quarter 2015, nonunion employees received pay changes (promotion, demotion, pay rate change/merit, job reclassification and adjustments) that totaled $119,730.61 in annualized costs or a monthly amount of approximately $9,977.55.

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

10. None

11. None

12. There are no changes in major security holders and voting powers of Duke Energy Ohio, Inc. that occurred during the year.

The officer and director elections and resignations that occured during the year are as follows:

Appointments effective 10/01/15

Caren B. Anders	Vice President, Delivery Operations Support
Richard W. Bagley	Vice President, Transmission Engineering
Charles Keith Beam	Vice President, Customer Information Systems - IT
Michael R. Delowery	Vice President, Project Management and Construction
David A. Renner	Vice President, Coal Combustion Products Engineering
Heath J. Shuler	Senior Vice President, Federal Government Affairs
Alexander J. Weintraub	Senior Vice President, Customer Solutions

Resignations effective 10/01/15

Caren B. Anders	Vice President, Transmission Affairs and Emerging Technology
Richard W. Bagley	Vice President, Transmission Design Engineering & Asset Management
Charles Keith Beam	Vice President, IT Infrastructure and Operations
David A. Renner	Vice President, Central Engineering & Services
Heath J. Shuler	Senior Vice President, Federal Affairs
Robert A. Sipes	Vice President, Customer Operations Services
Alexander J. Weintraub	Senior Vice President, Market Solutions

Appointments effective 8/15/15

Sandra S. Wyckoff	Assistant Treasurer

Resignations effective 8/15/15

Janice L. Walker	Assistant Corporate Secretary
W. Bryan Buckler	Assistant Treasurer

Appointments effective 6/29/15

Brett Phipps	Managing Director, Fuel Procurement
Forest W. Rogers Jr. (Buddy)	Vice President, Transmission Maintenance and Construction

Appointments effective 6/01/15

Douglas F. Esamann	Director

Douglas F. Esamann	Executive Vice President
Douglas F. Esamann	President, Midwest and Florida Regions
Stephen J. Immel	Vice President, Outage and Project Services
Dhiaa M. Jamil	Director
Dhiaa M. Jamil	Executive Vice President
Charles R. Whitlock	Senior Vice President, Midwest Delivery and Gas Operations

Appointments effective 4/13/15

Carol Y. Barajas	Vice President, Health and Safety
Larry E. Hatcher	Vice President, Environmental
Lisa M. Marcuz	Vice President, Talent Management
James Wells	Vice President, Coal Combustion Products, Environmental Health & Safety

Resignations effective 6/29/15

Brett Phipps	Director, Fuel Procurement

Resignations effective 6/01/15

Melody Birmingham-Byrd	Senior Vice President, Midwest Delivery Operations
Stephen J. Immel	Vice President, Midwest Regulated Operations
Dhiaa M. Jamil	President, Regulated Generation
Marc E. Manly	Executive Vice President
Marc E. Manly	President, Commercial Portfolio
B. Keith Trent	Executive Vice President, Grid Solutions
B. Keith Trent	President, Midwest and Florida Regions
B. Keith Trent	Director
Charles R. Whitlock	Vice President, Gas Operations
Charles R. Whitlock	President, Midwest Commercial Generation
Lloyd M. Yates	Director
Lloyd M. Yates	Executive Vice President, Customer Operations

Resignations effective 4/13/15

Mitchell C. Griggs	Vice President, Environmental
Mark L. Short	Vice President, Talent Management

Appointments effective 3/03/15

William H. Fowler	Vice President, Design Engineering & Consolidated Planning Midwest

Appointments effective 3/01/15

Brian R. Weisker	Vice President, Coal Combustion Products Operations and Maintenance

Appointments effective 1/21/15

Melissa H. Anderson	Senior Vice President
Melissa H. Anderson	Chief Human Resources Officer

Appointments effective 1/05/15

Mehmet Selim Bingol	Senior Vice President
Mehmet Selim Bingol	Chief Communications Officer

Appointments effective 1/01/15

Caren B. Anders	Vice President, Transmission Affairs and Emerging Technology
Michael A. Lewis	Senior Vice President
Michael A. Lewis	Chief Transmission Officer

Resignations effective 3/02/15

Russell L. Atkins	Vice President, Design Engineering & Consolidated Planning Midwest

Resignations effective 3/01/15

Paul Draovitch	Vice President, Outage & Maintenance Services

Resignations effective 2/01/15

David W. Mohler	Vice President, Emerging Technology

Resignations effective 1/21/15

Jeana G. Sheehan	Interim Chief Human Resources Officer

Resignations effective 1/01/15

Caren B. Anders	Senior Vice President
Caren B. Anders	Chief Transmission Officer

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	04/13/2016	End of 2015/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	5,501,680,363	5,314,922,447
3	Construction Work in Progress (107)	200-201	122,443,446	72,624,559
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	5,624,123,809	5,387,547,006
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		1,755,403,580	1,690,395,080
6	Net Utility Plant (Total of line 4 less 5)		3,868,720,229	3,697,151,926
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)		3,868,720,229	3,697,151,926
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)		9,797,809	10,926,573
18	(Less) Accum. Provision for Depreciation and Amortization (122)		3,475,258	4,138,777
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	557,000,831	2,416,192,246
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	2,274,151	2,676,954
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		0	0
28	Long-Term Portion of Derivative Assets (175)		0	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)		565,597,533	2,425,656,996
31	**CURRENT AND ACCRUED ASSETS**			
32	Cash (131)		4,959,660	2,935,268
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)		54,548,334	85,217,218
38	Other Accounts Receivable (143)		5,704,638	4,500,279
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		2,039,576	1,983,047
40	Notes Receivable from Associated Companies (145)		36,508,293	219,338,681
41	Accounts Receivable from Associated Companies (146)		29,207,082	251,033,336
42	Fuel Stock (151)		2,720,944	2,690,019
43	Fuel Stock Expenses Undistributed (152)		0	0

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)		56,052,842	41,297,980
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)		5,137,811	2,665,940
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		2,490,564	(234,651)
52	Gas Stored Underground-Current (164.1)	220	0	0
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	5,076,895	957,851
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		26,053	21,107
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		25,985,014	32,582,844
60	Derivative Instrument Assets (175)		0	0
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		0	0
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)		226,378,554	641,022,825
65	**DEFERRED DEBITS**			
66	Unamortized Debt Expense (181)		5,418,278	5,945,557
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	418,870,568	458,097,535
70	Preliminary Survey and Investigation Charges (Electric)(183)		213	25,079
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	0
72	Clearing Accounts (184)		10,953	2,251,391
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	819,664,389	747,439,679
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)		3,526,419	4,043,572
78	Accumulated Deferred Income Taxes (190)	234-235	84,885,854	64,151,796
79	Unrecovered Purchased Gas Costs (191)		712,735	7,935,204
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		1,333,089,409	1,289,889,813
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		5,993,785,725	8,053,721,560

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	04/13/2016	End of 2015/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	2,719,915,712	4,781,891,605
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	(1,415,316,736)	(1,474,373,993)
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	727,839,201	616,384,737
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	4	4
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		2,794,574,412	4,686,038,584
16	**LONG TERM DEBT**			
17	Bonds (221)	256-257	750,000,000	750,000,000
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	550,000,000	707,270,887
21	Unamortized Premium on Long-Term Debt (225)	258-259	4,834,535	5,266,787
22	(Less) Unamortized Discount on Long-Term Debt-Dr (226)	258-259	32,061,116	33,933,009
23	(Less) Current Portion of Long-Term Debt		0	154,908,607
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		1,272,773,419	1,273,696,058
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases-Noncurrent (227)		5,117,582	9,216,418
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	(4,562)
29	Accumulated Provision for Pensions and Benefits (228.3)		41,981,304	38,711,082
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	53,604,000
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	04/13/2016	End of 2015/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		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		20,269,654	17,196,899
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		67,368,540	118,723,837
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Current Portion of Long-Term Debt		0	154,908,607
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		171,924,760	185,946,323
40	Notes Payable to Associated Companies (233)		46,808,000	0
41	Accounts Payable to Associated Companies (234)		34,893,996	267,935,068
42	Customer Deposits (235)		34,696,022	32,052,711
43	Taxes Accrued (236)	262-263	116,152,594	121,782,350
44	Interest Accrued (237)		14,950,539	14,697,269
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)		111,924	76,269
49	Miscellaneous Current and Accrued Liabilities (242)	268	100,329,001	16,433,313
50	Obligations Under Capital Leases-Current (243)		4,098,836	4,908,607
51	Derivative Instrument Liabilities (244)		0	0
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	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)		523,965,672	798,740,517
56	**DEFERRED CREDITS**			
57	Customer Advances for Construction (252)		3,908,053	3,544,285
58	Accumulated Deferred Investment Tax Credits (255)		3,180,293	3,653,028
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	142,173,669	87,605,600
61	Other Regulatory Liabilities (254)	278	17,986,743	10,882,474
62	Unamortized Gain on Reacquired Debt (257)	260	321,501	362,985
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		1,039,555,488	936,315,683
65	Accumulated Deferred Income Taxes - Other (283)		127,977,935	134,158,509
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		1,335,103,682	1,176,522,564
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		5,993,785,725	8,053,721,560

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	1,432,340,159	2,036,787,190	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	728,101,255	1,068,791,245	0	0
5	Maintenance Expenses (402)	317-325	58,638,606	84,984,846	0	0
6	Depreciation Expense (403)	336-338	121,422,783	133,244,408	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	(1,985)	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	8,823,673	12,014,645	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	4,330,000	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)		71,095,791	51,233,775	0	0
13	(Less) Regulatory Credits (407.4)		7,303,627	2,118,336	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	238,679,448	226,480,259	0	0
15	Income Taxes-Federal (409.1)	262-263	(24,004,986)	(43,897,644)	0	0
16	Income Taxes-Other (409.1)	262-263	(1,181,523)	3,285,286	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	243,385,578	394,791,102	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	168,274,243	204,453,232	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		(472,735)	(598,975)	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)		68,545	156,331	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		0	16,258	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		1,268,841,475	1,727,945,321	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		163,498,684	308,841,869	0	0

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Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/13/2016	End of 2015/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)		163,498,684	308,841,869	0	0
28	**OTHER INCOME AND DEDUCTIONS**					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (415)		1,884,764	1,587,898	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		1,173,289	1,625,939	0	0
33	Revenues from Nonutility Operations (417)		205,254	480	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		233,958	2,393,538	0	0
35	Nonoperating Rental Income (418)		(283,942)	(291,116)	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	111,454,464	143,604,716	0	0
37	Interest and Dividend Income (419)		3,413,389	6,839,532	0	0
38	Allowance for Other Funds Used During Construction (419.1)		2,052,203	3,219,124	0	0
39	Miscellaneous Nonoperating Income (421)		(672,249)	(1,469,555)	0	0
40	Gain on Disposition of Property (421.1)		7,540,913	0	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		124,187,549	149,471,602	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		(3,312,010)	1,317	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	1,128,128	1,383,589	0	0
46	Life Insurance (426.2)		(10,432)	0	0	0
47	Penalties (426.3)		694	317	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		1,357,440	1,328,146	0	0
49	Other Deductions (426.5)		73,623,499	1,372,848,707	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	72,787,319	1,375,562,076	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	410,216	408,984	0	0
53	Income Taxes-Federal (409.2)	262-263	(20,900,583)	52,736,516	0	0
54	Income Taxes-Other (409.2)	262-263	(1,049,796)	1,792,889	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	33,465,317	33,849,106	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	30,007,607	581,568,525	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)		(18,082,453)	(492,781,030)	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		69,482,683	(733,309,444)	0	0
61	**INTEREST CHARGES**					
62	Interest on Long-Term Debt (427)		68,562,428	69,738,047	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	3,050,162	8,470,915	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		517,153	523,666	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	99,769	0	0	0
68	Other Interest Expense (431)	340	2,523,964	1,913,175	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		11,809,995	11,523,645	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		62,469,746	68,648,423	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		170,511,621	(493,115,998)	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)		170,511,621	(493,115,998)	0	0

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	985,719,854	1,583,254,586	446,620,305	453,532,604	0	0
3						
4	531,990,507	856,245,170	196,110,748	212,546,075	0	0
5	52,134,549	78,943,777	6,504,057	6,041,069	0	0
6	74,840,051	86,796,186	46,582,732	46,448,222	0	0
7	0	(1,985)	0	0	0	0
8	6,211,468	7,965,129	2,612,205	4,049,516	0	0
9	0	4,330,000	0	0	0	0
10	0	0	0	0	0	0
11	0	0	0	0	0	0
12	44,114,346	39,663,645	26,981,445	11,570,130	0	0
13	7,290,577	2,086,523	13,050	31,813	0	0
14	181,043,104	184,659,976	57,636,344	41,820,283	0	0
15	(46,358,335)	(28,908,129)	22,353,349	(14,989,515)	0	0
16	(2,164,820)	3,075,866	983,297	209,420	0	0
17	185,555,357	292,802,600	57,830,221	101,988,502	0	0
18	119,403,406	152,548,019	48,870,837	51,905,213	0	0
19	(261,246)	(387,486)	(211,489)	(211,489)	0	0
20	0	0	0	0	0	0
21	0	0	0	0	0	0
22	68,545	156,331	0	0	0	0
23	0	0	0	0	0	0
24	0	16,258	0	0	0	0
25	900,342,453	1,370,410,134	368,499,022	357,535,187	0	0
26	85,377,401	212,844,452	78,121,283	95,997,417	0	0

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Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/13/2016	End of 2015/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		1,638		
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		(1,634)		
4	Total (lines 2 and 3)		(1,634)		
5	Balance of Account 219 at End of Preceding Quarter/Year		4		
6	Balance of Account 219 at Beginning of Current Year		4		
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year		4		

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Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/13/2016	End of 2015/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			1,638		
2					
3			(1,634)		
4			(1,634)	(493,115,998)	(493,117,632)
5			4		
6			4		
7					
8					
9				170,511,621	170,511,621
10			4		

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		(1,474,373,993)	(837,653,279)
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)		100	
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)		59,057,157	(636,720,714)
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)		(1,415,316,736)	(1,474,373,993)
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		(1,415,316,736)	(1,474,373,993)
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)		616,384,737	472,780,021
23	Equity in Earnings for Year (Credit) (Account 418.1)		111,454,464	143,604,716
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year		727,839,201	616,384,737

Schedule Page: 118 Line No.: 4 Column: c

$100.00 Adjustments made to clear balance in Historical Sub Investment and to correct Investment Equity.

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 (s*ee 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, 2015, Duke Ohio's adjusted equity balance represents approximately 54% 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, 2015, the amount in Duke Ohio's equity accounts available to be paid in the form of dividends to its parent, Cinergy, is as follows:

	In Millions
Retained earnings just prior to the April 3, 2006 merger	$ 671
Post merger adjusted net income, cumulative	1,914
Post-merger dividends, cumulative	(1,605)
Retained earnings as of December 31, 2015, adjusted to remove the affects of push-down accounting ("adjusted retained earnings")	$ 980

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

	In Millions
Retained earnings as of December 31, 2015 – Sum of Lines 11 and 12 on page 112 (Retained Earnings and Unappropriated Undistributed Subsidiary Earnings)	$ (688)
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	1,668
Retained earnings as of December 31, 2015, adjusted to remove the affects of push-down accounting ("adjusted retained earnings")	$ 980

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	04/13/2016	End of 2015/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)	170,511,621	(493,115,998)
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	121,422,783	133,242,423
5	Amortization of (Specify) (footnote details)	11,917,253	24,865,491
6	Deferred Income Taxes (Net)	78,569,045	(357,381,549)
7	Investment Tax Credit Adjustments (Net)	(472,735)	(598,975)
8	Net (Increase) Decrease in Receivables	295,998,213	(86,051,444)
9	Net (Increase) Decrease in Inventory	(16,315,158)	26,825,033
10	Net (Increase) Decrease in Allowances Inventory	(2,471,871)	(931,384)
11	Net Increase (Decrease) in Payables and Accrued Expenses	(223,060,146)	118,252,643
12	Net (Increase) Decrease in Other Regulatory Assets	39,931,579	11,510,195
13	Net Increase (Decrease) in Other Regulatory Liabilities	2,199,347	(710,402)
14	(Less) Allowance for Other Funds Used During Construction	2,052,203	3,219,124
15	(Less) Undistributed Earnings from Subsidiary Companies	111,454,464	143,604,716
16	Other (footnote details):	79,601,368	1,626,144,216
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	444,324,632	855,226,409
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(333,658,949)	(254,243,808)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant	(7,484,389)	(17,200,136)
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction	(2,052,203)	(3,219,124)
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(339,091,135)	(268,224,820)
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	150,015,004	(94,523,000)
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	04/13/2016	End of 2015/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):	402,803	524,166
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(188,673,328)	(362,223,654)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details):	46,808,000	
57	Net Increase in Short-term Debt (c)		
58	Other (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)	46,808,000	
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)	(150,000,000)	(402,000,000)
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details):	(434,912)	(18,592)
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	(150,000,000)	(100,000,000)
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	(253,626,912)	(502,018,592)
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)	2,024,392	(9,015,837)
75			
76	Cash and Cash Equivalents at Beginning of Period	2,935,268	11,951,105
77			
78	Cash and Cash Equivalents at End of Period	4,959,660	2,935,268

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

Amortization of:

Plant items	8,823,673
Debt discount, premium, expense and loss on reacquired debt	3,093,580
	11,917,253

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

Amortization of:

Plant items	16,344,645
Debt discount, premium, expense and loss on reacquired debt	8,520,846
	24,865,491

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

Other:

Special funds	(845,524)
Prepayments	(780,046)
Miscellaneous Current and Accrued Assets	7,697,830
Preliminary Survey and Investigation Charges	24,866
Clearing Accounts	(6,588)
Miscellaneous Deferred Debits	6,222,111
Unrecovered Purchased Gas Costs	7,222,469
Obligations Under Capital Leases - Noncurrent	(4,098,836)
Accumulated Provisions	(5,137,477)
Customer Advances for Construction	363,768
Other Deferred Credits	(16,415,405)
Contribution to Pension Plan	(1,002,364)
Derivative Instruments	142,557
Net Utility Plant and Nonutility Property	29,950,619
Investment in Subsidiary Companies (Dividend from DEK)	55,000,000
Investment in Subsidiary Companies (I/C Equitization)	3,669,986
Debt Expenses	(216,079)
Deferred Income Taxes	4,159,697
Gain on Disposition of Todhunter	(6,350,216)
Total Other	79,601,368

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

Other:

Special funds	1
Prepayments	(12,254,228)
Miscellaneous Current and Accrued Assets	2,741,537
Preliminary Survey and Investigation Charges	(14,598)
Clearing Accounts	(320,297)
Miscellaneous Deferred Debits	(16,344,160)
Unrecovered Purchased Gas Costs	(9,876,810)
Accumulated Other Comprehensive Income	(1,634)
Obligations Under Capital Leases - Noncurrent	(4,908,607)
Accumulated Provisions	(6,988,540)
Customer Advances for Construction	164,055
Other Deferred Credits	(10,897,511)
Derivative Instruments	1,187,997

Net Utility Plant and Nonutility Property	(12,058,275)
Investment in Subsidiary Companies (KO I/C Equitization)	1,491,719
Investment in Subsidiary Companies (Dividend from DECAM)	402,000,000
Debt Expenses	59,872
Deferred Income Taxes	2,622,693
Impairment Charges	1,289,541,002
Total Other	1,626,144,216

Schedule Page: 120 Line No.: 47 Column: b

Other:

Other Investments $402,803

Schedule Page: 120 Line No.: 47 Column: c

Other:

Other Investments $524,166

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

Other:

Notes Payable to Associated Companies $46,808,000

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

Other:

Premium payments and fees on deferred debt ($434,912)

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

Other:

Premium payments and fees on deferred debt ($18,592)

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

	YTD Dec 2015	YTD Dec 2014
Supplemental Disclosures:		
Cash paid for interest, net of amount capitalized	62,555,638	60,015,520
Cash paid/(refunded) for income taxes	(37,377,141)	24,684,848
Significant non-cash transactions:		
Accrued capital expenditures	19M	21M
Cash and Cash Equivalents at End of period:		
Cash (131)	4,959,660	2,935,268
Working Fund (135)	0	0
Temporary Cash Investments (136)	0	0
Total	4,959,660	2,935,268

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.

This Federal Energy Regulatory Commission (FERC) Form 2 has 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 in the United States of America (GAAP). The following areas represent the significant differences between the Uniform System of Accounts and GAAP:

- 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.

- 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, unless an appropriate waiver has been granted by the FERC.

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

- GAAP requires that removal and nuclear decommissioning costs for property that does not have an associated legal retirement obligation be presented as a regulatory liability on the Balance Sheet. These costs are presented as accumulated depreciation on the Balance Sheet for FERC reporting purposes.

- 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 that the current portion of regulatory assets and regulatory liabilities be reported as current assets and current liabilities, respectively, on the Balance Sheet. FERC requires that the current portion of regulatory assets and liabilities be reported as Regulatory Assets within Deferred Debits and Regulatory Liabilities within Deferred Credits, respectively.

- GAAP requires that the current portion of long-term debt and preferred stock be reported as a current liability on the Balance Sheet. FERC requires that the current portion of long-term debt and preferred stock be reported as Long-term Debt and Proprietary Capital.

- GAAP requires that any deferred costs associated with a specific debt issuance be presented as a reduction to debt on the Balance Sheet. FERC requires any Unamortized Debt Expense to be separately stated as a Deferred Debit on the Balance Sheet.

- 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 is included in Accumulated Deferred Income Taxes, which is non-current.

- GAAP requires that certain account balances within financial statement line items which are not in the natural position for that line item (e.g. 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.

Notes to Financial Statements

The Combined Notes To Consolidated Financial Statements below are as published in the fourth quarter ended December 31, 2015 Form 10-K (includes Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, Duke Energy Florida, LLC, Duke Energy Ohio, Inc., and Duke Energy Indiana, LLC) filed February 25, 2016. See “Index to the Combined Notes to Consolidated Financial Statements” for a listing of applicable notes for Duke Energy Ohio, Inc. Management has evaluated the impact of events occurring after December 31, 2015 up to February 25, 2016, the date that Duke Energy Ohio's U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through April 13, 2016. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

On August 21, 2014, Duke Energy Commercial Enterprises, Inc., an indirect wholly owned subsidiary of Duke Energy Corporation, and Duke Energy SAM, LLC, a wholly owned subsidiary of Duke Energy Ohio, entered into a PSA with a subsidiary of Dynegy whereby Dynegy will acquire Duke Energy’s Disposal Group for approximately $2.8 billion in cash subject to adjustments at closing for changes in working capital and capital expenditures. This transaction closed on April 2, 2015.

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. Tables within the notes may not sum across due to Progress Energy's consolidation of Duke Energy Progress, Duke Energy Florida and other subsidiaries that are not registrants as the Duke Energy amounts include balances from subsidiaries that are not registrants.

	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, LLC	•	•	•	•	•	•		•	•	•	•		•	•	•	•	•		•	•	•	•	•	•	•
Duke Energy Florida, LLC	•		•	•	•	•	•	•	•	•	•		•	•	•	•	•		•	•	•	•	•	•	•
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 United States (U.S.) and Latin America primarily through its direct and indirect subsidiaries. Duke Energy's subsidiaries include its subsidiary registrants, Duke Energy Carolinas, LLC (Duke Energy Carolinas); Progress Energy, Inc. (Progress Energy); Duke Energy Progress, LLC (formerly Duke Energy Progress, Inc.) (Duke Energy Progress); Duke Energy Florida, LLC (formerly Duke Energy Florida, Inc.) (Duke Energy Florida); Duke Energy Ohio, Inc. (Duke Energy Ohio) and Duke Energy Indiana, Inc. (subsequently Duke Energy Indiana, LLC) (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 (Duke Energy Registrants).

The information in these combined notes relate to each of the Duke Energy Registrants as noted in the Index to the Combined Notes to Consolidated Financial Statements. However, none of the registrants makes any representations 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 certain 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. On August 1, 2015, Duke Energy Progress, a North Carolina corporation, converted into a North Carolina limited liability company.

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 provisions of the Florida Public Service Commission (FPSC), NRC and FERC. Substantially all of Duke Energy Florida's operations qualify for regulatory accounting. On August 1, 2015, Duke Energy Florida, a Florida corporation, converted into a Florida limited liability company.

Duke Energy Ohio is a regulated public utility primarily engaged in the transmission and distribution of electricity in portions of Ohio and Kentucky, the generation and sale of electricity in portions of Kentucky and the transportation and sale of natural gas in portions of Ohio and Kentucky. Duke Energy Ohio also conducts competitive auctions for retail electricity supply in Ohio whereby recovery of the energy price is from retail customers and recorded in Operating Revenues on the Consolidated Statements of Operations and Comprehensive Income. Operations in Kentucky are conducted through its wholly owned subsidiary, Duke Energy Kentucky, Inc. (Duke Energy Kentucky). 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. On April 2, 2015, Duke Energy completed the sale of its nonregulated Midwest generation business, which sold power into wholesale energy markets, to a subsidiary of Dynegy Inc. (Dynegy). For further information about the sale of the Midwest Generation business, refer to Note 2 "Acquisitions and Dispositions." Substantially all of Duke Energy Ohio's operations that remain after the sale qualify for regulatory accounting.

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 FERC. Substantially all of Duke Energy Indiana's operations qualify for regulatory accounting. On January 1, 2016, Duke Energy Indiana, an Indiana corporation, converted into an Indiana limited liability company.

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

Other Current Assets and Liabilities

The following table provides detail of amounts included in Other within Current Assets or Current Liabilities on the Consolidated Balance Sheets.

		December 31,			
(in millions)	Location		2015		2014
Duke Energy					
Accrued compensation	Current Liabilities	**$**	**621**	$	638
Duke Energy Carolinas					
Accrued compensation	Current Liabilities	**$**	**213**	$	216
Collateral liabilities	Current Liabilities		**141**		128
Progress Energy					
Income taxes receivable	Current Assets	**$**	**129**	$	718
Customer deposits	Current Liabilities		**373**		360
Derivative liabilities	Current Liabilities		**201**		271
Duke Energy Progress					
Income taxes receivable	Current Assets	**$**	**111**	$	272
Customer deposits	Current Liabilities		**141**		135
Accrued compensation	Current Liabilities		**108**		116
Derivative liabilities	Current Liabilities		**76**		108
Duke Energy Florida					
Income taxes receivable	Current Assets	**$**	**—**	$	177
Customer deposits	Current Liabilities		**232**		225
Derivative liabilities	Current Liabilities		**125**		163
Duke Energy Ohio					
Income taxes receivable	Current Assets	**$**	**59**	$	40
Other receivable	Current Assets		**33**		39
Accrued litigation reserve	Current Liabilities		**80**		—
Collateral Liabilities	Current Liabilities		**48**	$	42
Duke Energy Indiana					
Income taxes receivable	Current Assets	**$**	**—**	$	98
Collateral liabilities	Current Liabilities		**44**		43

The current portion of deferred tax assets is included within Other in Current Assets at December 31, 2014. Due to the adoption of new accounting guidance issued by the Financial Accounting Standards Board (FASB) related to the balance sheet classification of deferred taxes, all deferred tax assets and liabilities are classified as noncurrent at December 31, 2015. See Note 22 for information related to the presentation of deferred tax assets and liabilities on the Consolidated Balance Sheets.

Discontinued Operations

The results of operations of the nonregulated Midwest generation business have been classified as Discontinued Operations on the Consolidated Statements of Operations. Duke Energy has elected to present cash flows of discontinued operations combined with cash flows of continuing operations. Unless otherwise noted, the notes to these consolidated financial statements exclude amounts related to discontinued operations for all periods presented, assets held for sale and liabilities associated with assets held for sale as of December 31, 2014. See Note 2 for additional information.

For the year ended December 31, 2015, Duke Energy's Income from Discontinued Operations, net of tax was primarily related to results of operations of the nonregulated Midwest generation business and Duke Energy Retail Sales, LLC (collectively, the Disposal Group) prior to its sale on April 2, 2015, partially offset by a charge for a litigation reserve related to the Disposal Group. For the year ended December 31, 2014, Duke Energy's Loss from Discontinued Operations, net of tax was primarily related to a write-down of the carrying amount of the assets to the estimated fair value of the Disposal Group, based on the transaction price included in the purchase sale agreement, and the operations of the Disposal Group. For the years ended December 31, 2013, Duke Energy's Income From Discontinued Operations, net of tax was primarily related to the operations of the Disposal Group. See Note 2 for additional information.

For the years ended December 31, 2015, 2014 and 2013, Progress Energy's (Loss) Income From Discontinued Operations, net of tax was primarily due to tax impacts related to prior sales of diversified businesses.

Amounts Attributable to Controlling Interests

For the year ended December 31, 2015, the amount of Income from Discontinued Operations, net of tax presented on the Consolidated Statements of Operations is fully attributable to controlling interests.

During 2014, Duke Energy and Progress Energy's amount of Income (Loss) from Discontinued Operations, net of tax presented on the Consolidated Statements of Operations includes amounts attributable to noncontrolling interest. The following table presents Net Income Attributable to Duke Energy Corporation for continuing operations and discontinued operations for the years ended December 31, 2014 and 2013.

	Years ended December 31,			
	2014		2013	
(in millions)	Duke Energy	Progress Energy	Duke Energy	Progress Energy
Income from Continuing Operations	$ 2,465	$ 880	2,590	659
Income from Continuing Operations Attributable to Noncontrolling Interests	14	5	16	3
Income from Continuing Operations Attributable to Duke Energy Corporation	$ 2,451	$ 875	$ 2,574	$ 656
(Loss) Income From Discontinued Operations, net of tax	$ (576)	$ (6)	86	16
Loss from Discontinued Operations Attributable to Noncontrolling Interests, net of tax	(8)	—	(5)	—
(Loss) Income From Discontinued Operations Attributable to Duke Energy Corporation, net of tax	$ (568)	$ (6)	$ 91	$ 16
Net Income	$ 1,889	$ 874	$ 2,676	$ 675
Net Income Attributable to Noncontrolling Interests	6	5	11	3
Net Income Attributable to Duke Energy Corporation	$ 1,883	$ 869	$ 2,665	$ 672

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.

Regulatory accounting rules also require recognition of a disallowance (also called "impairment") loss if it becomes probable that part of the cost of a plant under construction (or a recently completed plant or an abandoned plant) will be disallowed for ratemaking purposes and a reasonable estimate of the amount of the disallowance can be made. Other disallowances can require judgments on allowed future rate recovery.

When it becomes probable that regulated generation, transmission or distribution assets will be abandoned, the cost of the asset is removed from plant in service. The value that may be retained as a regulatory asset on the balance sheet for the abandoned property is dependent upon amounts that may be recovered through regulated rates, including any return. As such, an impairment charge could be offset by the establishment of a regulatory asset if rate recovery is probable. The impairment for a disallowance of costs for regulated plants under construction, recently completed or abandoned is based on discounted cash flows.

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 either as an adjustment to Operating Revenues – Regulated electric or Operating Expenses – Fuel used in electric generation 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, 2015, $534 million of Duke Energy's total cash and cash equivalents is held by entities domiciled in foreign jurisdictions. During the fourth quarter of 2014, Duke Energy declared a taxable dividend of historical foreign earnings in the form of notes payable that will result in the repatriation of approximately $2.7 billion in cash held and expected to be generated by International Energy over a period of up to eight years. Approximately $1.5 billion was remitted in 2015. See Note 22 to the Consolidated Financial Statements, "Income Taxes," for additional information.

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, 2015 and 2014, Duke Energy had restricted cash totaling $108 million and $298 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. Inventory reserves were not material at December 31, 2015 and 2014. The components of inventory are presented in the tables below.

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Materials and supplies	$ 2,389	$ 785	$ 1,133	$ 776	$ 357	$ 81	$ 301
Coal held for electric generation	1,114	451	370	192	178	16	267
Oil, gas and other fuel held for electric generation	307	40	248	120	128	8	2
Total inventory	$ 3,810	$ 1,276	$ 1,751	$ 1,088	$ 663	$ 105	$ 570

	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Materials and supplies	$ 2,102	$ 719	$ 981	$ 676	$ 305	$ 67	$ 258
Coal held for electric generation	997	362	329	150	178	21	275
Oil, gas and other fuel held for electric generation	360	43	280	140	140	9	4
Total inventory	$ 3,459	$ 1,124	$ 1,590	$ 966	$ 623	$ 97	$ 537

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.

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 on 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 byproducts 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. Emission allowances are expensed to Fuel used in electric generation and purchased power – regulated on the Consolidated Statements of Operations.

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 advisers. 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 reassess cash flows.

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,		
	2015	2014	2013
Duke Energy	2.9%	2.8%	2.8%
Duke Energy Carolinas	2.8%	2.7%	2.8%
Progress Energy	2.6%	2.5%	2.5%
Duke Energy Progress	2.6%	2.5%	2.5%
Duke Energy Florida	2.7%	2.7%	2.4%
Duke Energy Ohio	2.7%	2.3%	3.3%
Duke Energy Indiana	3.0%	3.0%	2.8%

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, except for Duke Energy Florida. Refer to Note 4, “Regulatory Matters,” for additional information on Crystal River Unit 3 investments, including nuclear fuel.

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 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. For operating plants, the present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. For retired plants, the present value of the liability is recorded as a regulatory 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 earnings on the NDTF. As a result, amounts recovered in regulated revenues, earnings on the NDTF, accretion expense and depreciation of the associated asset are all 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 Unit 3 will be placed into a safe storage configuration until eventual dismantlement is completed by 2074. 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.

Obligations for closure of ash basins are based upon discounted cash flows of estimated costs for site specific plans, if known, or probability weightings of the potential closure methods if the closure plans are under development and multiple closure options are being considered and evaluated on a site-by-site basis. See Note 9 for additional information.

Revenue Recognition and Unbilled Revenue

Revenues on sales of electricity and gas are recognized when service is provided or the product is delivered. 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, customer mix, average price in effect for customer classes, timing of rendering customer bills 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. This table excludes amounts included in assets held for sale (AHFS) at December 31, 2014.

	December 31,	
(in millions)	**2015**	**2014**
Duke Energy	**$ 748**	$ 827
Duke Energy Carolinas	**283**	295
Progress Energy	**172**	217
Duke Energy Progress	**102**	135
Duke Energy Florida	**70**	82
Duke Energy Ohio	**3**	—
Duke Energy Indiana	**31**	27

Additionally, Duke Energy Ohio and Duke Energy Indiana sell, on a revolving basis, nearly all of their retail 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)	**2015**	**2014**
Duke Energy Ohio	**$ 71**	$ 79
Duke Energy Indiana	**97**	112

Allowance for Doubtful Accounts

Allowances for doubtful accounts are presented in the following table.

	December 31,		
(in millions)	**2015**	**2014**	**2013**
Allowance for Doubtful Accounts			
Duke Energy	**$ 18**	17	30
Duke Energy Carolinas	**3**	3	3
Progress Energy	**6**	8	14
Duke Energy Progress	**4**	7	10
Duke Energy Florida	**2**	2	4
Duke Energy Ohio	**2**	2	2
Duke Energy Indiana	**1**	1	1
Allowance for Doubtful Accounts – VIEs			
Duke Energy	**$ 53**	51	43
Duke Energy Carolinas	**7**	6	6
Progress Energy	**8**	8	—
Duke Energy Progress	**5**	5	—
Duke Energy Florida	**3**	3	—

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 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 in the regulated operations 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.

During 2015, Duke Energy retrospectively adopted revised accounting guidance related to the presentation of debt issuance costs. Unamortized debt issuance cost are presented as a reduction of the debt amount and included in Long-Term Debt on the Consolidated Balance Sheets presented. See discussion of New Accounting Standards below for further information.

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 become 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 the Subsidiary Registrants 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 a 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 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 and Duke Energy Board of Directors (Board of Directors) members. 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 begins 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. 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. If these unrecognized tax benefits are later recognized, then there will be a decrease in income taxes payable, an income tax refund or a reclassification between deferred and current taxes payable. If the portion of tax benefits that has been recognized changes and those tax benefits are subsequently unrecognized, then the previously recognized tax benefits may impact the financial statements through increasing income taxes payable, reducing income tax refunds receivable or changing deferred taxes. Changes in assumptions on tax benefits may also impact interest expense or interest income and may result in the recognition of tax penalties.

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 Cash Grants

When Duke Energy receives ITC or cash grants 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 result in an initial tax depreciable base in excess of the book carrying value by an amount 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 both operating revenues and property and other taxes in the Consolidated Statements of Operations were as follows.

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Duke Energy	**$ 396**	$ 498	$ 602
Duke Energy Carolinas	**31**	94	164
Progress Energy	**229**	263	304
Duke Energy Progress	**16**	56	115
Duke Energy Florida	**213**	207	189
Duke Energy Ohio	**102**	103	105
Duke Energy Indiana	**34**	38	29

On July 23, 2013, North Carolina House Bill 998 (HB 998 or the North Carolina Tax Simplification and Rate Reduction Act) was signed into law. HB 998 repealed 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 is 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. Remeasurement 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, 2015 and 2014, 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 2015, 2014 and 2013 had no material impact on the presentation or results of operations, cash flows or financial position of the Duke Energy Registrants. The following accounting standards were adopted by the Duke Energy Registrants during 2015.

Reporting Discontinued Operations. In April 2014, the Financial Accounting Standards Board (FASB) issued revised accounting guidance for reporting discontinued operations. A discontinued operation would be either (i) a component of an entity or a group of components of an entity that represents a separate major line of business or major geographical area of operations that either has been disposed of or is part of a single coordinated plan to be classified as held for sale or (ii) a business that, upon acquisition, meets the criteria to be classified as held for sale.

For Duke Energy, the revised accounting guidance is effective on a prospective basis for qualified disposals of components or classifications as held for sale that occurred after January 1, 2015. Under the standard, the guidance is not effective for a component classified as held for sale before the effective date even if the disposal occurs after the effective date of the guidance. Duke Energy has not reported any discontinued operations under the revised accounting guidance.

Balance Sheet Classification of Deferred Taxes. In November 2015, the FASB issued revised accounting guidance for the Balance Sheet classification of deferred taxes. The core principle of this revised accounting guidance is that all deferred tax assets and liabilities should be classified as noncurrent. For Duke Energy, this revised accounting guidance was adopted prospectively for December 31, 2015. The Balance Sheet as of December 31, 2014, does not reflect this reclassification of current deferred tax assets and liabilities. See Note 22 for further information on the impact from adoption of this accounting standard.

Balance Sheet Presentation of Debt Issuance Costs. In April and August 2015, the FASB issued revised accounting guidance for the presentation of debt issuance costs. The core principle of this revised accounting guidance is that debt issuance costs are not assets, but adjustments to the carrying cost of debt. For Duke Energy, this revised accounting guidance was adopted retrospectively to December 31, 2014.

The implementation of this accounting standard resulted in a reduction of Other within Regulatory Assets and Deferred Debits and in Long-Term Debt of $170 million and $152 million on the Consolidated Balance Sheets as of December 31, 2015 and 2014, respectively.

Fair Value Disclosures for Certain Investments. In May 2015, the FASB issued revised accounting guidance for investments in certain entities that use net asset value per share (or its equivalent) as a ‘practical expedient’ to determine fair value. The core principle of this revised accounting guidance is that the valuation of investments using the ‘practical expedient’ should not be categorized within the fair value hierarchy (i.e., as Level 1, 2 or 3). The ‘practical expedient’ applies to investments in investment companies for which there is not a readily determinable fair value (market quote) or the investment is not in a mutual fund with a publicly available net asset value. For Duke Energy, this revised accounting guidance was adopted retrospectively. The implementation of this guidance is reflected in Note 16: Fair Value Measurements and Note 21: Employee Benefit Plans.

The following new accounting standards have been issued, but have not yet been adopted by the Duke Energy Registrants, as of December 31, 2015.

Revenue from Contracts with Customers. In May 2014, the FASB issued revised accounting guidance for revenue recognition from contracts with customers. The core principle of this guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

For the Duke Energy Registrants, this guidance is effective for interim and annual periods beginning January 1, 2018, although it can be early adopted for annual periods beginning as early as January 1, 2017. The guidance can be applied retroactively to all prior reporting periods presented or retrospectively with a cumulative effect as of the initial date of application. Duke Energy is currently evaluating the requirements. The ultimate impact of the new standard has not yet been determined.

Financial Instruments Classification and Measurement. In January 2016, the FASB issued revised accounting guidance for the classification and measurement of financial instruments. Changes in the fair value of all equity securities will be required to be recorded in net income. Current GAAP allows some changes in fair value for available-for-sale equity securities to be recorded in AOCI. Additional disclosures will be required to present separately the financial assets and financial liabilities by measurement category and form of financial asset. An entity's equity investments that are accounted for under the equity method of accounting are not included within the scope of the new guidance.

For Duke Energy, the revised accounting guidance is effective for interim and annual periods beginning January 1, 2018 by recording a cumulative effect to the balance sheet as of January 1, 2018. This guidance is expected to have minimal impact on Duke Energy’s Statement of Comprehensive Income as changes in the fair value of most of Duke Energy's available-for-sale equity securities are deferred as regulatory assets or liabilities.

2. ACQUISITIONS AND DISPOSITIONS

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.

Acquisition of Piedmont Natural Gas

On October 24, 2015, Duke Energy entered into an Agreement and Plan of Merger (Merger Agreement) with Piedmont Natural Gas Company, Inc. (Piedmont), a North Carolina corporation. Under the terms of the Merger Agreement, Duke Energy will acquire Piedmont for $4.9 billion in cash. Upon closing, Piedmont will become a wholly owned subsidiary of Duke Energy.

Pursuant to the Merger Agreement, upon the closing of the merger, each share of Piedmont common stock issued and outstanding immediately prior to the closing will be converted automatically into the right to receive $60 in cash per share. In addition, Duke Energy will assume Piedmont's existing debt, which was approximately $1.9 billion at October 31, 2015, the end of Piedmont's most recent fiscal year. Duke Energy expects to finance the transaction with a combination of debt, equity issuances and other cash sources. As of December 31, 2015, Duke Energy entered into $900 million of forward starting interest rate swaps to lock in components of interest rates for the expected financing. The change in the fair value of the swaps from inception to December 31, 2015, was not material. For additional information on the forward-starting swaps, see Note 14.

In connection with the Merger Agreement with Piedmont, Duke Energy entered into a $4.9 billion senior unsecured bridge financing facility (Bridge Facility) with Barclays Capital, Inc. (Barclays). The Bridge Facility, if drawn upon, may be used to (i) fund the cash consideration for the transaction and (ii) pay certain fees and expenses in connection with the transaction. In November 2015, Barclays syndicated its commitment under the Bridge Facility to a broader group of lenders. Duke Energy does not expect to draw upon the Bridge Facility.

The Federal Trade Commission (FTC) has granted early termination of the 30-day waiting period under the federal Hart-Scott-Rodino Antitrust Improvements Act of 1976. On January 22, 2016, shareholders of Piedmont Natural Gas approved the company's acquisition by Duke Energy. On January 15, 2016, Duke Energy filed for approval of the transaction and associated financing requests with the NCUC. On January 29, 2016, the NCUC approved the financing requests. On January 15, 2016, Duke Energy and Piedmont filed a joint request with the Tennessee Regulatory Authority for approval of a change in control of Piedmont that will result from Duke Energy's acquisition of Piedmont. In that request, Duke Energy and Piedmont requested that the Authority approve the change in control on or before April 30, 2016. Subject to receipt of required regulatory approvals and meeting closing conditions, Duke Energy and Piedmont target a closing by the end of 2016.

On December 11, 2015, Duke Energy Kentucky filed a declaratory request with the KPSC seeking a finding that the transaction does not constitute a change in control of Duke Energy Kentucky requiring KPSC approval. Duke Energy also presented the transaction for information before the PSCSC on January 13, 2016.

The Merger Agreement contains certain termination rights for both Duke Energy and Piedmont, and provides that, upon termination of the Merger Agreement under specified circumstances, Duke Energy would be required to pay a termination fee of $250 million to Piedmont and Piedmont would be required to pay Duke Energy a termination fee of $125 million.

See Note 4 for additional information regarding Duke Energy and Piedmont's joint investment in Atlantic Coast Pipeline, LLC (ACP).

Purchase of NCEMPA's Generation

On July 31, 2015, Duke Energy Progress completed the purchase of North Carolina Eastern Municipal Power Agency’s (NCEMPA) ownership interests in certain generating assets, fuel and spare parts inventory jointly owned with and operated by Duke Energy Progress for approximately $1.25 billion. This purchase was accounted for as an asset acquisition. The purchase resulted in the acquisition of a total of approximately 700 megawatts (MW) of generating capacity at Brunswick Nuclear Plant, Shearon Harris Nuclear Plant, Mayo Steam Plant and Roxboro Steam Plant. In connection with this transaction, Duke Energy Progress and NCEMPA entered into a 30-year wholesale power agreement, whereby Duke Energy Progress will sell power to NCEMPA to continue to meet the needs of NCEMPA customers.

The purchase price exceeds the historical carrying value of the acquired assets by $350 million, which was recognized as an acquisition adjustment, recorded in property, plant and equipment. Duke Energy Progress received FERC approval for inclusion of the acquisition adjustment in wholesale power formula rates on December 9, 2014. On July 8, 2015, the NCUC adopted a new rule that enables a rider mechanism for recovery of the costs to acquire, operate and maintain interests in the assets purchased as allocated to Duke Energy Progress' North Carolina retail operations, including the acquisition adjustment. Pursuant to the NCUC's approval, Duke Energy Progress implemented a rider to recover costs associated with the NCEMPA asset acquisition effective December 1, 2015. Duke Energy Progress also received an order from the PSCSC to defer the recovery of the South Carolina retail allocated costs of the asset purchased until the Company's next general rate case.

Assets Acquired

The ownership interests in generating assets acquired are subject to rate-setting authority of the FERC, NCUC and PSCSC and accordingly, the assets are recorded at historical cost. The assets acquired are presented in the following table.

(in millions)		
Inventory	$	56
Net property, plant and equipment		845
Total assets		**901**
Acquisition adjustment, recorded within property, plant and equipment		350
Total purchase price	**$**	**1,251**

In connection with the acquisition, Duke Energy Progress acquired NCEMPA's nuclear decommissioning trust fund assets of $287 million and assumed asset retirement obligations of $204 million associated with NCEMPA's interest in the generation assets. The nuclear decommissioning trust fund and the asset retirement obligation are subject to regulatory accounting treatment.

DISPOSITIONS

Potential Sale of International Energy

On February 18, 2016, Duke Energy announced it had initiated a process to divest the International Energy business segment, excluding the equity method investment in National Methanol Company (NMC). Duke Energy is in the preliminary stage and there have been no binding or non-binding offers requested or submitted. Duke Energy can provide no assurance that this process will result in a transaction and there is no specific timeline for execution of a potential transaction. Proceeds from a successful exit would be used by Duke Energy to fund the operations and growth of domestic businesses. If the potential of a sale were to progress, it could result in classification of International Energy as assets held for sale and as a discontinued operation. As of December 31, 2015, the International Energy segment had a carrying value of approximately $2.7 billion, adjusted to include the cumulative foreign currency translation losses currently classified as accumulated other comprehensive income.

Midwest Generation Exit

Duke Energy, through indirect subsidiaries, completed the sale of the nonregulated Midwest generation business and Duke Energy Retail Sales (collectively, the Disposal Group) to a subsidiary of Dynegy on April 2, 2015, for approximately $2.8 billion in cash. On April 1, 2015, prior to the sale, Duke Energy Ohio distributed its indirect ownership interest in the nonregulated Midwest generation business to a subsidiary of Duke Energy Corporation.

The assets and liabilities of the Disposal Group prior to the sale were included in the Commercial Portfolio (formerly Commercial Power) segment and classified as held for sale in Duke Energy's and Duke Energy Ohio's Consolidated Balance Sheet at December 31, 2014. The following table presents information at the time of the sale related to the Duke Energy Ohio generation plants included in the Disposal Group.

Facility	Plant Type	Primary Fuel	Location	Total MW Capacity[d]	Owned MW Capacity[d]	Ownership Interest
Stuart[a][c]	Fossil Steam	Coal	OH	2,308	900	39%
Zimmer[a]	Fossil Steam	Coal	OH	1,300	605	46.5%
Hanging Rock	Combined Cycle	Gas	OH	1,226	1,226	100%
Miami Fort (Units 7 and 8)[b]	Fossil Steam	Coal	OH	1,020	652	64%
Conesville[a][c]	Fossil Steam	Coal	OH	780	312	40%
Washington	Combined Cycle	Gas	OH	617	617	100%
Fayette	Combined Cycle	Gas	PA	614	614	100%
Killen[b][c]	Fossil Steam	Coal	OH	600	198	33%
Lee	Combustion Turbine	Gas	IL	568	568	100%
Dick's Creek	Combustion Turbine	Gas	OH	136	136	100%
Miami Fort	Combustion Turbine	Oil	OH	56	56	100%
Total Midwest Generation				**9,225**	**5,884**	

(a) Jointly owned with American Electric Power Generation Resources and The Dayton Power and Light Company.
(b) Jointly owned with The Dayton Power and Light Company.
(c) Not operated by Duke Energy Ohio.
(d) Total MW capacity is based on summer capacity.

The Disposal Group also included a retail sales business owned by Duke Energy. In the second quarter of 2014, Duke Energy Ohio removed Ohio Valley Electric Corporation's (OVEC) purchase power agreement from the Disposal Group as it no longer intended to sell it with the Disposal Group.

The results of operations of the Disposal Group prior to the date of sale are classified as discontinued operations in the accompanying Consolidated Statements of Operations and Comprehensive Income. Certain immaterial costs that were eliminated as a result of the sale remained in continuing operations. The following table presents the results of discontinued operations.

Duke Energy

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Operating Revenues	**$ 543**	$ 1,748	$ 1,885
Loss on disposition[a]	**(45)**	(929)	—
Income (loss) before income taxes[b]	**$ 59**	$ (818)	$ 141
Income tax expense (benefit)	**26**	(294)	56
Income (loss) from discontinued operations of the Disposal Group	**33**	(524)	85
Other, net of tax[c]	**(13)**	(52)	1
Income (Loss) From Discontinued Operations, net of tax	**$ 20**	$ (576)	$ 86

(a) The Loss on disposition includes impairments recorded to adjust the carrying amount of the assets to the estimated fair value of the business, based on the selling price to Dynegy less cost to sell.

(b) The Income (loss) before income taxes includes the pretax impact of an $81 million charge for the settlement agreement reached in a lawsuit related to the Disposal Group for the year ended December 31, 2015. Refer to Note 5 for further information related to the lawsuit.

(c) Relates to discontinued operations of businesses not related to the Disposal Group. Amounts include indemnifications provided for certain legal, tax and environmental matters, and foreign currency translation adjustments.

Duke Energy Ohio

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Operating Revenues	**$ 412**	$ 1,299	$ 1,503
Loss on disposition[(a)]	**(52)**	(959)	—
Income (loss) before income taxes[(b)]	**$ 44**	$ (863)	$ 67
Income tax expense (benefit)	**21**	(300)	32
Income (Loss) From Discontinued Operations, net of tax	**$ 23**	$ (563)	$ 35

(a) The Loss on disposition includes impairments recorded to adjust the carrying amount of the assets to the estimated fair value of the business, based on the selling price to Dynegy less cost to sell.

(b) The Income (loss) before income taxes includes the pretax impact of an $81 million charge for the settlement agreement reached in a lawsuit related to the Disposal Group for the year ended December 31, 2015, respectively. Refer to Note 5 for further information related to the lawsuit.

Commercial Portfolio has a revolving credit agreement (RCA) which was used to support the operations of the nonregulated Midwest generation business. Interest expense associated with the RCA was allocated to discontinued operations. No other interest expense related to corporate level debt was allocated to discontinued operations.

Duke Energy Ohio had a power purchase agreement with the Disposal Group for a portion of its standard service offer (SSO) supply requirement. The agreement and the SSO expired in May 2015. Duke Energy received reimbursement for transition services provided to Dynegy through December 2015. The continuing cash flows were not considered direct cash flows or material. Duke Energy or Duke Energy Ohio did not significantly influence the operations of the Disposal Group during the transition service period.

See Notes 4 and 5 for a discussion of contingencies related to the Disposal Group that are retained by Duke Energy Ohio subsequent to the sale.

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. Certain governance costs are allocated to each segment. In addition, direct interest expense and income taxes are included in segment income.

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 Portfolio.

Regulated Utilities conducts electric and natural gas operations that are substantially all regulated and, accordingly, qualify for regulatory accounting treatment. These operations are primarily conducted through the Subsidiary Registrants and are subject to the rules and regulations of the FERC, NRC, NCUC, PSCSC, FPSC, PUCO, IURC and KPSC.

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 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. On February 4, 2016, Duke Energy announced it had initiated a process to divest its International Energy business segment, excluding the investment in NMC. See Note 2 for further information.

Commercial Portfolio builds, develops and operates wind and solar renewable generation and energy transmission projects throughout the U.S. The segment was renamed as a result of the sale of the Disposal Group, as discussed in Note 2. For periods subsequent to the sale, beginning in the second quarter of 2015, certain immaterial results of operations and related assets previously presented in the Commercial Portfolio segment are presented in Regulated Utilities and Other.

The remainder of Duke Energy's operations is presented as Other, which is primarily comprised of unallocated corporate interest expense, unallocated corporate costs, contributions to the Duke Energy Foundation and the operations of Duke Energy's wholly owned captive insurance subsidiary, Bison Insurance Company Limited (Bison).On December 31, 2013, Duke Energy sold its interest in DukeNet Communications Holdings, LLC (DukeNet) to Time Warner Cable, Inc.

	Year Ended December 31, 2015						
(in millions)	Regulated Utilities	International Energy	Commercial Portfolio	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated Revenues	$ 22,024	$ 1,088	$ 301	$ 23,413	$ 46	$ —	$ 23,459
Intersegment Revenues	38	—	—	38	77	(115)	—
Total Revenues	$ 22,062	$ 1,088	$ 301	$ 23,451	$ 123	$ (115)	$ 23,459
Interest Expense	$ 1,097	$ 85	$ 44	$ 1,226	$ 393	$ (6)	$ 1,613
Depreciation and amortization	2,814	92	104	3,010	134	—	3,144
Equity in earnings of unconsolidated affiliates	(4)	74	(3)	67	2	—	69
Income tax expense (benefit)	1,647	74	(92)	1,629	(303)	—	1,326
Segment income (loss)(a)(b)(c)(d)	2,893	225	4	3,122	(322)	(4)	2,796
Add back noncontrolling interest component							15
Income from discontinued operations, net of tax(e)							20
Net income							$ 2,831
Capital investments expenditures and acquisitions	$ 6,974	$ 45	$ 1,131	$ 8,150	$ 213	$ —	$ 8,363
Segment Assets	111,562	3,271	4,010	118,843	2,125	188	121,156

(a) Regulated Utilities includes an after-tax charge of $58 million related to the Edwardsport settlement. Refer to Note 4 for further information.

(b) Commercial Portfolio includes state tax expense of $41 million, resulting from changes to state apportionment factors due to the sale of the Disposal Group, that does not qualify for discontinued operations. Refer to Note 2 for further information related to the sale.

(c) Other includes $60 million of after-tax costs to achieve mergers.

(d) Other includes an after-tax charge of $77 million related to cost savings initiatives. Refer to Note 19 for further information related to the cost savings initiatives.

(e) Includes after-tax impact of $53 million for the settlement agreement reached in a lawsuit related to the Disposal Group. Refer to Note 5 for further information related to the lawsuit.

	Year Ended December 31, 2014						
(in millions)	Regulated Utilities	International Energy	Commercial Portfolio	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated Revenues	$ 22,228	$ 1,417	$ 255	$ 23,900	$ 25	$ —	$ 23,925
Intersegment Revenues	43	—	—	43	80	(123)	—
Total Revenues	$ 22,271	$ 1,417	$ 255	$ 23,943	$ 105	$ (123)	$ 23,925
Interest Expense	$ 1,093	$ 93	$ 58	$ 1,244	$ 400	$ (22)	$ 1,622
Depreciation and amortization	2,759	97	92	2,948	118	—	3,066
Equity in earnings of unconsolidated affiliates	(3)	120	10	127	3	—	130
Income tax expense (benefit)(a)	1,628	449	(171)	1,906	(237)	—	1,669
Segment income (loss)(b)(c)(d)	2,795	55	(55)	2,795	(334)	(10)	2,451
Add back noncontrolling interest component							14
Loss from discontinued operations, net of tax							(576)
Net income							$ 1,889
Capital investments expenditures and acquisitions	$ 4,744	$ 67	$ 555	$ 5,366	$ 162	$ —	$ 5,528
Segment Assets	106,574	5,093	6,278	117,945	2,423	189	120,557

(a) International Energy includes a tax adjustment of $373 million related to deferred tax impact resulting from the decision to repatriate all cumulative historical undistributed foreign earnings. See Note 22 for additional information.
(b) Commercial Portfolio recorded a $94 million pretax impairment charge related to OVEC.
(c) Other includes costs to achieve mergers.
(d) Regulated Utilities includes an increase in the litigation reserve related to the criminal investigation of the Dan River coal ash spill. See Note 5 for additional information.

	Year Ended December 31, 2013						
(in millions)	**Regulated Utilities**	**International Energy**	**Commercial Portfolio**	**Total Reportable Segments**	**Other**	**Eliminations**	**Total**
Unaffiliated Revenues(a)(b)(c)	$ 20,871	$ 1,546	$ 254	$ 22,671	$ 85	$ —	$ 22,756
Intersegment Revenues	39	—	6	45	90	(135)	—
Total Revenues	$ 20,910	$ 1,546	$ 260	$ 22,716	$ 175	$ (135)	$ 22,756
Interest Expense	$ 986	$ 86	$ 61	$ 1,133	$ 416	$ (6)	$ 1,543
Depreciation and amortization	2,323	100	110	2,533	135	—	2,668
Equity in earnings of unconsolidated affiliates	(1)	110	7	116	6	—	122
Income tax expense (benefit)	1,522	166	(148)	1,540	(335)	—	1,205
Segment income (loss) (a)(b)(c)(d)(e)(f)(g)	2,504	408	(88)	2,824	(238)	(12)	2,574
Add back noncontrolling interest component							16
Income from discontinued operations, net of tax							86
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, the PUCO approved a Duke Energy Ohio settlement agreement that provides for a net annual increase in electric distribution revenues beginning in May 2013. This rate increase impacts Regulated Utilities.

(b) In June 2013, NCUC approved a Duke Energy Progress settlement agreement that included an increase in rates in the first year beginning in June 2013. This rate increase impacts Regulated Utilities.

(c) In September 2013, Duke Energy Carolinas implemented revised customer rates approved by the NCUC and the PSCSC. These rate increases impact Regulated Utilities.

(d) Regulated Utilities recorded an impairment charge related to Duke Energy Florida's Crystal River Unit 3. See Note 4 for additional information.

(e) Regulated Utilities recorded an impairment charge related to the letter Duke Energy Progress filed with the NRC requesting the NRC to suspend its review activities associated with the combined construction and operating license (COL) at the Harris site. Regulated Utilities also recorded an impairment charge related to the write-off of the wholesale portion of the Levy investments at Duke Energy Florida in accordance with the 2013 Settlement. See Note 4 for additional information.

(f) Other includes costs to achieve mergers.

(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.

Geographical Information

(in millions)		U.S.		Latin America(a)		Consolidated
2015						
Consolidated revenues	**$**	**22,371**	**$**	**1,088**	**$**	**23,459**
Consolidated long-lived assets		**87,552**		**2,012**		**89,564**
2014						
Consolidated revenues	$	22,508	$	1,417	$	23,925
Consolidated long-lived assets		80,709		2,458		83,167
2013						
Consolidated revenues	$	21,211	$	1,545	$	22,756
Consolidated long-lived assets		78,581		2,781		81,362

(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.

Products and Services

The following table summarizes revenues of the reportable segments by type.

(in millions)		Retail Electric		Wholesale Electric		Retail Natural Gas		Wholesale Natural Gas		Other		Total Revenues
2015												
Regulated Utilities	**$**	**18,695**	**$**	**2,014**	**$**	**546**	**$**	**—**	**$**	**807**	**$**	**22,062**
International Energy		**—**		**1,025**		**—**		**63**		**—**		**1,088**
Commercial Portfolio		**—**		**260**		**—**		**—**		**41**		**301**
Total Reportable Segments	**$**	**18,695**	**$**	**3,299**	**$**	**546**	**$**	**63**	**$**	**848**	**$**	**23,451**
2014												
Regulated Utilities	$	19,007	$	1,879	$	571	$	—	$	814	$	22,271
International Energy		—		1,326		—		91		—		1,417
Commercial Portfolio		—		255		—		—		—		255
Total Reportable Segments	$	19,007	$	3,460	$	571	$	91	$	814	$	23,943
2013												
Regulated Utilities	$	17,837	$	1,720	$	506	$	—	$	847	$	20,910
International Energy		—		1,447		—		99		—		1,546
Commercial Portfolio		—		260		—		—		—		260
Total Reportable Segments	$	17,837	$	3,427	$	506	$	99	$	847	$	22,716

Duke Energy Ohio

Duke Energy Ohio had two reportable operating segments, Regulated Utilities and Commercial Portfolio, prior to the sale of the nonregulated Midwest generation business. As a result of the sale discussed in Note 2, Commercial Portfolio no longer qualifies as a Duke Energy Ohio reportable operating segment. Therefore, for periods subsequent to the sale, beginning in the second quarter of 2015, all of the remaining assets and related results of operations previously presented in Commercial Portfolio are presented in Regulated Utilities and Other.

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.

Other is primarily comprised of governance costs allocated by its parent, Duke Energy, and revenues and expenses related to Duke Energy Ohio's contractual arrangement to buy power from OVEC's power plants. For additional information on related party transactions refer to Note 9. 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, 2015					
(in millions)	Regulated Utilities	Commercial Portfolio	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 1,872	$ 14	$ 1,886	$ 19	$ —	$ 1,905
Intersegment revenues	1	—	1	—	(1)	—
Total revenues	$ 1,873	$ 14	$ 1,887	$ 19	$ (1)	$ 1,905
Interest expense	$ 78	$ —	$ 78	$ 1	$ —	$ 79
Depreciation and amortization	226	—	226	1	—	227
Income tax expense (benefit)	105	(5)	100	(19)	—	81
Segment income (loss)	191	(8)	183	(33)	(1)	149
Income from discontinued operations, net of tax						23
Net income						$ 172
Capital expenditures	$ 399	$ —	$ 399	$ —	$ —	$ 399
Segment assets	7,050	—	7,050	55	(8)	7,097

(in millions)	Year Ended December 31, 2014 Regulated Utilities	Commercial Portfolio	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 1,894	$ 19	$ 1,913	$ —	$ —	$ 1,913
Intersegment revenues	1	—	1	—	(1)	—
Total revenues	$ 1,895	$ 19	$ 1,914	$ —	$ (1)	$ 1,913
Interest expense	$ 81	$ 5	$ 86	$ —	$ —	$ 86
Depreciation and amortization	211	2	213	1	—	214
Income tax expense (benefit)	117	(67)	50	(7)	—	43
Segment income (loss)[(a)]	202	(121)	81	(13)	—	68
Income from discontinued operations, net of tax						(563)
Net loss						$ (495)
Capital expenditures	$ 300	$ 22	$ 322	$ —	$ —	$ 322
Segment assets	6,902	3,187	10,089	134	(230)	9,993

(a) Commercial Portfolio recorded a $94 million pretax impairment charge related to OVEC.

(in millions)	Year Ended December 31, 2013 Regulated Utilities	Commercial Portfolio	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 1,765	$ 40	$ 1,805	$ —	$ —	$ 1,805
Interest expense	$ 74	$ —	$ 74	$ —	$ —	$ 74
Depreciation and amortization	200	13	213	—	—	213
Income tax expense (benefit)	91	(36)	55	(12)	—	43
Segment income (loss)	151	(65)	86	(19)	—	67
Income from discontinued operations, net of tax						35
Net income						$ 102
Capital expenditures	$ 375	$ 58	$ 433	$ —	$ —	$ 433
Segment assets	6,649	4,170	10,819	99	(155)	10,763

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

The remaining Subsidiary Registrants each have one reportable operating segment, Regulated Utilities, 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 $240 million, $241 million and $300 million for the years ended December 31, 2015, 2014 and 2013. The following table summarizes the net loss for Other for each of these entities.

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Duke Energy Carolinas	**$ (95)**	$ (79)	$ (97)
Progress Energy	**(159)**	(190)	(241)
Duke Energy Progress	**(32)**	(31)	(46)
Duke Energy Florida	**(16)**	(19)	(24)
Duke Energy Indiana	**(10)**	(11)	(16)

Duke Energy Progress earned approximately 10 percent of its consolidated operating revenues from North Carolina Electric Membership Corporation (NCEMC) in 2015. These revenues relate to wholesale contracts and transmission revenues. The assets Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana are substantially all included within the Regulated Utilities segment at December 31, 2015, 2014 and 2013.

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, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Assets							
Asset retirement obligations – coal ash	$ 2,555	$ 1,120	$ 1,394	$ 1,386	$ 8	$ 4	$ 37
Asset retirement obligations – nuclear and other	838	104	487	195	292	—	—
Accrued pension and OPEB	2,151	479	807	366	441	139	220
Retired generation facilities	509	49	409	179	230	—	51
Debt fair value adjustment	1,191	—	—	—	—	—	—
Net regulatory asset related to income taxes	1,075	564	318	106	212	55	120
Nuclear asset securitizable balance, net	1,237	—	1,237	—	1,237	—	—
Hedge costs and other deferrals	571	127	410	171	239	7	27
Demand side management (DSM)/Energy efficiency (EE)	340	80	250	237	13	10	—
Grid Modernization	68	—	—	—	—	68	—
Vacation accrual	192	79	38	38	—	5	10
Deferred fuel and purchased power	151	21	129	93	36	1	—
Nuclear deferral	245	107	138	62	76	—	—
Post-in-service carrying costs and deferred operating expenses	383	97	38	38	—	21	227
Gasification services agreement buyout	32	—	—	—	—	—	32
Transmission expansion obligation	72	—	—	—	—	72	—
Manufactured gas plant (MGP)	104	—	—	—	—	104	—
NCEMPA deferrals	21	—	21	21	—	—	—
East Bend deferrals	16	—	—	—	—	16	—
Other	499	244	121	82	39	31	94
Total regulatory assets	12,250	3,071	5,797	2,974	2,823	533	818
Less: current portion	877	305	362	264	98	36	102
Total noncurrent regulatory assets	$ 11,373	$ 2,766	$ 5,435	$ 2,710	$ 2,725	$ 497	$ 716

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Liabilities							
Costs of removal	$ 5,329	$ 2,413	$ 2,078	$ 1,725	$ 353	$ 222	$ 616
Amounts to be refunded to customers	71	—	—	—	—	—	71
Storm reserve	150	24	125	—	125	1	—
Accrued pension and OPEB	288	68	51	25	26	21	83
Deferred fuel and purchased power	311	55	255	58	197	1	—
Other	506	281	164	155	8	12	46
Total regulatory liabilities	6,655	2,841	2,673	1,963	709	257	816
Less: current portion	400	39	286	85	200	12	62
Total noncurrent regulatory liabilities	$ 6,255	$ 2,802	$ 2,387	$ 1,878	$ 509	$ 245	$ 754

	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Assets							
Asset retirement obligations – coal ash	$ 1,992	$ 840	$ 1,152	$ 1,152	$ —	$ —	$ —
Asset retirement obligations – nuclear and other	1,025	67	730	432	298	—	—
Accrued pension and OPEB	2,015	412	812	354	458	132	217
Retired generation facilities	1,659	58	1,545	152	1,393	—	56
Debt fair value adjustment	1,305	—	—	—	—	—	—
Net regulatory asset related to income taxes	1,144	614	354	141	213	64	111
Hedge costs and other deferrals	628	103	490	217	273	7	28
DSM/EE	330	106	203	193	10	21	—
Grid Modernization	76	—	—	—	—	76	—
Vacation accrual	213	86	46	46	—	6	12
Deferred fuel and purchased power	246	50	182	138	44	9	5
Nuclear deferral	296	141	155	43	112	—	—
Post-in-service carrying costs and deferred operating expenses	494	124	121	28	93	21	228
Gasification services agreement buyout	55	—	—	—	—	—	55
Transmission expansion obligation	70	—	—	—	—	74	—
MGP	115	—	—	—	—	115	—
Other	494	263	109	66	42	36	66
Total regulatory assets	12,157	2,864	5,899	2,962	2,936	561	778
Less: current portion	1,115	399	491	287	203	49	93
Total noncurrent regulatory assets	$ 11,042	$ 2,465	$ 5,408	$ 2,675	$ 2,733	$ 512	$ 685

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
	December 31, 2014						
Regulatory Liabilities							
Costs of removal	$ 5,221	$ 2,420	$ 1,975	$ 1,692	$ 283	$ 222	$ 613
Amounts to be refunded to customers	166	—	70	—	70	—	96
Storm reserve	150	25	125	—	125	—	—
Accrued pension and OPEB	379	76	121	61	60	19	91
Deferred fuel and purchased power	37	6	23	23	—	—	8
Other	444	217	171	127	44	10	42
Total regulatory liabilities	6,397	2,744	2,485	1,903	582	251	850
Less: current portion	204	34	106	71	35	10	54
Total noncurrent regulatory liabilities	$ 6,193	$ 2,710	$ 2,379	$ 1,832	$ 547	$ 241	$ 796

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.

Asset retirement obligations – coal ash. Represents regulatory assets including deferred depreciation and accretion related to the legal obligation to close ash basins. The costs are deferred until recovery treatment has been determined. The recovery period for these costs has yet to be established. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Ohio earn a debt return on their expenditures. See Notes 1 and 9 for additional information.

Asset retirement obligations – nuclear and other. Represents regulatory assets, including deferred depreciation and accretion, related to legal obligations associated with the future retirement of property, plant and equipment, excluding amounts related to coal ash. The Asset retirement obligations relate primarily to decommissioning nuclear power facilities. The amounts also include certain deferred gains on NDTF investments. The recovery period for costs related to nuclear facilities runs through the decommissioning period of each nuclear unit, the latest of which is currently estimated to be 2086. See Notes 1 and 9 for additional information.

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 and unrecognized prior service cost and credit 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 and prior service cost and credit to net periodic benefit costs for pension and OPEB plans. See Note 21 for additional detail.

Retired generation facilities. Duke Energy Florida earns a full return on a portion of the regulatory asset related to the retired nuclear plant currently recovered in the nuclear cost recovery clause (NCRC), with the remaining portion earning a reduced return. Duke Energy Carolinas earns a return on the outstanding retail balance with recovery periods ranging from five to 10 years. Duke Energy Progress earns a return on the outstanding balance with recovery over a period of 10 years for retail purposes and over the longer of 10 years or the previously estimated planned retirement date for wholesale purposes. Duke Energy Indiana earns a return on the outstanding balances and the costs are included in rate base.

Debt fair value adjustment. Purchase accounting adjustment recorded to state the carrying value of Progress Energy at fair value in connection with the 2012 merger. Amount is amortized over the life of the related debt.

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. Amounts for Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress include regulatory liabilities related to the change in the North Carolina corporate tax rate discussed in Note 22.

Nuclear asset securitizable balance, net. Represents the balance associated with Crystal River Unit 3 retirement approved for recovery by the FPSC on September 15, 2015, and the deferred operating expenses expected to be securitized in 2016 upon issuance of the associated bonds. The regulatory asset balance is net of the AFUDC equity portion of the $1.283 billion amount approved by the FPSC. The regulatory asset balance approved for recovery by the FPSC will earn a reduced return until the expected bond issuance, after which it will earn a return in rates to recover the interest costs of the associated debt. Once bonds are issued, the balance will be recovered over approximately 20 years. This regulatory asset is not included in rate base.

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 2048.

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 Carolinas, Duke Energy Progress and Duke Energy Florida collect a return on DSM/EE investments.

Grid Modernization. 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. Recovery period is generally one year for depreciation and operating expenses. Recovery for post-in-service carrying costs is over the life of the assets. Duke Energy Ohio is earning a return on these costs.

Vacation accrual. Generally recovered within one year.

Deferred fuel and purchased power. Represents certain energy related costs that are recoverable or refundable as approved by the applicable regulatory body. Duke Energy Florida amount includes capacity costs. Duke Energy Florida earns a return on the retail portion of under-recovered costs. Duke Energy Ohio earns a return on under-recovered costs. Duke Energy Florida and Duke Energy Ohio pay interest on over-recovered costs. Duke Energy Carolinas and Duke Energy Progress amounts include certain purchased power costs in both North Carolina and South Carolina and costs of distributed energy resource programs in South Carolina. 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 Indiana recovery period is quarterly.

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 primarily associated with Levy, with a final true-up to be filed by May 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 Florida earns a return at a reduced rate. For Duke Energy Ohio and Duke Energy Indiana, some amounts are included in rate base. Recovery is over various lives, and the latest recovery period is 2082.

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 costs incurred through 2019. Duke Energy Ohio does not earn a return on these costs.

NCEMPA deferrals. Represents retail allocated cost deferrals and returns associated with the additional ownership interest in assets acquired from NCEMPA discussed in Note 2. The North Carolina retail allocated costs are generally being recovered, over a period of time between three years and the remaining life of the assets purchased, through a rider that became effective on December 1, 2015. The South Carolina retail allocated costs are being deferred until Duke Energy Progress' next general rate case, earning a return pursuant to an order received from the PSCSC.

East Bend deferrals. Represents both deferred operating expenses and deferred depreciation as well as carrying costs on the portion of East Bend that was acquired from Dayton Power and Light and that had been previously operated as a jointly owned facility. Recovery will not commence until the settlement of the next rate case in Kentucky. Duke Energy Ohio is earning a return on these deferred costs.

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 certain deferred gains on NDTF investments.

Amounts to be refunded to customers. Represents required rate reductions to retail customers by the applicable regulatory body. The period of refund for Duke Energy Indiana is through 2017.

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 Duke Energy Corporation Holding Company (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, limit 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, 2015.

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, 2015.

Rate Related Information

The NCUC, PSCSC, FPSC, IURC, PUCO and KPSC approve rates for retail electric and natural gas services within their states. 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

FERC Transmission Return on Equity Complaint

On January 7, 2016, a customer group filed a complaint with the FERC that the rate of return on equity of 10.2 percent in Duke Energy Carolinas' transmission formula rates is excessive and should be reduced to no higher than 8.49 percent, effective upon the complaint date. The customer group requests consolidation with a similar complaint filed against Duke Energy Progress on the same day. Duke Energy Carolinas cannot predict the outcome of this matter.

William States Lee Combined Cycle Facility

On April 9, 2014, the PSCSC granted Duke Energy Carolinas and NCEMC a Certificate of Environmental Compatibility and Public Convenience and Necessity (CECPCN) for the construction and operation of a 750 MW combined-cycle natural gas-fired generating plant at Duke Energy Carolinas' existing William States Lee Generating Station in Anderson, South Carolina. Duke Energy Carolinas began construction in July 2015 and estimates a cost to build of $600 million for its share of the facility, including AFUDC. The project is expected to be commercially available in late 2017. NCEMC will own approximately 13 percent of the project. On July 3, 2014, the South Carolina Coastal Conservation League and Southern Alliance for Clean Energy jointly filed a Notice of Appeal with the Court of Appeals of South Carolina seeking the court's review of the PSCSC's decision, claiming the PSCSC did not properly consider a request related to a proposed solar facility prior to granting approval of the CECPCN. The Court of Appeals affirmed the PSCSC's decision on February 10, 2016. On February 23, 2016, the South Carolina Coastal Conservation League and Southern Alliance for Clean Energy filed a petition for rehearing with the Court of Appeals.

William States Lee III Nuclear Station

In December 2007, Duke Energy Carolinas applied to the NRC for a 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 $471 million, including AFUDC through December 31, 2015. This amount is included in Net property, plant and equipment on Duke Energy Carolinas’ Consolidated Balance Sheets.

Design changes have been identified in the Westinghouse AP1000 certified design that must be addressed before NRC can complete its review of the Lee Nuclear Station COL application. These design changes set the schedule for completion of the NRC COL application review and issuance of the Lee COL. Receipt of the Lee Nuclear Station COL is currently expected by late 2016.

Duke Energy Progress

FERC Transmission Return on Equity Complaint

On January 7, 2016, a customer group filed a complaint with the FERC that the rate of return on equity of 10.8 percent in Duke Energy Progress' transmission formula rates is excessive and should be reduced to no higher than 8.49 percent, effective upon the complaint date. The customer group requests consolidation with a similar complaint filed against Duke Energy Carolinas on the same day. Duke Energy Progress cannot predict the outcome of this matter.

Sutton Black Start Combustion Turbine CPCN

On April 15, 2015, Duke Energy Progress filed a Certificate of Public Convenience and Necessity (CPCN) application with the NCUC for approval to construct an 84 MW black start combustion turbine (CT) project at the existing Sutton Plant (Sutton Black Start CT Project). The Sutton Black Start CT Project would replace three existing CTs with total capacity of 61 MW with two new 42 MW CT units with black start and fast start capability. In addition to peaking system capacity, the Sutton Black Start CT Project will provide regional black start capability and tertiary backup power services for the Brunswick Nuclear Plant. In June 2015, the Public Staff of the NCUC recommended the NCUC approve Duke Energy Progress' application. On August 3, 2015, the NCUC issued an order granting the application and requiring annual construction and cost progress reports. The new units are expected to be commercially available in the summer of 2017.

Western Carolinas Modernization Plan

In May 2015, Duke Energy Progress announced a $1.1 billion plan to modernize the Western Carolinas energy system. The plan included retirement of the Asheville coal-fired plant, building a 650 MW combined-cycle natural gas power plant, installing solar generation at the site, building new transmission lines, a new substation and upgrades to area substations. On June 24, 2015, the North Carolina governor signed into law the North Carolina Mountain Energy Act of 2015 (Mountain Energy Act) which provides for an expedited CPCN process for the proposed Asheville combined-cycle project and extends certain North Carolina Coal Ash Management Act of 2014 (Coal Ash Act) deadlines for the coal ash basin at the Asheville Plant site.

On November 4, 2015, in response to community feedback, Duke Energy Progress announced a revised plan. The revised plan replaces the planned 650 MW plant with two 280 MW combined-cycle natural gas plants having dual fuel capability, with the option to build a third natural gas simple cycle unit in 2023 based upon the outcome of initiatives to reduce the region's power demand. The revised plan includes upgrades to existing transmission lines and substations, but eliminates the need for a new transmission line and a new substation associated with the project in South Carolina. The revised plan has the same overall project cost as the original plan, and the plans to install solar generation remain unchanged. Duke Energy Progress has also proposed to add a pilot battery storage project. These investments will be made within the next seven years. Duke Energy Progress is also working with the local natural gas distribution company to upgrade an existing natural gas pipeline to serve the natural gas plant. The plan requires various approvals including regulatory approvals in North Carolina. Duke Energy Progress filed for a CPCN with the NCUC for the new gas units on January 15, 2016. At the NCUC's staff conference on February 22, 2016, the Public Staff recommended approval of the CPCN for the two combined cycle natural gas plants and recommended that the NCUC not issue a CPCN for the simple cycle unit at this time. The NCUC also heard arguments from intervenors and Duke Energy Progress. Pursuant to the Mountain Energy Act, the NCUC's deadline to issue a decision on the CPCN is February 29, 2016.

The carrying value of the 376 MW Asheville coal-fired plant, including associated ash basin closure costs, of $548 million is included in Generation facilities to be retired, net on Duke Energy Progress' Consolidated Balance Sheet as of December 31, 2015.

Shearon Harris Nuclear Plant Expansion

In 2006, Duke Energy Progress selected a site at Harris to evaluate for possible future nuclear expansion. On February 19, 2008, Duke Energy Progress filed its COL application with the NRC for two Westinghouse AP1000 reactors at Harris, which the NRC docketed for review. On May 2, 2013, Duke Energy Progress filed a letter with the NRC requesting the NRC to suspend its review activities associated with the COL at the Harris site. As a result of the decision to suspend the COL applications, during the second quarter of 2013, Duke Energy Progress recorded a pretax impairment charge of $22 million which represented costs associated with the COL, which were not probable of recovery. The NCUC and PSCSC have approved deferral for $48 million of retail costs recorded in Regulatory assets on Duke Energy Progress' Consolidated Balance Sheets.

Duke Energy Florida

FERC Transmission Return on Equity Complaint

Seminole Electric Cooperative, Inc. and Florida Municipal Power Agency filed multiple complaints with the FERC alleging Duke Energy Florida's current rate of return on equity in transmission formula rates of 10.8 percent is unjust and unreasonable. The latest complaint, filed on August 12, 2014, claims the rate of return on equity should be reduced to 8.69 percent. The FERC consolidated all complaints for the purposes of settlement, hearing and decision. On July 21, 2015, the parties filed with the FERC for approval of a settlement agreement under which (i) Duke Energy Florida will pay a total of $14.1 million as refunds for all periods through December 31, 2014, (ii) the rate of return on equity will be 10 percent effective January 1, 2015, and (iii) none of the parties will seek a change in the rate of return on equity prior to January 1, 2018. On November 19, 2015, the FERC approved the settlement agreement resolving all complaints. Duke Energy Florida paid $14.1 million in refunds during December 2015.

Citrus County Combined Cycle Facility

On October 2, 2014, the FPSC granted Duke Energy Florida a Determination of Need for the construction of a 1,640 MW combined-cycle natural gas plant in Citrus County, Florida. On May 5, 2015, the Florida Department of Environmental Protection approved Duke Energy Florida's Site Certification Application. The facility is expected to be commercially available in 2018 at an estimated cost of $1.5 billion, including AFUDC. The project has received all required permits and approvals and construction began in October 2015.

Purchase of Osprey Energy Center

In December 2014, Duke Energy Florida and Osprey Energy Center, LLC, a wholly owned subsidiary of Calpine Corporation (Calpine), entered into an Asset Purchase and Sale Agreement for the purchase of a 599 MW combined-cycle natural gas plant in Auburndale, Florida (Osprey Plant acquisition) for approximately $166 million. On January 30, 2015, Duke Energy Florida petitioned the FPSC requesting a determination that the Osprey Plant acquisition or, alternatively, the construction of a 320 MW combustion turbine at its existing Suwannee generating facility (Suwannee project) with an estimated cost of $197 million, is the most cost-effective generation alternative to meet Duke Energy Florida's remaining generation need prior to 2018. On July 21, 2015, the FPSC approved the Osprey Plant acquisition as the most cost-effective alternative and issued an order of approval on July 31, 2015. On July 24, 2015, the FERC issued an order approving the Osprey Plant acquisition. Closing of the acquisition is contingent upon the expiration of the Hart-Scott-Rodino waiting period and is expected to occur by the first quarter of 2017, upon the expiration of an existing Power Purchase Agreement between Calpine and 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. 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 issues related to (i) 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

On February 5, 2013, Duke Energy Florida announced the retirement of Crystal River Unit 3. 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, and March 2014, Duke Energy Florida filed an updated site-specific decommissioning plan with the NRC and FPSC, respectively. The plan, which was approved by the FPSC in November 2014, included a decommissioning cost estimate of $1,180 million, including amounts applicable to joint owners at that time, under the 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 to be completed by 2074. This decommissioning approach is currently utilized at a number of retired domestic nuclear power plants and is one of three accepted approaches to decommissioning approved by the NRC.

Pursuant to the 2013 Settlement, Duke Energy Florida reclassified all Crystal River Unit 3 investments, including property, plant and equipment, nuclear fuel, inventory, and other assets, to regulatory assets. Portions of the nuclear fuel balances that are under contract for sale were subsequently moved to Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheets. Duke Energy Florida agreed to forgo recovery of $295 million of regulatory assets and an impairment charge was recorded in the second quarter of 2013 for this matter. Duke Energy Florida also accelerated cash recovery of approximately $47 million, net of tax, of the Crystal River Unit 3 regulatory asset from retail customers during 2014 and 2015, through its fuel clause.

On May 22, 2015, Duke Energy Florida petitioned the FPSC for approval to include in base rates the revenue requirement for the projected $1.298 billion Crystal River Unit 3 regulatory asset as authorized by the 2013 Revised and Restated Stipulation and Settlement Agreement (2013 Agreement). On September 15, 2015, the FPSC approved Duke Energy Florida's motion for approval of a settlement agreement with intervenors to reduce the value of the projected Crystal River Unit 3 regulatory asset to be recovered to $1.283 billion as of December 31, 2015. An impairment charge of $15 million was recognized in the third quarter of 2015 to adjust the regulatory asset balance.

In June 2015, the governor of Florida signed legislation to allow utilities to securitize certain retired nuclear generation assets, with approval of the FPSC. On November 19, 2015, the FPSC issued a financing order approving Duke Energy Florida’s request to securitize its unrecovered regulatory asset related to Crystal River Unit 3 through a debt issuance at a wholly owned special purpose entity. Securitization would replace the base rate recovery methodology authorized by the 2013 Agreement and result in a lower rate impact to customers with an approximately 20 year recovery period. On February 9, 2016, Duke Energy Florida filed a registration statement for the proposed initial public offering of the bonds. Use of the registration statement for purposes of the offering is subject to review and declaration of its effectiveness by the SEC. Duke Energy Florida expects to issue securitization bonds in the first half of 2016.

In December 2014, the FPSC approved Duke Energy Florida's decision to construct an independent spent fuel storage installation (ISFSI) and approved Duke Energy Florida's request to defer amortization of the ISFSI pending resolution of its litigation against the federal government as a result of the Department of Energy's breach of its obligation to accept 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. Through December 31, 2015 Duke Energy Florida has deferred approximately $60 million for recovery associated with building the ISFSI.

The regulatory asset associated with the original Crystal River Unit 3 power uprate project will continue to be recovered through the NCRC over an estimated seven-year period that began in 2013 with a remaining uncollected balance at December 31, 2015 of $169 million.

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, unless the regulatory asset is securitized as discussed above, 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 also provided for a $150 million increase in base revenue effective with the first billing cycle of January 2013. 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 agreed to refund $388 million to retail customers through its fuel clause, as required by the 2012 Settlement. At December 31, 2015, $70 million remains to be refunded and is included in Regulatory liabilities within Current Liabilities on the Consolidated Balance Sheets.

Levy Nuclear Project

On July 28, 2008, Duke Energy Florida applied to the NRC for a COL for two Westinghouse AP1000 reactors at Levy. 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. Design changes have been identified in the Westinghouse AP1000 certified design that must be addressed before the NRC can complete its review of the Levy COL application. These design changes set the schedule for completion of the NRC COL application review and issuance of the Levy COL. Based on the current review schedule, the Levy COL is currently expected by late 2016.

On January 28, 2014, Duke Energy Florida terminated the Levy engineering, procurement and construction agreement (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 recorded an exit obligation of $25 million in first quarter 2014 for the termination of the EPC. This liability was recorded within Other in Deferred Credits and Other Liabilities with an offset primarily to Regulatory assets on the Consolidated Balance Sheets. Duke Energy Florida is allowed to recover reasonable and prudent EPC cancellation costs from its retail customers.

The 2012 Settlement provided that Duke Energy Florida include 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. 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 Duke Energy Florida's Statements of Operations and Comprehensive Income.

On October 27, 2014, the FPSC approved Duke Energy Florida rates for 2015 for Levy as filed and consistent with those established in the 2013 Revised and Restated Settlement Agreement. Recovery of the remaining retail portion of the project costs may 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, 2015, Duke Energy Florida has a net uncollected investment in Levy of approximately $183 million, including AFUDC. Of this amount, $105 million related to land and the COL is included in Net, property, plant and equipment and will be recovered through base rates and $78 million is included in Regulatory assets within Regulatory Assets and Deferred Debits on the Consolidated Balance Sheets and will be recovered through the NCRC.

On April 16, 2015, the FPSC approved Duke Energy Florida's petition to cease collection of the Levy Nuclear Project fixed charge beginning with the first billing cycle in May 2015. On August 18, 2015, the FPSC approved leaving the Levy Nuclear Project portion of the Nuclear Cost Recovery Clause charge at zero dollars for 2016 and 2017, consistent with the 2013 Settlement. Duke Energy Florida will submit by May 2017 a true-up of Levy Nuclear Project costs or credits to be recovered no earlier than January 2018. To the extent costs become known after May 2017, Duke Energy Florida will petition for recovery at that time.

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. In April 2014, the FPSC approved Duke Energy Florida's petition to allow for the recovery of prudently incurred costs to comply with the Mercury and Air Toxics Standard through the Environmental Cost Recovery Clause.

Cost of Removal Reserve

The 2012 Settlement and the 2013 Settlement provide Duke Energy Florida the discretion to reduce cost of removal amortization expense for a certain portion of 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 could 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 for the year ended December 31, 2013. Duke Energy Florida had no cost of removal reserves eligible for amortization to income remaining after December 31, 2013.

Duke Energy Ohio

Accelerated Natural Gas Service Line Replacement Rider

On January 20, 2015, Duke Energy Ohio filed an application for approval of an accelerated natural gas service line replacement program (ASRP). The ASRP is modeled after the accelerated main replacement program (AMRP), which concluded on December 31, 2015. Under the ASRP, Duke Energy Ohio proposes to replace certain natural gas service lines on an accelerated basis. The program is proposed to last 10 years. Through the ASRP, Duke Energy Ohio also proposes to complete preliminary survey and investigation work related to natural gas service lines that are customer-owned and for which it does not have valid records and, further, to relocate interior natural gas meters to suitable exterior locations where such relocation can be accomplished. Duke Energy Ohio projects total capital and operations and maintenance expenditures under the ASRP to approximate $320 million. The filing also seeks approval of Rider ASRP, the rider through which expenditures would be recovered. Similar to the Rider AMRP methodology, Duke Energy Ohio proposes to update Rider ASRP on an annual basis. Duke Energy Ohio's application is pending before the PUCO and it is uncertain when an order will be issued.

Intervenors oppose the ASRP, primarily because they believe the program is neither required nor necessary under federal pipeline regulation. The hearing concluded on November 19, 2015 and initial and reply briefs were filed, with briefing complete on December 23, 2015.

Duke Energy Ohio cannot predict the outcome of this matter.

Energy Efficiency Cost Recovery

On March 28, 2014, Duke Energy Ohio filed an application for recovery of program costs, lost distribution revenue and performance incentives related to its energy efficiency and peak demand reduction programs. These programs are undertaken to comply with environmental mandates set forth in Ohio law. After a comment period, the PUCO approved Duke Energy Ohio's application, but found that Duke Energy Ohio was not permitted to use banked energy savings from previous years in order to calculate the amount of allowed incentive. This conclusion represented a change to the cost recovery mechanism that had been agreed to by intervenors and approved by the PUCO in previous cases. As a result of the PUCO's decision, Duke Energy Ohio reversed $23 million in revenues deemed to be refundable for the period between January 2013 and April 2015 in second quarter 2015. The PUCO granted Duke Energy Ohio's application for rehearing on July 8, 2015. Substantive ruling on the application for rehearing is pending. The PUCO granted all applications for rehearing for future consideration. On January 6, 2016, Duke Energy Ohio and PUCO Staff entered into a stipulation, pending PUCO approval, resolving the issues related to, among other things, performance incentives and the PUCO Staff audit of 2013 costs. Based on this stipulation, in December 2015, Duke Energy Ohio re-established approximately $20 million of the revenues that had been reversed in the second quarter. A hearing on the stipulation is scheduled for March 10, 2016. Duke Energy Ohio cannot predict the outcome of this matter.

East Bend Station

On December 30, 2014, Duke Energy Ohio acquired The Dayton Power and Light Company's (DP&L) 31 percent interest in the jointly owned East Bend Station for approximately $12.4 million. The purchase price, in accordance with FERC guidelines, was reflected with the net purchase amount as an increase to property, plant and equipment as of December 31, 2014 and with the DP&L's historical original cost as an increase to property, plant and equipment and accumulated depreciation as of December 31, 2015. On August 20, 2015, the KPSC approved Duke Energy Kentucky's application to use the purchase price as the value of the newly acquired interest in the East Bend Station for depreciation purposes and ratemaking.

2014 Electric Security Plan (ESP)

In April 2015, the PUCO modified and approved Duke Energy Ohio's proposed ESP, with a three-year term and an effective date of June 1, 2015. The PUCO approved a competitive procurement process for SSO load, a distribution capital investment rider and a tracking mechanism for incremental distribution expenses caused by major storms. The PUCO order also approved a placeholder tariff for a price stabilization rider, but denied Duke Energy Ohio's specific request to include Duke Energy Ohio's entitlement to generation from OVEC in the rider at this time; however, the order allows Duke Energy Ohio to submit additional information to request recovery in the future. On May 4, 2015, Duke Energy Ohio filed an application for rehearing requesting the PUCO to modify or amend certain aspects of the order. On May 28, 2015, the PUCO granted all applications for rehearing filed in the case for future consideration. Duke Energy Ohio cannot predict the outcome of the appeals in this matter.

During May and November 2015, Duke Energy Ohio completed two competitive bidding processes with results approved by the PUCO to procure a portion of the supply for its SSO load for the term of the ESP.

2012 Natural Gas Rate Case

On November 13, 2013, the PUCO issued an order approving a settlement among Duke Energy Ohio, the PUCO Staff and intervening parties (the Gas Settlement). The Gas Settlement provided for (i) no increase in base rates for natural gas distribution service and (ii) a return on equity of 9.84 percent. The Gas Settlement provided for a subsequent hearing on Duke Energy Ohio’s request for rider recovery of environmental remediation costs associated with its former MGP sites. The PUCO authorized Duke Energy Ohio to recover $56 million excluding carrying costs, of environmental remediation costs. The MGP rider became effective in April 2014 for a five-year period. On March 31, 2014, Duke Energy Ohio filed an application with the PUCO to adjust the MGP rider for investigation and remediation costs incurred in 2013.

Certain consumer groups appealed the PUCO’s decision authorizing the MGP rider to the Ohio Supreme Court and asked the court to stay implementation of the PUCO’s order and collections under the MGP rider pending their appeal. The Ohio Supreme Court granted the motion to stay and subsequently required the posting of a bond to effectuate the stay. When the bond was not posted, the PUCO approved Duke Energy Ohio’s request, in January 2015, to reinstate collections under the MGP rider and Duke Energy Ohio resumed billings. Amounts collected prior to the suspension of the rider were immaterial. On March 31, 2015, Duke Energy Ohio filed an application to adjust the MGP rider to recover remediation costs incurred in 2014. Duke Energy Ohio cannot predict the outcome of the appeal of this matter.

Regional Transmission Organization (RTO) Realignment

Duke Energy Ohio, including Duke Energy Kentucky, transferred control of its transmission assets from MISO to PJM Interconnection, LLC (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 Planning (MTEP) costs, including but not limited to Multi Value Project (MVP) costs, directly or indirectly charged to Ohio 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. As of December 31, 2015, $72 million is recorded as a Regulatory asset on Duke Energy Ohio's Consolidated Balance Sheets.

(in millions)	December 31, 2014	Provisions/ Adjustments	Cash Reductions	December 31, 2015
Duke Energy Ohio	$ 94	$ 3	$ (5)	$ 92

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 the amount of and methodology for calculating any MVP cost responsibility should be. 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. 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 FERC to overturn the ALJ’s decision.

On October 29, 2015, the FERC issued an order reversing the ALJ's decision. The FERC ruled the cost allocation methodology is not consistent with the MISO tariff and that Duke Energy Ohio has no liability for MVP costs after its withdrawal from MISO. On November 30, 2015, MISO filed with the FERC a request for rehearing. Duke Energy Ohio cannot predict the outcome of this matter.

FERC Transmission Return on Equity and MTEP Cost Settlement

On October 14, 2011, Duke Energy Ohio and Duke Energy Kentucky submitted with the FERC proposed modifications to the PJM Interconnection Open Access Transmission Tariff pertaining to recovery of the transmission revenue requirement as PJM transmission owners. The filing was made in connection with Duke Energy Ohio's and Duke Energy Kentucky's move from MISO to PJM effective December 31, 2011. On April 24, 2012, the FERC issued an order accepting the proposed filing effective January 1, 2012, except that the order denied a request to recover certain costs associated with the move from MISO to PJM without prejudice to the right to submit another filing seeking such recovery and including certain additional evidence, and set the rate of return on equity of 12.38 percent for settlement and hearing. On April 16, 2015, the FERC approved a settlement agreement between Duke Energy Ohio, Duke Energy Kentucky and six PJM transmission customers with load in the Duke Energy Ohio and Duke Energy Kentucky zone. The principal terms of the settlement agreement are that, effective upon the date of FERC approval, (i) the return on equity for wholesale transmission service is reduced to 11.38 percent, (ii) the settling parties agreed not to seek a change in the return on equity that would be effective prior to June 1, 2017, and (iii) Duke Energy Ohio and Duke Energy Kentucky will recover 30 percent of the wholesale portion of costs arising from their obligation to pay any portion of the costs of projects included in any MTEP that was approved prior to the date of Duke Energy Ohio's and Duke Energy Kentucky's integration into PJM.

Duke Energy Indiana

Edwardsport Integrated Gasification Combined Cycle (IGCC) Plant

On November 20, 2007, the IURC granted Duke Energy Indiana a CPCN for the construction of the Edwardsport IGCC Plant. The Citizens Action Coalition of Indiana, Inc., Sierra Club, Inc., Save the Valley, Inc., and Valley Watch, Inc. (collectively, the Joint Intervenors) were intervenors in several matters related to the Edwardsport IGCC Plant. The Edwardsport IGCC Plant 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.

The ninth semi-annual IGCC rider order was appealed by the Joint Intervenors. On September 8, 2014, the Indiana Court of Appeals remanded the IURC order in the ninth IGCC rider proceeding back to the IURC for further findings. On February 25, 2015, the IURC issued a new order upholding its prior decision and provided additional detailed findings. Joint Intervenors appealed this remand order to the Indiana Court of Appeals. On September 23, 2015, the Indiana Court of Appeals affirmed the IURC remand decision on one of the key financial issues. The Indiana Court of Appeals found that there was sufficient evidence for the IURC to find that the three-month delay in construction for this time period was not unreasonable and therefore the costs of such delay should be borne by Duke Energy Indiana customers. The Indiana Court of Appeals found that the IURC did not support its findings regarding the ratemaking impact of the tax in-service declaration and reversed and remanded this issue back to the IURC, with direction to hold further proceedings and issue additional findings on the issue. On December 10, 2015, the Indiana Court of Appeals denied a request for rehearing by Joint Intervenors, and the decision was not further appealed. The proceeding will be remanded to the IURC for further proceedings and additional findings on the tax in-service issue.

The 10th semi-annual IGCC rider order was also appealed by the Joint Intervenors. On August 21, 2014, the Indiana Court of Appeals affirmed the IURC order in the 10th IGCC rider proceeding and on October 29, 2014, denied the Joint Intervenors' request for rehearing. The Joint Intervenors requested the Indiana Supreme Court to review the decision, which was denied on April 23, 2015, concluding the appeal.

Duke Energy Indiana has filed the 14th and 15th semi-annual IGCC rider proceedings. The 11th through 15th semi-annual IGCC riders and a subdocket to Duke Energy Indiana's fuel adjustment clause are currently in various stages of approval by the IURC in the filing process. Issues in these filings include the determination whether the IGCC plant was properly declared in service for ratemaking purposes in June 2013 and a review of the operational performance of the plant. On September 17, 2015, Duke Energy Indiana, the Office of Utility Consumer Counselor, the Industrial Group and Nucor Steel Indiana reached a settlement agreement to resolve these pending issues. On January 15, 2016, The Citizens Action Coalition of Indiana, Inc., Sierra Club, Save the Valley and Valley Watch joined the settlement. The proposed settlement will result in customers not being billed for previously incurred operating costs of $87.5 million and for additional Duke Energy Indiana payments and commitments of $5.5 million for attorneys' fees and amounts to fund consumer programs. Attorneys' fees and expenses for the new settling parties will be addressed in a separate proceeding. Duke Energy Indiana recorded $87.5 million within Impairment charges and $5.5 million within Other Income and Expenses, net in the Consolidated Statements of Operations and Comprehensive Income for the twelve months ended December 31, 2015. Duke Energy Indiana also recorded an $80.3 million reduction of Regulatory assets within Regulatory Assets and Deferred Debits, an additional $7.2 million of Other within Deferred Credits and Other Liabilities and $5.5 million of Accounts payable within Current Liabilities on the Consolidated Balance Sheets at December 31, 2015. Additionally, under the proposed settlement, the operating and maintenance expenses and ongoing maintenance capital at the plant are subject to certain caps during the years of 2016 and 2017. The revised settlement includes a commitment to either retire or stop burning coal by December 31, 2022 at the Gallagher Station. Pursuant to the settlement, the in-service date used for accounting and ratemaking will remain as June 2013. Remaining deferred costs will be recovered over eight years and not earn a carrying cost. The settlement is subject to IURC approval which is expected in the first half of 2016. As of December 31, 2015, deferred costs related to the project are approximately $128 million. Future IGCC riders will be filed annually, rather than every six months, with the next filing scheduled for first quarter 2017.

Duke Energy Indiana cannot predict the outcome of the settlement of these matters or future IGCC rider proceedings.

FERC Transmission Return on Equity Complaint

Customer groups have filed with the FERC complaints against MISO and its transmission-owning members, including Duke Energy Indiana, alleging, among other things, that the current base rate of return on equity earned by MISO transmission owners of 12.38 percent is unjust and unreasonable. The latest complaint, filed on February 12, 2015, claims the base rate of return on equity should be reduced to 8.67 percent and requests a consolidation of complaints. The motion to consolidate complaints was denied. On January 5, 2015, the FERC issued an order accepting the MISO transmission owners 0.50 percent adder to the base rate of return on equity based on participation in an RTO subject to it being applied to a return on equity that is shown to be just and reasonable in the pending return on equity complaint. A hearing in the base return on equity proceeding was held in August 2015. On December 22, 2015, the presiding FERC ALJ issued an Initial Decision in which he set the base rate of return on equity at 10.32 percent. The Initial Decision will be reviewed by the FERC. Duke Energy Indiana currently believes these matters will have an immaterial impact on its results of operations, cash flows and financial position.

Grid Infrastructure Improvement Plan

On August 29, 2014, pursuant to a new statute, Duke Energy Indiana filed a seven-year grid infrastructure improvement plan with the IURC with an estimated cost of $1.9 billion, focusing on the reliability, integrity and modernization of the transmission and distribution system. In May 2015, the IURC denied the original proposal due to an insufficient level of detailed projects and cost estimates in the plan. On December 7, 2015, Duke Energy Indiana filed a revised infrastructure improvement plan with an estimated cost of $1.8 billion in response to guidance from IURC orders and the Indiana Court of Appeals decisions related to this new statute. The revised plan uses a combination of advanced technology and infrastructure upgrades to improve service to customers and provide them with better information about their energy use. The plan is subject to approval of the IURC, with an order expected in July 2016. Duke Energy Indiana cannot predict the outcome of this matter.

Other Regulatory Matters

Atlantic Coast Pipeline

On September 2, 2014, Duke Energy, Dominion Resources (Dominion), Piedmont and AGL Resources announced the formation of a company, ACP, to build and own the proposed Atlantic Coast Pipeline (the pipeline), a 564-mile interstate natural gas pipeline. The pipeline is designed to meet the needs identified in requests for proposals by Duke Energy Carolinas, Duke Energy Progress and Piedmont. Dominion will build and operate the pipeline and has a 45 percent ownership percentage in ACP. Duke Energy has a 40 percent ownership interest in ACP through its Commercial Portfolio segment. Piedmont owns 10 percent and the remaining share is owned by AGL Resources. Duke Energy Carolinas and Duke Energy Progress, among others, will be customers of the pipeline. Purchases will be made under several 20-year supply contracts, subject to state regulatory approval. In October 2014, the NCUC and PSCSC approved the Duke Energy Carolinas and Duke Energy Progress requests to enter into certain affiliate agreements, pay compensation to ACP and to grant a waiver of certain Code of Conduct provisions relating to contractual and jurisdictional matters. On September 18, 2015, ACP filed an application with the FERC requesting a CPCN authorizing ACP to construct the pipeline. ACP requested approval of the application by July 1, 2016, to enable construction to begin by September 2016, with an in-service date of on or before November 1, 2018. ACP is working with various agencies to develop the final pipeline route. ACP also requested approval of an open access tariff and the precedent agreements it entered into with future pipeline customers, including Duke Energy Carolinas and Duke Energy Progress.

On October 24, 2015, Duke Energy entered into a Merger Agreement with Piedmont. The ACP partnership agreement includes provisions to allow Dominion an option to purchase additional ownership interest in ACP to maintain a leading ownership percentage. Any change in ownership interests is not expected to be material to Duke Energy. Refer to Note 2 for further information related to Duke Energy's proposed acquisition of Piedmont.

Sabal Trail Transmission, LLC (Sabal Trail) Pipeline

On May 4, 2015, Duke Energy acquired a 7.5 percent ownership interest from Spectra Energy in the proposed 500-mile Sabal Trail natural gas pipeline. Spectra Energy will continue to own 59.5 percent of the Sabal Trail pipeline and NextEra Energy will own the remaining 33 percent. The Sabal Trail pipeline will traverse Alabama, Georgia and Florida to meet rapidly growing demand for natural gas in those states. The primary customers of the Sabal Trail pipeline, Duke Energy Florida and Florida Power & Light Company, have each contracted to buy pipeline capacity for 25-year initial terms. On February 3, 2016, the FERC issued an order granting the request for a CPCN to construct and operate the pipeline. The Sabal Trail pipeline requires additional regulatory approvals and is scheduled to begin service in 2017.

NC WARN FERC Complaint

On December 16, 2014, North Carolina Waste Awareness and Reduction Network (NC WARN) filed a complaint with the FERC against Duke Energy Carolinas and Duke Energy Progress that alleged (i) Duke Energy Carolinas and Duke Energy Progress manipulated the electricity market by constructing costly and unneeded generation facilities leading to unjust and unreasonable rates; (ii) Duke Energy Carolinas and Duke Energy Progress failed to comply with Order 1000 by not effectively connecting their transmission systems with neighboring utilities which also have excess capacity; (iii) the plans of Duke Energy Carolinas and Duke Energy Progress for unrealistic future growth lead to unnecessary and expensive generating plants; (iv) the FERC should investigate the practices of Duke Energy Carolinas and Duke Energy Progress and the potential benefits of having them enter into a regional transmission organization; and (v) the FERC should force Duke Energy Carolinas and Duke Energy Progress to purchase power from other utilities rather than construct wasteful and redundant power plants. NC WARN also filed a copy of the complaint with the PSCSC on January 6, 2015. In April 2015, the FERC and the PSCSC issued separate orders dismissing the NC WARN petition. On May 14, 2015, NC WARN filed with FERC a motion for reconsideration which the FERC denied on November 19, 2015. This matter is now closed.

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. Several intervenors filed requests for rehearing challenging various aspects of the FERC approval. On October 29, 2014, FERC denied all of the requests for rehearing.

The revised market power mitigation plan provided 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 was 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. All of these projects were completed in or before 2014. On May 30, 2014, the Independent Monitor filed with FERC a final report stating that the Long-Term FERC Mitigation is complete. Therefore, Duke Energy Carolinas' and Duke Energy Progress' obligations associated with the Interim FERC Mitigation have terminated. In the second quarter of 2014, Duke Energy Progress recorded an $18 million partial reversal of an impairment recorded in the third quarter of 2012. This reversal adjusts the initial disallowance from the Long-Term FERC mitigation and reflects updated information on the construction costs and in-service dates of the transmission projects.

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 to the FERC disclosing the error and arguing that no additional mitigation is necessary. The city of New Bern filed a protest and requested that FERC order additional mitigation. On October 29, 2014, FERC ordered that the amount of the stub mitigation be increased from 25 MW to 129 MW. The stub mitigation is Duke Energy’s commitment to set aside for third parties a certain quantity of firm transmission capacity from Duke Energy Carolinas to Duke Energy Progress during summer off-peak hours. FERC also ordered that Duke Energy operate certain phase shifters to create additional import capability and that such operation be monitored by an independent monitor. Duke Energy does not expect the costs to comply with this order to be material. FERC also referred Duke Energy’s failure to expressly designate the phase shifter reactivation as a mitigation project in Duke Energy’s original mitigation plan filing in March 2012 to the FERC Office of Enforcement for further inquiry. Duke Energy cannot predict the outcome of this additional inquiry.

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 long term (10 to 20 years), and options being considered to meet those needs. Recent IRPs filed by the Subsidiary Registrants included planning assumptions to potentially retire certain coal-fired generating facilities in Florida and Indiana earlier than their current estimated useful lives. These facilities do not have the requisite emission control equipment, primarily to meet EPA regulations recently approved or proposed.

The table below contains the net carrying value of generating facilities planned for retirement or included in recent IRPs as evaluated for potential retirement due to a lack of requisite environmental control equipment. Dollar amounts in the table below are included in Net property, plant and equipment on the Consolidated Balance Sheets.

	December 31, 2015		
	Duke Energy	**Duke Energy Florida**(b)	**Duke Energy Indiana**(c)
Capacity (in MW)	1,821	873	948
Remaining net book value (in millions)(a)	$ 352	$ 131	$ 221

(a) Remaining net book value amounts presented exclude any capitalized asset retirement costs related to closure of ash basins.
(b) Includes Crystal River Units 1 and 2. Progress Energy amounts are equal to Duke Energy Florida amounts.
(c) Includes Wabash River Units 2 through 6 and Gallagher Units 2 and 4. Wabash River Unit 6 is being evaluated for potential conversion to natural gas. Duke Energy Indiana committed to retire or convert the Wabash River Units 2 through 6 by June 2018 in conjunction with a settlement agreement associated with the Edwardsport air permit. Duke Energy Indiana committed to either retire or stop burning coal at Gallagher Units 2 and 4 by December 31, 2022, as part of the proposed settlement of Edwardsport IGCC matters.

On October 23, 2015, the EPA published in the Federal Register the Clean Power Plan (CPP) rule for regulating carbon dioxide (CO_2) emissions from existing fossil fuel-fired electric generating units (EGUs). The CPP establishes CO_2 emission rates and mass cap goals that apply to fossil fuel-fired generation. Under the CPP, states are required to develop and submit a final compliance plan, or an initial plan with an extension request, to the EPA by September 6, 2016, or no later than September 6, 2018, with an approved extension. These state plans are subject to EPA approval, with a federal plan applied to states that fail to submit a plan to the EPA or if a state plan is not approved. Legal challenges to the CPP have been filed by stakeholders and motions to stay the requirements of the rule pending the outcome of the litigation were granted by the U.S. Supreme Court in February 2016. Final resolution of these legal challenges could take several years. Compliance with CPP could cause the industry to replace coal generation with natural gas and renewables, especially in states that have significant CO_2 reduction targets under the rule. Costs to operate coal-fired generation plants continue to grow due to increasing environmental compliance requirements, including ash management costs unrelated to CPP, and this may result in the retirement of coal-fired generation plants earlier than the current useful lives. Duke Energy continues to evaluate the need to retire generating facilities and plans to seek regulatory recovery, where appropriate, for amounts that have not been recovered upon asset retirements. However, recovery is subject to future regulatory approval, including the recovery of carrying costs on remaining book values, and therefore cannot be assured.

Refer to the "Western Carolinas Modernization Plan" discussion above for details of Duke Energy Progress' planned retirements.

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 be excluded or 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 Plant (Robinson), Brunswick and Harris. Robinson and Harris each have one reactor. Brunswick has two reactors.

Duke Energy Florida manages and has a partial ownership interest in Crystal River Unit 3, which has been retired. The other joint owner of Crystal River Unit 3 reimburses 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 be excluded or 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, which is currently $13.5 billion, is subject to change every five years for inflation and for the number of licensed reactors. 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 $13.1 billion of coverage per incident through the Price-Anderson Act's mandatory industrywide 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 103 licensed commercial nuclear reactors in the 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 and Accidental Outage Coverage

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are members of Nuclear Electric Insurance Limited (NEIL), an industry mutual insurance company, which provides "all risk" property damage, decontamination, and premature decommissioning insurance for each station for losses resulting from damage to its nuclear plants, either due to accidents or acts of terrorism. Additionally, NEIL provides some replacement power cost insurance for each station for losses in the event of a major accidental outage at an insured nuclear station. NEIL requires its members to maintain an investment grade credit rating or to ensure collectability of their annual retrospective premium obligation by providing a financial guarantee, letter of credit, deposit premium or other means of assurance. The companies are required each year to report to the NRC the current levels and sources of insurance that demonstrate it possesses sufficient financial resources to stabilize and decontaminate its reactors and reactor station sites in the event of an accident.

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 acts of terrorism are covered as common occurrences, such that if 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.

Each nuclear facility has accident property damage, decontamination and premature decommissioning liability insurance from NEIL with limits of $1.5 billion, except for Crystal River Unit 3. Crystal River Unit 3's limit is $1 billion and is on an actual cash value basis. NEIL coverage for Crystal River Unit 3 does not include property damage to or resulting from the containment structure although the 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. All nuclear facilities except for Catawba and Crystal River Unit 3 also share an additional $1.25 billion nuclear accident insurance limit above their dedicated underlying limit. This shared additional excess limit is not subject to reinstatement in the event of a loss. Catawba has a dedicated $1.25 billion of additional nuclear accident insurance limit above its dedicated underlying limit. Catawba and Oconee also have an additional $750 million of non-nuclear accident property damage limit. All coverages are subject to sublimits and significant deductibles.

NEIL's Accidental Outage policy provides some replacement power cost insurance for losses in the event of a major accident property damage outage of a nuclear unit. Coverage is provided on a weekly limit basis after a significant waiting period deductible and at 100 percent of the available weekly limits for 52 weeks and 80 percent of the available weekly limits for the next 110 weeks. Coverage is provided until these available weekly periods are met where the accidental outage policy limit will not exceed $490 million for McGuire, Catawba, Oconee, Brunswick, and Harris and $457 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. Coverage amounts decrease in the event more than one unit at a station is out of service due to a common accident. All coverages are subject to sublimits and significant deductibles.

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. NEIL has never exercised this assessment. The maximum aggregate annual retrospective premium obligations for Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are $159 million, $108 million and $7 million, respectively. The maximum assessment amounts include 100 percent of Duke Energy Carolinas' and Duke Energy Florida's potential obligations to NEIL for their share of jointly owned reactors.

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

In addition to the Asset Retirement Obligations discussed in Note 9, the Duke Energy Registrants are responsible for environmental remediation at various sites. These include certain 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, remediation activities vary based upon site conditions and location, 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 environmental impacts 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 have 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 tables contain 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 Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
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
Provisions/adjustments	32	(1)	1	4	(3)	28	4
Cash reductions	(14)	—	(11)	(7)	(4)	(1)	(1)
Balance at December 31, 2014	97	10	17	5	12	54	10
Provisions/adjustments	**9**	**1**	**4**	**—**	**4**	**1**	**5**
Cash reductions	**(9)**	**(1)**	**(4)**	**(2)**	**(2)**	**(1)**	**(3)**
Balance at December 31, 2015	**$ 97**	**$ 10**	**$ 17**	**$ 3**	**$ 14**	**$ 54**	**$ 12**

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 not material except as presented in the table below.

(in millions)		
Duke Energy	$	74
Duke Energy Carolinas		22
Duke Energy Ohio		42
Duke Energy Indiana		7

North Carolina and South Carolina Ash Basins

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. In July 2014, Duke Energy completed remediation work identified by the EPA and continues to cooperate with the EPA's civil enforcement process. During 2014, Duke Energy Carolinas incurred repairs and remediation expenses related to the release of approximately $24 million. No additional expenses were recorded in 2015. Duke Energy Carolinas will not seek recovery of these costs from customers. Other costs related to the Dan River release, including pending or future state or federal civil enforcement proceedings, future regulatory directives, natural resources damages, additional pending litigation, future claims or litigation and long-term environmental impact costs, cannot be reasonably estimated at this time.

North Carolina Department of Environmental Quality (NCDEQ), formerly the North Carolina Department of Environment and Natural Resources, has historically assessed Duke Energy Carolinas and Duke Energy Progress with Notice of Violations (NOV) for violations that were most often resolved through satisfactory corrective actions and minor, if any, fines or penalties. Subsequent to the Dan River matter discussed above, Duke Energy Carolina and Duke Energy Progress have been served with a higher level of NOVs, including for violations at L.V. Sutton Plant and Dan River Steam Station. In August 2014, NCDEQ issued an NOV for alleged groundwater violations at Duke Energy Progress' L.V. Sutton Plant. On March 10, 2015, NCDEQ issued a civil penalty of approximately $25 million to Duke Energy Progress for environmental damages related to groundwater contamination at the L.V. Sutton Plant. See "Litigation" section below for information related to the resolution of this civil penalty. On February 8, 2016, NCDEQ assessed a penalty of approximately $6.8 million, including enforcement costs, against Duke Energy Carolinas related to storm-water pipes and associated discharges at the Dan River Steam Station. Duke Energy Carolinas recorded a charge to Operation, maintenance and other on the Consolidated Statements of Operations and Comprehensive Income in December 2015. Duke Energy Carolinas is reviewing the NCDEQ action to determine next steps and cannot predict the outcome of this matter. These fines and penalties are unprecedented and were not consistent with historic enforcement practices of NCDEQ. Based on historic practices the expected liability of any existing notice of violations would not be material. Duke Energy Carolinas and Duke Energy Progress cannot predict whether the NCDEQ will assess future penalties related to existing NOVs and if such penalties would be material.

See the "Litigation" section below for additional information on litigation, investigations and enforcement actions related to ash basins, including the Memorandum of Plea Agreement (Plea Agreements) in connection to the North Carolina Ash Basin Grand Jury Investigation and NCDEQ matters.

Litigation

Duke Energy

Ash Basin Shareholder Derivative Litigation

Five shareholder derivative lawsuits were filed in Delaware Chancery Court relating to the release at Dan River and to the management of Duke Energy's ash basins. On October 31, 2014, the five lawsuits were consolidated in a single proceeding titled "In Re Duke Energy Corporation Coal Ash Derivative Litigation." On December 2, 2014, plaintiffs filed a Corrected Verified Consolidated Shareholder Derivative Complaint (Consolidated Complaint). The Consolidated Complaint names as defendants several current and former Duke Energy officers and directors (collectively, the "Duke Energy Defendants"). Duke Energy is named as a nominal defendant.

The Consolidated Complaint alleges the Duke Energy Defendants breached their fiduciary duties by failing to adequately oversee Duke Energy's ash basins and that these breaches of fiduciary duty may have contributed to the incident at Dan River and continued thereafter. The lawsuit also asserts claims against the Duke Energy Defendants for corporate waste (relating to the money Duke Energy has spent and will spend as a result of the fines, penalties and coal ash removal) and unjust enrichment (relating to the compensation and director remuneration that was received despite these alleged breaches of fiduciary duty). The lawsuit seeks both injunctive relief against Duke Energy and restitution from the Duke Energy Defendants. On January 21, 2015, the Duke Energy Defendants filed a Motion to Stay and an alternative Motion to Dismiss. On August 31, 2015, the court issued an order staying the case through November 15, 2015. A ruling on defendants' motion to further extend the stay remains pending.

On March 5, 2015, shareholder Judy Mesirov filed a shareholder derivative complaint (Mesirov Complaint) in North Carolina state court. The lawsuit, styled *Mesirov v. Good*, is similar to the consolidated derivative action pending in Delaware Chancery Court and was filed against the same current directors and former directors and officers as the Delaware litigation. Duke Energy Corporation, Duke Energy Progress and Duke Energy Carolinas are named as nominal defendants. The Mesirov Complaint alleges that the Duke Energy Board of Directors was aware of Clean Water Act (CWA) compliance issues and failures to maintain structures in ash basins, but that the Board of Directors did not require Duke Energy Carolinas and Duke Energy Progress to take action to remedy deficiencies. The Mesirov Complaint further alleges that the Board of Directors sanctioned activities to avoid compliance with the law by allowing improper influence of NCDEQ to minimize regulation and by opposing previously anticipated citizen suit litigation. The Mesirov Complaint seeks corporate governance reforms and damages relating to costs associated with the Dan River release, remediation of ash basins that are out of compliance with the CWA and defending and payment of fines, penalties and settlements relating to criminal and civil investigations and lawsuits. On December 7, 2015, the Duke Energy Defendants filed a Motion to Stay the proceedings. A hearing was held on February 17, 2016, and a ruling on this motion is pending.

In addition to the above derivative complaints, in 2014, Duke Energy also received two shareholder litigation demand letters. The letters allege that the members of the Board of Directors and certain officers breached their fiduciary duties by allowing the company to illegally dispose of and store coal ash pollutants. One of the letters also alleges a breach of fiduciary duty in the decision-making relating to the leadership changes following the close of the Progress Energy merger in July 2012.

By letter dated September 4, 2015, attorneys for the shareholders were informed that, on the recommendation of the Demand Review Committee formed to consider such matters, the Board of Directors concluded not to pursue potential claims against individuals. One of the shareholders, Mitchell Pinsly, sent a formal demand for records and Duke Energy is responding to this request.

On October 30, 2015, shareholder Saul Bresalier filed a shareholder derivative complaint in the U. S. District Court for the District of Delaware. The lawsuit alleges that several current and former Duke Energy officers and directors (Bresalier Defendants) breached their fiduciary duties in connection with coal ash environmental issues, the post-merger change in Chief Executive Officer and oversight of political contributions. Duke Energy is named as a nominal defendant. The Bresalier Complaint contends that the Demand Review Committee failed to appropriately consider the shareholder's earlier demand for litigation and improperly decided not to pursue claims against the Bresalier Defendants. The Bresalier Defendants filed a Motion to Dismiss the Bresalier litigation on January 15, 2016.

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

Duke Energy, the 11 members of the Board of Directors who were also members of the pre-merger Board of Directors (Legacy Duke Energy Directors) and certain Duke Energy officers are 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 of 1933 and Securities Exchange Act of 1934 (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 Chief Executive Officer (CEO).

On August 15, 2014, the parties reached an agreement in principle to settle the litigation. On March 10, 2015, the parties filed a Stipulation of Settlement and a Motion for Preliminary Approval of the Settlement. The court issued an order for preliminary approval of the settlement on March 25, 2015. Under the terms of the agreement, Duke Energy agreed to pay $146 million to settle the claim. On April 22, 2015, Duke Energy made a payment of $25 million into the settlement escrow account. The remainder of $121 million was paid by insurers into the settlement escrow account. Notice has been sent to members of the class and a final approval hearing was held on August 12, 2015. The final order approving the settlement was issued on November 2, 2015, thus closing the matter.

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 the 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. On December 10, 2015, the Duke Energy defendants filed a Motion to Dismiss the litigation.

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 December 21, 2015, Plaintiff filed a Consolidated Amended Complaint asserting the same claims contained in the original complaints. Duke Energy filed a Motion to Dismiss on February 19, 2016.

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 litigation.

Price Reporting Cases

Duke Energy Trading and Marketing, LLC (DETM), a non-operating Duke Energy affiliate, is a defendant, along with numerous other energy companies, in four class-action lawsuits and a fifth single-plaintiff lawsuit pending in a consolidated federal court proceeding in Nevada. Each of these lawsuits contains 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 18, 2011, the judge granted a defendant’s motion for summary judgment in two of five cases. The U.S. Court of Appeals for the Ninth Circuit subsequently reversed the lower court’s decision. On April 21, 2015, the Supreme Court affirmed the U.S. Court of Appeals decision. The case has been reassigned to the same consolidated federal court proceeding in Nevada for further proceedings. In February 2016, DETM reached agreements in principle to settle all of the pending lawsuits. The class-action settlements will be subject to court approval, which is pending. The settlement amount is not material to Duke Energy.

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 that 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. In January 2013, DEIGP filed appeals in the federal courts, which are still pending, regarding various procedural issues. A decision on the merits in the first instance court is also 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 this matter.

Brazil Generation

Record drought conditions in Brazil continue to impact Duke Energy International, Geracao Paranapanema S.A. (DEIGP). A number of electric generators have filed lawsuits seeking relief in the Brazilian courts to mitigate hydrological exposure and diminishing dispatch levels. Some courts have granted injunction orders to limit the financial exposure of certain generators. The implication of these orders is that other electricity market participants not covered by the injunctions may be required to compensate for the financial impact of the liability limitations. The Independent Power Producer Association (APINE) filed one such lawsuit on behalf of DEIGP and other hydroelectric generators against the Brazilian electric regulatory agency. On July 2, 2015, an injunction was granted in favor of APINE limiting the financial exposure of DEIGP and the other plaintiff generators, until the merits of the lawsuit are determined. The APINE decision is subject to appeal and the outcome of these lawsuits is uncertain. It is not possible to predict the impact to Duke Energy from the outcome of these matters.

Duke Energy Carolinas and Duke Energy Progress

NCDEQ Notice of Violation (NOV)

In August 2014, NCDEQ issued an NOV for alleged groundwater violations at Duke Energy Progress' L.V. Sutton Plant. On March 10, 2015, NCDEQ issued a civil penalty of approximately $25 million to Duke Energy Progress for environmental damages related to the groundwater contamination at the L.V. Sutton Plant. On April 9, 2015, Duke Energy Progress filed a Petition for Contested Case hearing in the Office of Administrative Hearings. In February 2015, NCDEQ issued an NOV for alleged groundwater violations at Duke Energy Progress' Asheville Plant. Duke Energy Progress responded to NCDEQ regarding this NOV.

On September 29, 2015, Duke Energy Progress and Duke Energy Carolinas entered into a settlement agreement with NCDEQ resolving all former, current and future groundwater penalties at all Duke Energy Carolinas and Duke Energy Progress coal facilities in North Carolina. Under the agreement, Duke Energy Progress paid approximately $6 million and Duke Energy Carolinas paid approximately $1 million. In addition to these payments, Duke Energy Progress and Duke Energy Carolinas will accelerate remediation actions at the Sutton, Asheville, Belews Creek and H.F. Lee plants. The court entered a consent order resolving the contested case relating to the Sutton Plant and NCDEQ rescinded the NOVs relating to alleged groundwater violations at both the Sutton and Asheville plants.

On October 13, 2015, the Southern Environmental Law Center (SELC), representing multiple conservation groups, filed a lawsuit in North Carolina Superior Court seeking judicial review of the order approving the settlement agreement with NCDEQ. The conservation groups contend that the Administrative Law Judge exceeded his statutory authority in approving a settlement that provided for past, present, and future resolution of groundwater issues at facilities which were not at issue in the penalty appeal. On December 18, 2015, Duke Energy Carolinas and Duke Energy Progress filed a Motion to Dismiss the complaint. At a hearing held on February 12, 2016, Duke Energy Carolinas and Duke Energy Progress stated that a proposed revised order would be submitted to the Administrative Law Judge to address the court's and SELC's concerns. It is not possible to predict the outcome of this matter.

NCDEQ State Enforcement Actions

In the first quarter of 2013, SELC sent notices of intent to sue Duke Energy Carolinas and Duke Energy Progress related to alleged groundwater violations and CWA violations from coal ash basins at two of their coal-fired power plants in North Carolina. NCDEQ filed enforcement actions against Duke Energy Carolinas and Duke Energy Progress alleging violations of water discharge permits and North Carolina groundwater standards. The cases have been consolidated and are being heard before a single judge.

On August 16, 2013, NCDEQ filed an enforcement action against Duke Energy Carolinas and Duke Energy Progress related to their remaining plants in North Carolina, alleging violations of the CWA and violations of the North Carolina groundwater standards. Both of these cases have been assigned to the judge handling the enforcement actions discussed above. SELC, on behalf of several environmental groups, has been permitted to intervene in these cases.

On July 10, 2015, Duke Energy Carolinas and Duke Energy Progress filed Motions for Partial Summary Judgment in the case on the basis that there is no longer either a genuine controversy or disputed material facts about the relief for seven of the 14 North Carolina plants with coal ash basins. On September 14, 2015, the court granted the Motions for Partial Summary Judgment pending court approval of the terms through an order. In November 2015, NCDEQ submitted a proposed order. On November 23, 2015, Duke Energy Carolinas, Duke Energy Progress and SELC filed separate objections to portions of the NCDEQ filing. The parties are drafting a consolidated order to comply with the ruling made by the judge at a hearing held on February 12, 2016.

It is not possible to predict any liability or estimate any damages Duke Energy Carolinas or Duke Energy Progress might incur in connection with these matters.

North Carolina Declaratory Judgment Action

On October 10, 2012, the SELC, on behalf of the same environmental groups that are involved in the state enforcement actions discussed above, filed a petition with the North Carolina Environmental Management Commission (EMC) asking for a declaratory ruling seeking to clarify the application of the state’s groundwater protection rules to coal ash basins. The petition sought to change the interpretation of regulations that permitted NCDEQ to assess the extent, cause and significance of any groundwater contamination before ordering action to eliminate the source of contamination, among other issues. Duke Energy Carolinas and Duke Energy Progress were both permitted to intervene in the matter. On December 3, 2012, the EMC affirmed this interpretation of the regulations.

On March 6, 2014, a North Carolina Superior Court judge overturned the ruling of the EMC holding that in the case of groundwater contamination, NCDEQ was required to issue an order to immediately eliminate the source of the contamination before an assessment of the nature, significance and extent of the contamination or the continuing damage to the groundwater was conducted. Duke Energy Carolinas, Duke Energy Progress and the EMC appealed the ruling in April 2014. On May 16, 2014, the North Carolina Court of Appeals denied a petition to stay the case during the appeal. On October 10, 2014, the parties were notified the case has been transferred to the North Carolina Supreme Court (NCSC). Oral argument was held on March 16, 2015. On June 11, 2015, the NCSC issued its opinion in favor of Duke Energy Carolinas, Duke Energy Progress and the EMC and remanded the matter to the state court judge with instructions to dismiss the case. This matter is now closed.

Federal Citizens Suits

There are currently five cases filed in various North Carolina federal courts related to the Riverbend, Sutton, Cape Fear, H.F. Lee and Buck plants.

On June 11, 2013, Catawba Riverkeeper Foundation, Inc. (Catawba Riverkeeper) filed a separate action in the United States Court for the Western District of North Carolina. The lawsuit contends the state enforcement action discussed above does not adequately address issues raised in Catawba Riverkeeper's notice of intent to sue relating to the Riverbend Steam Station. On April 11, 2014, the Court denied Catawba Riverkeeper's objections to the Magistrate Judge's recommendation that plaintiff's case be dismissed as well as Duke Energy Carolinas' motion to dismiss. On August 13, 2015, the court issued an order suspending all proceedings until further order from the court.

On September 12, 2013, Cape Fear River Watch, Inc., Sierra Club and Waterkeeper Alliance filed a citizen suit in the Federal District Court for the Eastern District of North Carolina. The lawsuit alleges unpermitted discharges to surface water and groundwater violations at the Sutton Plant. On June 9, 2014, the court granted Duke Energy Progress' request to dismiss the groundwater claims but rejected its request to dismiss the surface water claims. In response to a motion filed by the SELC, on August 1, 2014, the court modified the original June 9 order to dismiss only the plaintiff's federal law claim based on hydrologic connections at Sutton Lake. The claims related to the alleged state court violations of the permits are back in the case. On August 26, 2015, the court suspended the proceedings until further order from the court.

On September 3, 2014, three citizen suits were filed by various environmental groups: (i) a citizen suit in the United States Court for the Middle District of North Carolina alleging unpermitted discharges to surface water and groundwater violations at the Cape Fear Plant; (ii) in the United States Court for the Eastern District of North Carolina alleging unpermitted discharges to surface water and groundwater violations at the H.F. Lee Plant; and (iii) in the United States Court for the Middle District of North Carolina alleging unpermitted discharges to surface water and groundwater violations at the Buck Steam Station. Motions to Stay or Dismiss the proceedings were filed in each of the three cases. The proceedings related to Cape Fear and H.F. Lee have been stayed. On October 20, 2015, the court issued an order denying the motions in the Buck proceedings. Duke Energy Carolinas' motion seeking appellate review of the District Court's decision was denied on January 29, 2016.

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

North Carolina Ash Basin Grand Jury Investigation

As a result of the Dan River ash basin water release discussed above, NCDEQ issued a Notice of Violation and Recommendation of Assessment of Civil Penalties with respect to this matter on February 28, 2014, which the company responded to on March 13, 2014. Duke Energy and certain Duke Energy employees received subpoenas issued by the United States Attorney for the Eastern District of North Carolina in connection with a criminal investigation related to all 14 of the North Carolina facilities with ash basins and the nature of Duke Energy's contacts with NCDEQ with respect to those facilities. This was a multidistrict investigation that also involves state law enforcement authorities.

On February 20, 2015, Duke Energy Carolinas, Duke Energy Progress and Duke Energy Business Services LLC (DEBS), a wholly owned subsidiary of Duke Energy, each entered into Plea Agreements in connection with the investigation initiated by the United States Department of Justice Environmental Crimes Section and the United States Attorneys for the Eastern District of North Carolina, the Middle District of North Carolina and the Western District of North Carolina (collectively, USDOJ). On May 14, 2015, the United States District Court for the Eastern District of North Carolina approved the Plea Agreements.

Under the Plea Agreements, DEBS and Duke Energy Progress pleaded guilty to four misdemeanor CWA violations related to violations at Duke Energy Progress' H.F. Lee Steam Electric Plant, Cape Fear Steam Electric Plant and Asheville Steam Electric Generating Plant. Duke Energy Carolinas and DEBS pleaded guilty to five misdemeanor CWA violations related to violations at Duke Energy Carolinas' Dan River Steam Station and Riverbend Steam Station. DEBS, Duke Energy Carolinas and Duke Energy Progress also agreed (i) to a five-year probation period, (ii) to pay a total of approximately $68 million in fines and restitution and $34 million for community service and mitigation (the Payments), (iii) to fund and establish environmental compliance plans subject to the oversight of a court-appointed monitor in addition to certain other conditions set out in the Plea Agreements. Duke Energy Carolinas and Duke Energy Progress also agree to each maintain $250 million under their Master Credit Facility as security to meet their obligations under the Plea Agreements. Payments under the Plea Agreements will be borne by shareholders and are not tax deductible. Duke Energy Corporation has agreed to issue a guarantee of all payments and performance due from DEBS, Duke Energy Carolinas and Duke Energy Progress, including but not limited to payments for fines, restitution, community service, mitigation and the funding of, and obligations under, the environmental compliance plans. As a result of the Plea Agreements, Duke Energy Carolinas and Duke Energy Progress recognized charges of $72 million and $30 million, respectively, in Operation, maintenance and other on the Consolidated Statements of Operations and Comprehensive Income during 2014. Payment of the amounts relating to fines and restitution were made between May and July 2015. The Plea Agreements do not cover pending civil claims related to the Dan River coal ash release and operations at other North Carolina coal plants.

On May 14, 2015, Duke Energy reached an Interim Administrative Agreement with the U.S. Environmental Protection Agency Office of Suspension and Debarment that avoids debarment of DEBS, Duke Energy Carolinas or Duke Energy Progress with respect to all active generating facilities. The Interim Administrative Agreement imposes a number of requirements relating to environmental and ethical compliance, subject to the oversight of an independent monitor.

Potential Groundwater Contamination Claims

Beginning in May 2015, a number of residents living in the vicinity of the North Carolina facilities with ash basins received letters from NCDEQ advising them not to drink water from the private wells on their land tested by NCDEQ as the samples were found to have certain substances at levels higher than the criteria set by the North Carolina Department of Health and Human Services (DHHS). The criteria, in some cases, are considerably more stringent than federal drinking water standards established to protect human health and welfare. The Coal Ash Act requires additional groundwater monitoring and assessments for each of the 14 coal-fired plants in North Carolina, including sampling of private water supply wells. The data gathered through these Comprehensive Site Assessments (CSAs) will be used by NCDEQ to determine whether the water quality of these private water supply wells has been adversely impacted by the ash basins. Duke Energy has submitted CSAs documenting the results of extensive groundwater monitoring around coal ash basins at all 14 of the plants with coal ash basins. Generally, the data gathered through the installation of new monitoring wells and soil and water samples across the state have been consistent with historical data provided to state regulators over many years. The DHHS and NCDEQ sent follow-up letters on October 15, 2015, to residents near coal ash basins who have had their wells tested, stating that private well samplings at a considerable distance from coal ash impoundments, as well as some municipal water supplies, contain similar levels of vanadium and hexavalent chromium which leads investigators to believe these constituents are naturally occurring. It is not possible to estimate the maximum exposure of loss, if any, that may occur in connection with claims which might be made by these residents.

Duke Energy Carolinas

New Source Review

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 New Source Review (NSR) provisions of the Clean Air Act (CAA). The government alleges the utilities violated the CAA when undertaking certain maintenance and repair projects at certain coal plants without (i) obtaining NSR permits and (ii) installing the best available emission controls for sulfur dioxide, nitrogen oxide and particulate matter. The complaints sought the installation of pollution control technology on generating units that allegedly violated the CAA, and unspecified civil penalties in amounts of up to $37,500 per day for each violation.

In 2000, the government sued Duke Energy Carolinas in the U.S. District Court in Greensboro, North Carolina, claiming NSR violations for 29 projects performed at 25 of Duke Energy Carolinas' coal-fired units. Duke Energy Carolinas asserted there were no CAA violations because the applicable regulations do not require NSR permitting in cases where the projects undertaken are routine or otherwise do not result in an increase in emissions. In 2011, the parties filed a stipulation agreeing to dismiss with prejudice all but 13 claims at 13 generating units, 11 of which have since been retired. On October 20, 2015, the Court approved and entered a consent decree to resolve this matter. Under the consent decree, Duke Energy Carolinas will retire by the end of 2024, the remaining units at the Allen plant that are part of the litigation as well as a third unit that is not part of the litigation. Prior to closure, Duke Energy Carolinas will comply with new, lower emissions limits at the Allen units named in the litigation. Additionally, Duke Energy Carolinas will spend approximately $4 million on environmental projects and donations and pay a civil penalty of $975 thousand. This matter is now closed.

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, 2015, there were 156 asserted claims for non-malignant cases with the cumulative relief sought of up to $37 million, and 70 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 $536 million and $575 million at December 31, 2015 and 2014, respectively. 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. In light of the uncertainties inherent in a longer-term forecast, management does not believe they can reasonably estimate the indemnity and medical costs that might be incurred after 2033 related to such potential claims. 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. 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 $847 million in excess of the self-insured retention. Receivables for insurance recoveries were $599 million and $616 million at December 31, 2015 and 2014, respectively. 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.

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 claimed the Department of Energy breached a contract in failing to accept spent nuclear fuel under the Nuclear Waste Policy Act of 1982 and asserted damages for the cost of on-site storage. Duke Energy Progress and Duke Energy Florida asserted damages for the period January 1, 2006 through December 31, 2010. Claims for all periods prior to 2006 have been resolved. On March 24, 2014, the U.S. Court of Federal Claims issued a judgment in favor of Duke Energy Progress and Duke Energy Florida on this matter, awarding amounts of $83 million and $21 million, respectively. The majority of the awards were recorded as a reduction to capital costs associated with construction of on-site storage facilities. Duke Energy Progress and Duke Energy Florida received payment of the award in September 2014. On October 16, 2014, Duke Energy Progress and Duke Energy Florida filed a new action for costs incurred from 2011 through 2013 of $48 million and $25 million, respectively.

Duke Energy Florida

Class Action Lawsuit

On February 22, 2016, Newton, et al v. Duke Energy Florida, LLC and Florida Power & Light Company, was filed in the U.S. District Court for the Southern District of Florida on behalf of a putative class of Duke Energy Florida and Florida Power & Light Company's customers in Florida. Plaintiffs allege that Florida's Nuclear Cost Recovery Statutes are unconstitutional and are pre-empted by federal law. Duke Energy Florida has not yet been served with the lawsuit.

Westinghouse Contract Litigation

On March 28, 2014, Duke Energy Florida filed a lawsuit against Westinghouse in the U.S. District Court for the Western District of North Carolina. The lawsuit seeks recovery of $54 million in milestone payments in excess of work performed under the terminated EPC for Levy as well as a determination by the court of the amounts due to Westinghouse as a result of the termination of the EPC. Duke Energy Florida recognized an exit obligation as a result of the termination of the EPC contract.

On March 31, 2014, Westinghouse filed a lawsuit against Duke Energy Florida in U.S. District Court for the Western District of Pennsylvania. The Pennsylvania lawsuit alleged damages under the EPC in excess of $510 million for engineering and design work, costs to end supplier contracts and an alleged termination fee.

On June 9, 2014, the judge in the North Carolina case ruled that the litigation will proceed in the Western District of North Carolina. In November 2014, Westinghouse filed a Motion for Partial Judgment on the pleadings, which was denied on March 30, 2015. The case is to be ready for trial on September 19, 2016. It is not possible to predict the outcome of the litigation, whether Duke Energy Florida will ultimately have any liability for terminating the EPC contract or to estimate the damages, if any, it might incur in connection with these matters. Ultimate resolution of these matters could have a material effect on the results of operations, financial position or cash flows of Duke Energy Florida. However, appropriate regulatory recovery will be pursued for the retail portion of any costs incurred in connection with such resolution.

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 nonpublic option agreements in exchange for their withdrawal of challenges to Duke Energy Ohio's Rate Stabilization Plan implemented in early 2005. In March 2014, a federal judge certified this matter as a class action. Plaintiffs allege claims for antitrust violations under the federal Robinson Patman Act as well as fraud and conspiracy allegations under the federal Racketeer Influenced and Corrupt Organizations statute and the Ohio Corrupt Practices Act.

On October 21, 2015, the parties received preliminary court approval for a settlement agreement. A litigation settlement reserve was recorded for the full amount of $81 million and classified in Other within Current Liabilities on Duke Energy Ohio's Consolidated Balance Sheets as of December 31, 2015. Duke Energy Ohio recognized the full amount in (Loss) Income From Discontinued Operations, net of tax in the Consolidated Statements of Operations and Comprehensive Income for the twelve months ended December 31, 2015. A hearing to consider objections to the settlement is scheduled for April 2016.

See Note 2 for further discussion on the Midwest Generation Exit.

W.C. Beckjord Fuel Release

On August 18, 2014, approximately 9,000 gallons of fuel oil were inadvertently discharged into the Ohio River during a fuel oil transfer at the W.C. Beckjord generating station. The Ohio Environmental Protection Agency (Ohio EPA) issued a Notice of Violation related to the discharge. Duke Energy Ohio is cooperating with the Ohio EPA, the EPA and the U.S. Attorney for the Southern District of Ohio. No Notice of Violation has been issued by the EPA and no penalty has been assessed. Total repair and remediation costs related to the release were not material. Other costs related to the release, including state or federal civil or criminal enforcement proceedings, cannot be reasonably estimated at this time.

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 sought damages equaling some or all of the additional costs incurred in the construction of the project not recovered at the IURC. The arbitration hearing concluded in December 2014. On May 6, 2015, the arbitration panel issued its final decision unanimously dismissing all of Duke Energy Indiana's claims. This ruling resolves all outstanding issues in the arbitration.

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, excluding asbestos-related reserves and the exit obligation discussed above related to the termination of an EPC contract. Reserves are classified on the Consolidated Balance Sheets in Other within Deferred Credits and Other Liabilities and Accounts payable and Other within Current Liabilities. The reasonably possible range of loss in excess of recorded reserves is not material, other than as described above.

	December 31,	
(in millions)	**2015**	**2014**
Reserves for Legal Matters		
Duke Energy	**$ 166**	$ 323
Duke Energy Carolinas	**11**	72
Progress Energy	**54**	93
Duke Energy Progress	**6**	37
Duke Energy Florida	**31**	36
Duke Energy Ohio	**80**	—

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

The following table presents executory purchased power contracts with terms exceeding one year, excluding contracts classified as leases.

	Minimum Purchase Amount at December 31, 2015							
(in millions)	Contract Expiration	2016	2017	2018	2019	2020	Thereafter	Total
Duke Energy Progress[(a)]	2019-2031	$ 54	$ 60	$ 61	$ 62	$ 49	$ 363	$ 649
Duke Energy Florida[(b)]	2021-2043	305	345	360	377	394	1,591	3,372
Duke Energy Ohio[(c)(d)]	2017-2018	236	195	59	—	—	—	490

(a) Contracts represent between 15 percent and 100 percent of net plant output.
(b) Contracts represent between 80 percent and 100 percent of net plant output.
(c) Contracts represent between 1 percent and 11 percent of net plant output.
(d) Excludes purchase power agreement with OVEC. See Note 17 for additional information.

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)	**2015**	**2014**	**2013**
Duke Energy	**$ 318**	$ 355	$ 321
Duke Energy Carolinas	**41**	41	39
Progress Energy	**230**	257	225
Duke Energy Progress	**149**	161	153
Duke Energy Florida	**81**	96	72
Duke Energy Ohio	**13**	17	14
Duke Energy Indiana	**20**	21	22

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, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
2016	**$ 219**	**$ 41**	**$ 132**	**$ 66**	**$ 66**	**$ 13**	**$ 20**
2017	**182**	**33**	**111**	**63**	**48**	**9**	**15**
2018	**161**	**24**	**108**	**61**	**47**	**6**	**12**
2019	**146**	**21**	**102**	**56**	**46**	**4**	**8**
2020	**127**	**16**	**93**	**48**	**45**	**3**	**5**
Thereafter	**864**	**51**	**622**	**365**	**257**	**5**	**8**
Total	**$ 1,699**	**$ 186**	**$ 1,168**	**$ 659**	**$ 509**	**$ 40**	**$ 68**

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

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
2016	$ 173	$ 6	$ 46	$ 20	$ 26	$ 7	$ 3
2017	171	6	46	21	25	1	1
2018	180	6	46	21	25	5	2
2019	178	6	45	22	25	1	1
2020	182	5	46	21	25	—	1
Thereafter	1,176	30	367	272	95	1	43
Minimum annual payments	2,060	59	596	377	221	15	51
Less: amount representing interest	(724)	(35)	(295)	(230)	(65)	(2)	(38)
Total	$ 1,336	$ 24	$ 301	$ 147	$ 156	$ 13	$ 13

6. DEBT AND CREDIT FACILITIES

Summary of Debt and Related Terms

The following tables summarize outstanding debt.

	December 31, 2015							
(in millions)	Weighted Average Interest Rate	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Unsecured debt, maturing 2016 - 2073	4.99%	$ 13,392	$ 1,152	$ 3,850	$ —	$ 150	$ 765	$ 740
Secured debt, maturing 2016 - 2037	2.57%	2,635	425	479	254	225	—	—
First mortgage bonds, maturing 2016 - 2045[(a)]	4.74%	18,980	6,161	9,750	5,975	3,775	750	2,319
Capital leases, maturing 2016 - 2051[(b)]	5.38%	1,336	24	300	144	156	13	14
Tax-exempt bonds, maturing 2017 - 2041[(c)]	2.59%	1,053	355	48	48	—	77	572
Notes payable and commercial paper[(d)]	0.88%	4,258	—	—	—	—	—	—
Money pool/intercompany borrowings		—	300	1,458	359	813	128	150
Fair value hedge carrying value adjustment		6	6	—	—	—	—	—
Unamortized debt discount and premium, net[(e)]		1,712	(17)	(28)	(16)	(8)	(28)	(8)
Unamortized debt issuance costs[(f)]		(170)	(39)	(85)	(37)	(32)	(4)	(19)
Total debt	4.25%	$ 43,202	$ 8,367	$ 15,772	$ 6,727	$ 5,079	$ 1,701	$ 3,768
Short-term notes payable and commercial paper		(3,633)	—	—	—	—	—	—
Short-term money pool/intercompany borrowings		—	—	(1,308)	(209)	(813)	(103)	—
Current maturities of long-term debt[(g)]		(2,074)	(356)	(315)	(2)	(13)	(106)	(547)
Total long-term debt[(g)]		$ 37,495	$ 8,011	$ 14,149	$ 6,516	$ 4,253	$ 1,492	$ 3,221

(a) Substantially all electric utility property is mortgaged under mortgage bond indentures.

(b) Duke Energy includes $114 million and $731 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 capital leases in their respective 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 $625 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 for commercial paper was 15 days.

(e) Duke Energy includes $1,798 million in purchase accounting adjustments related to the merger with Progress Energy.

(f) Duke Energy includes $59 million in purchase accounting adjustments primarily related to the merger with Progress Energy.

(g) Refer to Note 17 for additional information on amounts from consolidated VIEs.

		December 31, 2014						
(in millions)	Weighted Average Interest Rate	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Unsecured debt, maturing 2015 - 2073	4.92%	$ 12,937	$ 1,155	$ 3,850	$ —	$ 150	$ 773	$ 742
Secured debt, maturing 2016 - 2037	2.50%	2,806	400	525	300	225	—	—
First mortgage bonds, maturing 2015 - 2044[(a)]	4.76%	19,180	6,161	9,800	5,475	4,325	900	2,319
Capital leases, maturing 2015 - 2051[(b)]	5.30%	1,428	27	314	146	168	20	16
Tax-exempt bonds, maturing 2015 - 2041[(c)]	2.13%	1,296	355	291	291	—	77	573
Notes payable and commercial paper[(d)]	0.70%	2,989	—	—	—	—	—	—
Money pool/intercompany borrowings		—	300	835	—	84	516	221
Fair value hedge carrying value adjustment		8	8	—	—	—	—	—
Unamortized debt discount and premium, net[(e)]		1,890	(15)	(26)	(11)	(8)	(29)	(9)
Unamortized debt issuance costs		(152)	(38)	(86)	(31)	(37)	(6)	(22)
Total debt	4.29%	$ 42,382	$ 8,353	$ 15,503	$ 6,170	$ 4,907	$ 2,251	$ 3,840
Short-term notes payable and commercial paper		(2,514)	—	—	—	—	—	—
Short-term money pool/intercompany borrowings		—	—	(835)	—	(84)	(491)	(71)
Current maturities of long-term debt[(f)]		(2,807)	(507)	(1,507)	(945)	(562)	(157)	(5)
Total long-term debt[(f)]		$ 37,061	$ 7,846	$ 13,161	$ 5,225	$ 4,261	$ 1,603	$ 3,764

(a) Substantially all electric utility property is mortgaged under mortgage bond indentures.
(b) Duke Energy includes $129 million and $787 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 capital leases in their respective 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 $475 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 for commercial paper was 27 days.
(e) Duke Energy includes $1,975 million in purchase accounting adjustments related to the merger with Progress Energy.
(f) Refer to Note 17 for additional information on amounts from consolidated VIEs.

Current Maturities of Long-Term Debt

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

(in millions)	Maturity Date	Interest Rate	December 31, 2015
Unsecured Debt			
Progress Energy (Parent)	January 2016	5.625%	$ **300**
Duke Energy Indiana	June 2016	6.05%	**325**
Duke Energy (Parent)	November 2016	2.150%	**500**
First Mortgage Bonds			
Duke Energy Indiana	July 2016	0.670%	**150**
Duke Energy Carolinas	December 2016	1.750%	**350**
Other			**449**
Current maturities of long-term debt			$ **2,074**

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, 2015						
(in millions)	Duke Energy(a)	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
2016	$ 2,074	$ 356	$ 315	$ 2	$ 13	$ 106	$ 547
2017	2,468	115	923	446	482	1	2
2018	3,441	1,629	510	—	512	5	3
2019	3,022	5	1,667	855	14	552	63
2020	2,091	755	415	152	265	25	653
Thereafter	24,616	5,507	10,634	5,063	2,980	909	2,500
Total long-term debt, including current maturities	$ 37,712	$ 8,367	$ 14,464	$ 6,518	$ 4,266	$ 1,598	$ 3,768

(a) Excludes $1,857 million in purchase accounting adjustments related to the merger with Progress Energy.

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 Duke Energy Registrants 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, 2015				
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Duke Energy Progress**	**Duke Energy Ohio**	**Duke Energy Indiana**
Tax-exempt bonds	**$ 347**	**$ 35**	**$ —**	**$ 27**	**$ 285**
Commercial paper[(a)]	**625**	**300**	**150**	**25**	**150**
Total	**$ 972**	**$ 335**	**$ 150**	**$ 52**	**$ 435**

	December 31, 2014			
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Duke Energy Ohio**	**Duke Energy Indiana**
Tax-exempt bonds	$ 347	$ 35	$ 27	$ 285
Commercial paper	475	300	25	150
Secured debt[(b)]	200	—	—	—
Total	$ 1,022	$ 335	$ 52	$ 435

(a) Progress Energy amounts are equal to Duke Energy Progress amounts.

(b) In December 2015, Duke Energy used cash held by the lender to repay debt. Instrument had 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.

Summary of Significant Debt Issuances

In January 2016, Duke Energy Kentucky issued $95 million of unsecured debentures, of which $45 million carry a fixed interest rate of 3.42 percent and mature January 15, 2026 and $50 million carry a fixed interest rate of 4.45 percent and mature January 15, 2046. Proceeds will primarily be used to refinance existing debt, including money pool borrowings, capital expenditures and for general corporate purposes.

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

			Year Ended December 31, 2015			
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress
Unsecured Debt						
November 2015[(a)(b)]	April 2024	3.750%	$ **400**	$ **400**	$ **—**	$ **—**
November 2015[(a)(b)]	December 2045	4.800%	**600**	**600**	**—**	**—**
First Mortgage Bonds						
March 2015[(c)]	June 2045	3.750%	**500**	**—**	**500**	**—**
August 2015[(a)(d)]	August 2025	3.250%	**500**	**—**	**—**	**500**
August 2015[(a)(d)]	August 2045	4.200%	**700**	**—**	**—**	**700**
Total issuances			$ **2,700**	$ **1,000**	$ **500**	$ **1,200**

(a) Proceeds were used to repay short-term money pool and commercial paper borrowing issued to fund a portion of the NCEMPA acquisition, see Note 2 for further information.
(b) Proceeds were used to refinance at maturity $300 million of unsecured notes at Progress Energy due January 2016.
(c) Proceeds were used to redeem at maturity $500 million of first mortgage bonds due October 2015.
(d) Proceeds were used to refinance at maturity $400 million of first mortgage bonds due December 2015.

			Year Ended December 31, 2014			
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Progress	Duke Energy Florida
Unsecured Debt						
April 2014[a]	April 2024	3.750%	$ 600	$ 600	$ —	$ —
April 2014[a][b]	April 2017	0.613%	400	400	—	—
June 2014[c]	May 2019	11.970%	108	—	—	—
June 2014[c]	May 2021	13.680%	110	—	—	—
Secured Debt						
March 2014[d]	March 2017	0.863%	225	—	—	225
July 2014[e]	July 2036	5.340%	129	—	—	—
First Mortgage Bonds						
March 2014[f]	March 2044	4.375%	400	—	400	—
March 2014[f][g]	March 2017	0.435%	250	—	250	—
November 2014[h]	December 2044	4.150%	500	—	500	—
November 2014[g][h]	November 2017	0.432%	200	—	200	—
Total issuances			$ 2,922	$ 1,000	$ 1,350	$ 225

(a) Proceeds were used to redeem $402 million of tax-exempt bonds at Duke Energy Ohio, the repayment of outstanding commercial paper and for general corporate purposes. See Note 13 for additional information related to the redemption of Duke Energy Ohio's tax-exempt bonds.
(b) The debt is floating rate based on three-month London Interbank Offered Rate (LIBOR) plus a fixed credit spread of 38 basis points.
(c) Proceeds were used to repay $196 million of debt for International Energy and for general corporate purposes. The interest rates include country specific risk premiums.
(d) Relates to the securitization of accounts receivable at a subsidiary of Duke Energy Florida. Proceeds were used to repay short-term borrowings under the intercompany money pool borrowing arrangement and for general corporate purposes. See Note 17 for further details.
(e) Proceeds were used to fund a portion of Duke Energy's prior investment in the existing Wind Star renewables portfolio.
(f) Proceeds were used to repay short-term borrowings under the intercompany money pool borrowing arrangement and for general corporate purposes.
(g) The debt is floating rate based on three-month LIBOR plus a fixed credit spread of 20 basis points.
(h) Proceeds were used to redeem $450 million of tax-exempt bonds, repay short-term borrowings under the intercompany money pool borrowing arrangement and for general corporate purposes.

Available Credit Facilities

Duke Energy has a Master Credit Facility with a capacity of $7.5 billion through January 2020. The Duke Energy Registrants, excluding Progress Energy (Parent), 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 and as security to meet obligations under the Plea Agreements. The table below includes the current borrowing sublimits and available capacity under the Master Credit Facility.

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Facility size(a)	$ 7,500	$ 3,475	$ 800	$ 1,000	$ 1,200	$ 425	$ 600
Reduction to backstop issuances							
Commercial paper(b)	(3,138)	(1,531)	(300)	(333)	(709)	(115)	(150)
Outstanding letters of credit	(72)	(65)	(4)	(2)	(1)	—	—
Tax-exempt bonds	(116)	—	(35)	—	—	—	(81)
Coal ash set-aside(c)	(500)	—	(250)	(250)	—	—	—
Available capacity	$ 3,674	$ 1,879	$ 211	$ 415	$ 490	$ 310	$ 369

(a) Represents the sublimit of each borrower.

(b) Duke Energy issued $625 million of commercial paper and loaned the proceeds through the money pool to Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio and Duke Energy Indiana. The balances are classified as Long-Term Debt Payable to Affiliated Companies in the Consolidated Balance Sheets.

(c) On May 14, 2015, the United States District Court for the Eastern District of North Carolina approved the separate Plea Agreements entered into by Duke Energy Carolinas, Duke Energy Progress and DEBS, a wholly owned subsidiary of Duke Energy, in connection with the investigation initiated by the USDOJ. Duke Energy Carolinas and Duke Energy Progress are required to each maintain $250 million of available capacity under the Master Credit Facility as security to meet their obligations under the Plea Agreements, in addition to certain other conditions. See Note 5 for further details.

In connection with the Merger Agreement with Piedmont, Duke Energy entered into a $4.9 billion senior unsecured bridge financing facility (Bridge Facility) with Barclays Capital, Inc. (Barclays). The Bridge Facility, if drawn upon, may be used (i) to fund the cash consideration for the transaction and (ii) to pay certain fees and expenses in connection with the transaction. In November 2015, Barclays syndicated its commitment under the Bridge Facility to a broader group of lenders. Duke Energy intends to finance the transaction with proceeds raised through the issuance of debt, equity, and other sources and, therefore, does not expect to draw upon the Bridge Facility. See Note 2 for further details.

On February 22, 2016, Duke Energy entered into a six months term loan facility (Term Loan) with commitments totaling $1 billion to provide additional flexibility in managing short-term liquidity. The Term Loan can be drawn upon in a single borrowing of up to $1 billion, which must occur no later than 45 calendar days following February 22, 2016. As of February 24, 2016, no amounts have been drawn under the Term Loan. Amounts drawn under this facility, if any, will be due on August 19, 2016. The terms and conditions of this Term Loan are generally consistent with those governing the Master Credit Facility discussed above.

Other Debt Matters

Duke Energy Florida expects to issue $1.3 billion of securitization bonds related to Crystal River Unit 3 in the first half of 2016. See Note 4 for additional details.

In September 2013, Duke Energy filed a registration statement (Form S-3) with the Securities and Exchange Commission (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, 2015 and 2014 was $1,121 million and $968 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, 2015 and 2014, $767 million 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 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 Subsidiary Registrants' 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, 2015, each of the Duke Energy Registrants were in compliance with all covenants related to their 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 debt or credit agreements contain material adverse change clauses.

Other Loans

As of December 31, 2015 and 2014, Duke Energy had loans outstanding of $629 million, including $41 million at Duke Energy Progress and $603 million, including $44 million at Duke Energy Progress, respectively, against the cash surrender value of life insurance policies it owns on the lives of its executives. 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, 2015, 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, 2015, 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, 2015, was $253 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, $112 million of the guarantees expire between 2016 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, 2015, Duke Energy had guaranteed $47 million of outstanding surety bonds, most of which have no set expiration.

Duke Energy uses 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. Under these arrangements, Duke Energy has payment obligations to the issuing bank which are triggered by a draw by the third party or customer due to the failure of the wholly owned or non-wholly owned entity to perform according to the terms of its underlying contract. At December 31, 2015, Duke Energy had issued a total of $427 million in letters of credit, which expire between 2016 and 2020. The unused amount under these letters of credit was $58 million.

Duke Energy and Progress Energy have 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, 2015, the estimated maximum exposure for these indemnifications was $97 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.

	December 31,	
	2015	**2014**
Duke Energy	**$ 21**	$ 28
Progress Energy	**7**	13
Duke Energy Florida	**7**	7

8. JOINT OWNERSHIP OF GENERATING AND TRANSMISSION FACILITIES

The Duke Energy Registrants maintain ownership interests in certain jointly owned generating and transmission facilities. The Duke Energy Registrants are entitled to a share of the generating capacity and output of each unit equal to their respective ownership interests, except as otherwise noted below. 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 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 Duke Energy Registrants' interest of jointly owned plant or facilities and amounts included on the Consolidated Balance Sheets. All facilities are operated by the Duke Energy Registrants and are included in the Regulated Utilities segment unless otherwise noted.

	December 31, 2015			
	Ownership Interest	Property, Plant and Equipment	Accumulated Depreciation	Construction Work in Progress
Duke Energy Carolinas				
Catawba Nuclear Station (units 1 and 2)[(a)]	19.25%	$ 926	$ 567	$ 9
Duke Energy Florida				
Intercession City Plant (unit 11)	(b)	24	15	—
Duke Energy Ohio				
Transmission facilities[(c)]	Various	85	50	1
Duke Energy Indiana				
Gibson Station (unit 5)[(d)]	50.05%	329	151	5
Vermillion[(e)]	62.5%	153	108	—
Transmission and local facilities[(d)]	Various	4,094	1,688	—
International Energy				
Brazil – Canoas I and II[(f)]	47.2%	160	57	—

(a) Jointly owned with North Carolina Municipal Power Agency Number One, NCEMC and Piedmont Municipal Power Agency.
(b) Jointly owned with Georgia Power Company (GPC). GPC has exclusive rights to the output of the unit during the months of June through September and pays all fuel and water costs during this period. Duke Energy Florida pays all fuel and water costs during the remaining months. Other costs are allocated 66.67 percent to Duke Energy Florida and the remainder to GPC.
(c) Jointly owned with America Electric Power Generation Resources and The Dayton Power and Light Company.
(d) Jointly owned with Wabash Valley Power Association, Inc. (WVPA) and Indiana Municipal Power Agency.
(e) Jointly owned with WVPA.
(f) Jointly owned with Companhia Brasileira de Aluminio and included in the International segment.

On July 31, 2015, Duke Energy Progress completed the purchase of NCEMPA's ownership interests in jointly owned facilities. See Note 2 for additional information.

Duke Energy Florida owns 98.3 percent interest in the retired Crystal River Unit 3 nuclear plant and is in the process of obtaining the remaining 1.7 percent interest from Seminole Electric Cooperative. On October 30, 2015, Duke Energy Florida completed the purchase of 6.52 percent ownership interest in Crystal River Unit 3 from the Florida Municipal Joint Owners (FMJO) and settled other disputes for $55 million. 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.

9. ASSET RETIREMENT OBLIGATIONS

Duke Energy records an asset retirement obligation (ARO) when it has a legal obligation to incur retirement costs associated with the retirement of a long-lived asset and the obligation can be reasonably estimated. Certain assets of the Duke Energy Registrants' 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 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.

The following table presents the AROs recorded on the Consolidated Balance Sheets.

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Decommissioning of Nuclear Power Facilities	$ 5,072	$ 1,730	$ 3,093	$ 2,349	$ 744	$ —	$ —
Closure of Ash Impoundments	4,958	2,161	2,196	2,188	7	94	507
Other(a)	234	27	80	30	51	31	18
Total Asset retirement obligation	$ 10,264	$ 3,918	$ 5,369	$ 4,567	$ 802	$ 125	$ 525

(a) Includes obligations related to asbestos removal and the closure of certain landfills at fossil generation facilities. Duke Energy Ohio also includes AROs related to the retirement of natural gas mains. Duke Energy also includes AROs related to the removal of renewable energy generation assets.

North Carolina and South Carolina Ash Impoundments

On September 20, 2014, the Coal Ash Act became law and was amended on June 24, 2015, by the Mountain Energy Act. The Coal Ash Act, as amended, (i) establishes a Coal Ash Management Commission (Coal Ash Commission) to oversee handling of coal ash within the state; (ii) prohibits construction of new and expansion of existing ash impoundments and use of existing impoundments at retired facilities; (iii) requires closure of ash impoundments at Duke Energy Progress' Asheville and Sutton plants and Duke Energy Carolinas' Riverbend and Dan River stations no later than August 1, 2019 (the Mountain Energy Act provides for the potential extension of closure of the Asheville impoundment until 2022); (iv) requires dry disposal of fly ash at active plants, excluding the Asheville Plant, not retired by December 31, 2018; (v) requires dry disposal of bottom ash at active plants, excluding the Asheville Plant, by December 31, 2019, or retirement of active plants; (vi) requires all remaining ash impoundments in North Carolina to be categorized as high-risk, intermediate-risk or low-risk no later than December 31, 2015, by the NCDEQ with the method of closure and timing to be based upon the assigned risk, with closure no later than December 31, 2029; (vii) establishes requirements to deal with groundwater and surface water impacts from impoundments; and (viii) increases the level of regulation for structural fills utilizing coal ash.

In January 2016, NCDEQ published its draft risk classifications. These risk rankings were generally determined based on three primary criteria: structural integrity of the impoundments and impact to both surface and groundwaters. NCDEQ categorized 12 basins at four sites as intermediate risk and four basins at three plants as low risk. NCDEQ also categorized nine basins at six plants as “low-to-intermediate” risk, thereby not assigning a proposed risk ranking at this time. The risk rankings of these sites will be based upon receipt of additional data primarily related to groundwater quality and the completion of specific modifications and repairs to the impoundments. NCDEQ is expected to finalize its risk classifications as part of a public comment process. Duke Energy cannot predict the final classification.

The Coal Ash Act includes a variance procedure for compliance deadlines and modification of requirements regarding structural fills and compliance boundaries. Provisions of the Coal Ash Act prohibit cost recovery in customer rates for unlawful discharge of ash impoundment waters occurring after January 1, 2014. The Coal Ash Act leaves the decision on cost recovery determinations related to closure of ash impoundments to the normal ratemaking processes before utility regulatory commissions. Duke Energy has and will periodically submit to NCDEQ site-specific coal ash impoundment closure plans or excavation plans in advance of closure. These plans and all associated permits must be approved by NCDEQ before any excavation or closure work can begin.

In September 2014, Duke Energy Carolinas executed a consent agreement with the South Carolina Department of Health and Environmental Control (SCDHEC) requiring the excavation of an inactive ash basin and ash fill area at the W.S. Lee Steam Station. As part of this agreement, in December 2014, Duke Energy Carolinas filed an ash removal plan and schedule with SCDHEC. In April 2015, the federal Coal Combustion Residuals (CCR) rules were published and Duke Energy Carolinas subsequently executed an agreement with the conservation groups Upstate Forever and Save Our Saluda that requires Duke Energy Carolinas to remediate all active and inactive ash storage areas at the W.S. Lee Steam Station. Coal-fired generation at W.S. Lee ceased in 2014 and unit 3 was converted to natural gas in March 2015. In July 2015, Duke Energy Progress executed a consent agreement with the SCDHEC requiring the excavation of an inactive ash fill area at the Robinson Plant within eight years. Coal ash impoundments at the Robinson Plant and W.S. Lee Station sites are required to be closed pursuant to the recently issued CCR rule and the provisions of these consent agreements are consistent with the federal CCR closure requirements.

Coal Combustion Residuals

On April 17, 2015, the EPA published in the Federal Register a rule to regulate the disposal of CCR from electric utilities as solid waste. The federal regulation, which became effective in October 2015, classifies CCR as nonhazardous waste under Subtitle D of the Resource Conservation and Recovery Act and allows for beneficial use of CCR with some restrictions. The regulation applies to all new and existing landfills, new and existing surface impoundments receiving CCR and existing surface impoundments that are no longer receiving CCR but contain liquid located at stations currently generating electricity (regardless of fuel source). The rule establishes requirements regarding landfill design, structural integrity design and assessment criteria for surface impoundments, groundwater monitoring and protection procedures and other operational and reporting procedures to ensure the safe disposal and management of CCR. In addition to the requirements of the federal CCR regulation, CCR landfills and surface impoundments will continue to be independently regulated by most states. As a result of the EPA rule, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Ohio and Duke Energy Indiana recorded additional asset retirement obligation amounts during 2015.

Coal Ash Liability

The ARO amount recorded on the Consolidated Balance Sheets is based upon estimated closure costs for impacted ash impoundments. The amount recorded represents the discounted cash flows for estimated closure costs based upon either specific closure plans or the probability weightings of the potential closure methods as evaluated on a site-by-site basis. Actual costs to be incurred will be dependent upon factors that vary from site to site. The most significant factors are the method and time frame of closure at the individual sites. Closure methods considered include removing the water from the basins, consolidating material as necessary, and capping the ash with a synthetic barrier, excavating and relocating the ash to a lined structural fill or lined landfill, or recycling the ash for concrete or some other beneficial use. The ultimate method and timetable for closure will be in compliance with standards set by federal and state regulations. The ARO amount will be adjusted as additional information is gained through the closure process, including acceptance and approval of compliance approaches which may change management assumptions, and may result in a material change to the balance.

Asset retirement costs associated with the asset retirement obligations for operating plants and retired plants are included in Net property, plant and equipment, and Regulatory assets, respectively, on the Consolidated Balance Sheets. See Note 4 for additional information on Regulatory assets related to AROs.

Cost recovery for future expenditures will be pursued through the normal ratemaking process with federal and state utility commissions, which permit recovery of necessary and prudently incurred costs associated with Duke Energy’s regulated operations.

Nuclear Decommissioning Liability

Asset retirement obligations related to nuclear decommissioning are based on site-specific cost studies. The NCUC, PSCSC, and FPSC require updated cost estimates for decommissioning nuclear plants every five years.

The following table summarizes information about the most recent site-specific nuclear decommissioning cost studies. Decommissioning costs in the table below are presented in dollars of the year of the cost study and include costs to decommission plant components not subject to radioactive contamination.

(in millions)	Annual Funding Requirement(a)	Decommissioning Costs(a)(b)	Year of Cost Study
Duke Energy	$ 14	$ 8,130	2013 and 2014
Duke Energy Carolinas	—	3,420	2013
Duke Energy Progress	14	3,550	2014
Duke Energy Florida	—	1,160	2013

(a) Amounts for Progress Energy equal the sum of Duke Energy Progress and Duke Energy Florida.
(b) Amounts include the Subsidiary Registrant's ownership interest in jointly owned reactors. Other joint owners are responsible for decommissioning costs related to their interest in the reactors.

Duke Energy Progress' site-specific nuclear decommissioning cost studies were filed with the NCUC and PSCSC in 2015. New funding studies were completed and filed with the NCUC and PSCSC in 2015 as well. Accordingly, in January 2016 Duke Energy Progress received approval from the PSCSC to reduce the annual funding requirement. The NCUC will decide on the appropriate funding level in 2016. Duke Energy Progress will complete and file new funding studies with the FERC in 2016.

Nuclear Decommissioning Trust Funds (NDTF)

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida each maintain Nuclear Decommissioning Trust Funds (NDTF) that are intended to pay for the decommissioning costs of the respective nuclear power plants. 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. Use of the NTDF investments is restricted to nuclear decommissioning activities including license termination, spent fuel and site restoration. The license termination and spent fuel obligations relate to contaminated decommissioning and are recorded as ARO's. The site restoration obligation relates to non-contaminated decommissioning and is recorded to cost of removal within Regulatory liabilities on the Consolidated Balance Sheets.

The following table presents the fair value of NDTF assets legally restricted for purposes of settling asset retirement obligations associated with nuclear decommissioning.

	December 31,	
(in millions)	2015	2014
Duke Energy	$ 4,670	$ 5,182
Duke Energy Carolinas	2,686	2,678
Duke Energy Progress(a)	1,984	1,701
Duke Energy Florida(a)(b)	—	803

(a) Amounts for Progress Energy equal the sum of Duke Energy Progress and Duke Energy Florida.
(b) Duke Energy Florida is actively decommissioning Crystal River Unit 3 and was granted an exemption from the NRC which allows for unrestricted use of the NDTF. Therefore, the entire balance of Duke Energy Florida's NDTF may be applied towards license termination, spent fuel and site restoration costs incurred to decommission Crystal River Unit 3.

Nuclear Operating Licenses

Operating licenses for nuclear units are potentially subject to extension. The following table includes the current expiration of nuclear operating licenses. Duke Energy Florida has requested the NRC terminate the operating license for Crystal River Unit 3 as it permanently ceased operation in February 2013. Refer to Note 4 for further information on decommissioning activity and transition to SAFSTOR.

Unit	Year of Expiration
Duke Energy Carolinas	
Catawba Units 1 and 2	2043
McGuire Unit 1	2041
McGuire Unit 2	2043
Oconee Units 1 and 2	2033
Oconee Unit 3	2034
Duke Energy Progress	
Brunswick Unit 1	2036
Brunswick Unit 2	2034
Harris	2046
Robinson	2030

ARO Liability Rollforward

The following table presents changes in the liability associated with AROs.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Balance at December 31, 2013	4,958	1,594	2,570	1,737	833	28	30
Acquisitions	4	—	—	—	—	—	—
Accretion expense[a]	246	113	135	97	38	2	2
Liabilities settled[b]	(68)	—	(68)	—	(68)	—	—
Liabilities incurred in the current year[c]	3,500	1,717	1,783	1,783	—	—	—
Revisions in estimates of cash flows[d]	(174)	4	291	288	3	(3)	—
Balance at December 31, 2014	8,466	3,428	4,711	3,905	806	27	32
Acquisitions[e]	**226**	**—**	**226**	**204**	**23**	**—**	**—**
Accretion expense[a]	**384**	**165**	**203**	**169**	**34**	**4**	**15**
Liabilities settled[b]	**(422)**	**(200)**	**(195)**	**(125)**	**(70)**	**(4)**	**(23)**
Liabilities incurred in the current year[c]	**1,016**	**178**	**282**	**282**	**—**	**116**	**418**
Revisions in estimates of cash flows[f]	**594**	**347**	**142**	**132**	**9**	**(18)**	**83**
Balance at December 31, 2015	**$ 10,264**	**$ 3,918**	**$ 5,369**	**$ 4,567**	**$ 802**	**$ 125**	**$ 525**

(a) Substantially all accretion expense for the years ended December 31, 2015 and 2014 relates to Duke Energy’s regulated electric operations and has been deferred in accordance with regulatory accounting treatment.

(b) For 2014, amounts relate to nuclear decommissioning of Crystal River Unit 3. For 2015, amounts primarily relate to ash impoundment closures and nuclear decommissioning of Crystal River Unit 3.

(c) For 2014, amounts primarily relate to AROs recorded as a result of the Coal Ash Act and an agreement with the SCDHEC related to the W.S. Lee Steam Station. For 2015, amounts primarily relate to AROs recorded as a result of the EPA's rule for disposal of CCR.

(d) Amounts for Progress Energy and Duke Energy Progress primarily relate to Duke Energy Progress' site-specific nuclear decommissioning cost studies. The Duke Energy amount also includes the impact of Duke Energy Progress' site-specific nuclear decommissioning cost studies on purchase accounting amounts.

(e) Duke Energy Progress amount relates to the NCEMPA acquisition. See footnote 2 for additional information.

(f) Primarily relates to the closure of ash impoundments.

10. PROPERTY, PLANT AND EQUIPMENT

The following tables summarize the property, plant and equipment for Duke Energy and its subsidiary registrants.

	December 31, 2015							
(in millions)	**Estimated Useful Life (Years)**	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Land		$ 1,466	$ 407	$ 719	$ 392	$ 327	$ 118	$ 108
Plant – Regulated								
Electric generation, distribution and transmission	8 - 100	87,593	33,623	36,422	22,888	13,534	4,429	13,118
Natural gas transmission and distribution	12 - 67	2,322	—	—	—	—	2,322	—
Other buildings and improvements	15 - 100	1,480	477	621	294	322	204	179
Plant – Nonregulated								
Electric generation, distribution and transmission	1 - 30	3,348	—	—	—	—	—	—
Other buildings and improvements	5 - 50	2,363	—	—	—	—	—	—
Nuclear fuel		3,194	1,827	1,367	1,367	—	—	—
Equipment	3 - 38	1,791	368	530	398	132	344	173
Construction in process		4,525	1,860	1,827	1,118	709	180	214
Other	2 - 60	4,744	836	1,180	856	319	153	215
Total property, plant and equipment(a)(d)		112,826	39,398	42,666	27,313	15,343	7,750	14,007
Total accumulated depreciation – regulated(b)(c)(d)		(35,367)	(13,521)	(14,867)	(10,141)	(4,720)	(2,507)	(4,484)
Total accumulated depreciation – nonregulated(c)(d)		(2,298)	—	—	—	—	—	—
Generation facilities to be retired, net		548	—	548	548	—	—	—
Total net property, plant and equipment		$ 75,709	$ 25,877	$ 28,347	$ 17,720	$ 10,623	$ 5,243	$ 9,523

(a) Includes capitalized leases of $1,470 million, $40 million, $302 million, $144 million, $158 million, $96 million, and $39 million at Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, and Duke Energy Indiana, respectively, primarily within Plant - Regulated. The Progress Energy, Duke Energy Progress and Duke Energy Florida amounts are net of $85 million, $7 million and $78 million, respectively, of accumulated amortization of capitalized leases.

(b) Includes $1,621 million, $976 million, $645 million and $645 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 $58 million, $11 million, $27 million and $7 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 $2,033 million and accumulated depreciation of consolidated VIEs of $327 million at Duke Energy.

		December 31, 2014						
(in millions)	Estimated Useful Life (Years)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Land		$ 1,459	$ 403	$ 704	$ 380	$ 324	$ 114	$ 108
Plant – Regulated								
Electric generation, distribution and transmission	2 - 138	82,206	31,751	33,672	20,616	13,056	3,956	11,911
Natural gas transmission and distribution	12 - 67	2,230	—	—	—	—	2,230	—
Other buildings and improvements	9 - 100	1,445	465	607	286	318	200	173
Plant – Nonregulated								
Electric generation, distribution and transmission	1- 30	2,380	—	—	—	—	—	—
Other buildings and improvements	5 - 50	2,498	—	—	—	—	—	—
Nuclear fuel		2,865	1,676	1,190	1,190	—	—	—
Equipment	3 - 34	1,762	341	506	388	118	330	166
Construction in process		4,519	2,081	1,215	908	307	97	481
Other	5 - 80	3,497	655	756	439	310	214	195
Total property, plant and equipment(a)(d)		104,861	37,372	38,650	24,207	14,433	7,141	13,034
Total accumulated depreciation – regulated(b)(c)(d)		(32,628)	(12,700)	(13,506)	(9,021)	(4,478)	(2,213)	(4,219)
Total accumulated depreciation – nonregulated(c)(d)		(2,196)	—	—	—	—	—	—
Generation facilities to be retired, net		9	—	—	—	—	9	—
Total net property, plant and equipment		$ 70,046	$ 24,672	$ 25,144	$ 15,186	$ 9,955	$ 4,937	$ 8,815

(a) Includes capitalized leases of $1,548 million, $40 million, $315 million, $146 million, $169 million, $98 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 $72 million, $5 million and $67 million, respectively, of accumulated amortization of capitalized leases.

(b) Includes $1,408 million, $847 million, $561 million and $561 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 $52 million, $8 million, $25 million and $6 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 $1,873 million and accumulated depreciation of consolidated VIEs of $257 million at Duke Energy.

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

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Duke Energy	**$ 98**	$ 75	$ 89
Duke Energy Carolinas	**38**	38	41
Progress Energy	**24**	11	19
Duke Energy Progress	**20**	10	16
Duke Energy Florida	**4**	1	3
Duke Energy Ohio	**10**	10	11
Duke Energy Indiana	**6**	6	9

Operating Leases

Duke Energy's Commercial Portfolio segment operates various renewable energy projects and sells the generated output to utilities, electric cooperatives, municipalities, and commercial and industrial customers through long-term contracts. In certain situations, these long-term contracts and the associated renewable energy projects qualify as operating leases. Rental income from these leases is accounted for as Operating Revenues in the Consolidated Statements of Operations. There are no minimum lease payments as all payments are contingent based on actual electricity generated by the renewable energy projects. Contingent lease payments were $172 million, $164 million and $154 million for the years ended December 31, 2015, 2014 and 2013. As of December 31, 2015, renewable energy projects owned by Duke Energy and accounted for as operating leases had a cost basis of $2,455 million and accumulated depreciation of $258 million. These assets are principally classified as nonregulated electric generation and transmission assets.

11. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents goodwill by reportable operating segment for Duke Energy.

Duke Energy

(in millions)	**Regulated Utilities**	**International Energy**	**Commercial Portfolio**	**Total**
Goodwill at December 31, 2014(a)	$ 15,950	$ 307	$ 64	$ 16,321
Foreign exchange and other changes	**—**	**(36)**	**—**	**(36)**
Acquisitions	**—**	**—**	**58**	**58**
Goodwill at December 31, 2015	**$ 15,950**	**$ 271**	**$ 122**	**$ 16,343**

(a) Excludes fully impaired Goodwill related to the nonregulated Midwest Generation business which was sold in the second quarter of 2015. See Note 2 for further information related to the sale.

Duke Energy Ohio

Duke Energy Ohio's Goodwill balance of $920 million is included in the Regulated Utilities operating segment and presented net of accumulated impairment charges of $216 million on the Consolidated Balance Sheets at December 31, 2015 and 2014.

Progress Energy

Progress Energy's Goodwill is included in the Regulated Utilities operating segment and there are no accumulated impairment charges.

Impairment Testing

Duke Energy, Duke Energy Ohio and Progress Energy perform annual goodwill impairment tests each year as of August 31. Duke Energy, Duke Energy Ohio and Progress Energy update their test 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. As the fair value of Duke Energy, Duke Energy Ohio and Progress Energy's reporting units exceeded their respective carrying values at the date of the annual impairment analysis, no impairment charges were recorded in 2015.

Intangible Assets

The following tables show the carrying amount and accumulated amortization of intangible assets within Other on the Consolidated Balance Sheets of the Duke Energy Registrants at December 31, 2015 and 2014.

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Emission allowances	$ 20	$ 1	$ 6	$ 2	$ 4	$ —	$ 14
Renewable energy certificates	116	30	80	80	—	5	—
Gas, coal and power contracts	24	—	—	—	—	—	24
Wind development rights	115	—	—	—	—	—	—
Other	68	—	—	—	—	—	—
Total gross carrying amounts	343	31	86	82	4	5	38
Accumulated amortization – gas, coal and power contracts	(16)	—	—	—	—	—	(16)
Accumulated amortization – wind development rights	(18)	—	—	—	—	—	—
Accumulated amortization – other	(24)	—	—	—	—	—	—
Total accumulated amortization	(58)	—	—	—	—	—	(16)
Total intangible assets, net	$ 285	$ 31	$ 86	$ 82	$ 4	$ 5	$ 22

	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Emission allowances	$ 23	$ 1	$ 7	$ 3	$ 4	$ —	$ 16
Renewable energy certificates	97	25	69	69	—	3	—
Gas, coal and power contracts	24	—	—	—	—	—	24
Wind development rights	97	—	—	—	—	—	—
Other	76	—	—	—	—	—	—
Total gross carrying amounts	317	26	76	72	4	3	40
Accumulated amortization – gas, coal and power contracts	(15)	—	—	—	—	—	(15)
Accumulated amortization – wind development rights	(14)	—	—	—	—	—	—
Accumulated amortization – other	(25)	—	—	—	—	—	—
Total accumulated amortization	(54)	—	—	—	—	—	(15)
Total intangible assets, net	$ 263	$ 26	$ 76	$ 72	$ 4	$ 3	$ 25

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)	2015	2014	2013
Duke Energy	**$ 4**	$ 6	$ 13
Duke Energy Ohio	**—**	2	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, 2015. 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)	2016	2017	2018	2019	2020
Duke Energy	$ 8	$ 8	$ 8	$ 7	$ 7
Duke Energy Indiana	2	2	2	2	2

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, 2015, the carrying amount of investments in affiliates with carrying amounts greater than zero exceeded the underlying investment by $60 million. These differences are attributable to intangibles associated with underlying contracts which are reflected in the investments balance and the equity in earnings reported in the table below.

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,				
	2015		2014		2013
(in millions)	Investments	Equity in earnings	Investments	Equity in earnings	Equity in earnings
Regulated Utilities	**$ 2**	**$ (4)**	$ 3	$ (3)	$ (1)
International Energy	**39**	**74**	69	120	110
Commercial Portfolio	**433**	**(3)**	258	10	7
Other	**25**	**2**	28	3	6
Total	**$ 499**	**$ 69**	$ 358	$ 130	$ 122

During the years ended December 31, 2015, 2014 and 2013, Duke Energy received distributions from equity investments of $104 million, $154 million and $144 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. International Energy’s economic ownership interest will decrease to 17.5 percent upon successful startup of NMC's polyacetal production facility, which is expected to occur in January 2017.

Commercial Portfolio

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), and DS Cornerstone, LLC. All of these entities own 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. Duke Energy also owns a 40 percent and 7.5 percent interest in Atlantic Coast Pipeline, LLC and Sabal Trail Transmission, LLC, respectively, which will build and own natural gas pipelines.

Other

On December 31, 2013, Duke Energy completed the sale of its 50 percent ownership interest in DukeNet, which owned and operated telecommunications businesses, to Time Warner Cable, Inc. After retiring existing DukeNet debt and payment of transaction 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 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. Material amounts related to transactions with related parties included in the Consolidated Statements of Operations and Comprehensive Income are presented in the following table.

	Years Ended December 31,		
(in millions)	**2015**	2014	2013
Duke Energy Carolinas			
Corporate governance and shared service expenses(a)	**$ 914**	$ 851	$ 927
Indemnification coverages(b)	**24**	21	22
JDA revenue(c)	**51**	133	121
JDA expense(c)	**183**	198	116
Progress Energy			
Corporate governance and shared services provided by Duke Energy(a)	**$ 712**	$ 732	$ 290
Corporate governance and shared services provided to Duke Energy(d)	**—**	—	96
Indemnification coverages(b)	**38**	33	34
JDA revenue(c)	**183**	198	116
JDA expense(c)	**51**	133	121
Duke Energy Progress			
Corporate governance and shared service expenses(a)	**$ 403**	$ 386	$ 266
Indemnification coverages(b)	**16**	17	20
JDA revenue(c)	**183**	198	116
JDA expense(c)	**51**	133	121
Duke Energy Florida			
Corporate governance and shared service expenses(a)	**$ 309**	$ 346	$ 182
Indemnification coverages(b)	**22**	16	14
Duke Energy Ohio			
Corporate governance and shared service expenses(a)	**$ 342**	$ 316	$ 347
Indemnification coverages(b)	**6**	13	15
Duke Energy Indiana			
Corporate governance and shared service expenses(a)	**$ 349**	$ 384	$ 422
Indemnification coverages(b)	**9**	11	14

(a) The Subsidiary Registrants are charged their proportionate share of corporate governance and other shared services costs, 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.

(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) Duke Energy Carolinas and Duke Energy Progress participate in a JDA which allows the collective dispatch of power plants between the service territories to reduce customer rates. Revenues from the sale of power under the JDA are recorded in Operating Revenues on the Consolidated Statements of Operations and Comprehensive Income. 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) In 2013, Progress Energy Service Company (PESC), a consolidated subsidiary of Progress Energy, charged a proportionate share of corporate governance and other costs to consolidated affiliates of Duke Energy. Corporate governance and other shared costs were primarily related to human resources, employee benefits, legal and accounting fees, as well as other third-party costs. These charges were recorded as an offset to Operation, maintenance and other in the Consolidated Statements of Operations and Comprehensive Income. Effective January 1, 2014, PESC was contributed to Duke Energy Corporate Services (DECS), a consolidated subsidiary of Duke Energy, and these costs were no longer charged out of Progress Energy. Progress Energy recorded a non-cash after-tax equity transfer related to the contribution of PESC to DECS in its Consolidated Statements of Changes in Common Stockholder's Equity.

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, 2015, 2014 and 2013 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.

Duke Energy Ohio's nonregulated indirect subsidiary, Duke Energy Commercial Asset Management (DECAM), owned generating plants included in the Disposal Group sold to Dynegy on April 2, 2015. On April 1, 2015, Duke Energy Ohio distributed its indirect ownership interest in DECAM to a Duke Energy subsidiary and non-cash settled DECAM's intercompany loan payable of $294 million. The intercompany loan payable recorded in Notes payable to affiliated companies on Duke Energy Ohio’s Consolidated Balance Sheets was $459 million as of December 31, 2014.

Refer to Note 2 for further information on the sale of the Disposal Group.

Intercompany Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and jurisdictional returns. The Subsidiary Registrants have a tax sharing agreement with Duke Energy for the allocation of consolidated tax liabilities and benefits. Income taxes recorded represent amounts the Subsidiary Registrants would incur as separate C-Corporations. The following table includes the balance of intercompany income tax receivables for the subsidiary registrants.

(in millions)	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
December 31, 2015						
Intercompany income tax receivable	**$ 122**	**$ 120**	**$ 104**	**$ —**	**$ 54**	**$ —**
Intercompany income tax payable	**—**	**—**	**—**	**96**	**—**	**47**
December 31, 2014						
Intercompany income tax receivable	$ 43	$ 713	$ 267	$ 174	$ 39	$ 95

14. DERIVATIVES AND HEDGING

The Duke Energy Registrants use commodity and interest rate contracts to manage commodity price risk and interest rate risk. The primary use of 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 normal purchase/normal sale (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 arrangements is offset against the collateralized derivatives on the Consolidated Balance Sheets. The cash impacts of settled derivatives are recorded as operating activities on the Consolidated Statements of Cash Flows.

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.

Cash Flow Hedges

For a derivative designated as hedging the exposure to variable cash flows of a future transaction, referred to as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income and subsequently reclassified into earnings once the future transaction effects earnings. Amounts for interest rate contracts are reclassified to earnings as interest expense over the term of the related debt. Gains and losses reclassified out of AOCI for the years ended December 31, 2015 and 2014 were not material. Duke Energy's interest rate derivatives designated as hedges include interest rate swaps used to hedge existing debt within the International Energy and Renewables' businesses.

Undesignated Contracts

Undesignated contracts include contracts not designated as a hedge because they are accounted for under regulatory accounting and contracts that do not qualify for hedge accounting.

Duke Energy’s interest rate swaps for its Regulated Utilities operations employ regulatory accounting. With regulatory accounting, the mark-to-market gains or losses on the swaps are deferred as regulatory liabilities or regulatory assets, respectively. Regulatory assets and liabilities are amortized consistent with the treatment of the related costs in the ratemaking process. The accrual of interest on the swaps is recorded as Interest Expense.

Interest rate contracts issued in 2015 that use regulatory accounting include $400 million notional amount of forward-starting interest rate swaps issued in October 2015 at Duke Energy Carolinas to hedge debt anticipated to be issued in 2018. In January 2015, Duke Energy Progress executed fixed-to-floating rate swaps that also use regulatory accounting. The swaps were issued to economically convert $250 million of fixed-rate first mortgage bonds due September 15, 2021, to floating-rate with an initial rate of approximately 1.75 percent.

As of December 31, 2015, Duke Energy entered into $900 million of forward-starting interest rate swaps to lock in components of interest rates for the expected financing of the Piedmont acquisition. In January 2016, Duke Energy entered into an additional $500 million notional amount. The swaps do not qualify for hedge accounting and are marked-to-market, with any gains or losses included in earnings. The impact on net income was not material in 2015. The swaps will be terminated in conjunction with the acquisition financing. See note 2 for additional information related to the Piedmont acquisition.

The following table shows notional amounts for derivatives related to interest rate risk.

	December 31, 2015						December 31, 2014			
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy	Progress Energy	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges(a)	$ 700	$ —	$ —	$ —	$ —	$ —	$ 750	$ —	$ —	$ —
Undesignated contracts	1,827	400	500	250	250	27	277	250	250	27
Total notional amount	$ 2,527	$ 400	$ 500	$ 250	$ 250	$ 27	$ 1,027	$ 250	$ 250	$ 27

(a) Duke Energy includes amounts related to consolidated Variable Interest Entities (VIEs) of $497 million and $541 million at December 31, 2015 and 2014, respectively.

COMMODITY PRICE RISK

The Duke Energy Registrants are exposed to the impact of changes in the 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.

Regulated public utilities may have cost-based rate regulations and various other cost recovery mechanisms that result in a limited exposure to market volatility of commodity fuel prices. Financial derivative contracts, where approved by the respective state regulatory commissions, can be used to manage the risk of price volatility. At December 31, 2015 all of Duke Energy's open commodity derivative instruments were undesignated because they are accounted for under regulatory accounting. Mark-to-market gains or losses on contracts that use regulatory accounting are deferred as regulatory liabilities or regulatory assets, respectively. Undesignated contracts expire as late as 2048.

The Subsidiary Registrants utilize cost-tracking mechanisms, commonly referred to as fuel adjustment clauses. These clauses allow for the recovery of fuel and fuel-related costs, including settlements of undesignated derivatives for fuel commodities, 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 as Operating Revenues: Regulated electric on the Consolidated Statements of Operations with an offsetting impact on regulatory assets or liabilities. Therefore, due to the regulatory accounting followed by the Subsidiary Registrants for undesignated derivatives, realized and unrealized gains and losses on undesignated commodity derivatives do not have an immediate impact on reported net income.

Mark-to-market gains and losses related to the nonregulated Midwest generation business were recorded in discontinued operations and open positions at April 2, 2014, were included in the sale of the Disposal Group. Refer to Note 2 for further information on the sale of the Disposal Group. Gains and losses on undesignated derivative contracts for nonregulated continuing operations are not material.

Volumes

The tables below show information relating to volumes of outstanding commodity derivatives. Amounts disclosed represent the absolute value of notional volumes of commodity contracts excluding NPNS. 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, 2015						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Electricity (gigawatt-hours)	**70**	**—**	**—**	**—**	**—**	**34**	**36**
Natural gas (millions of decatherms)	**398**	**66**	**332**	**117**	**215**	**—**	**—**

	December 31, 2014						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Electricity (gigawatt-hours)(a)(b)	25,370	—	—	—	—	19,141	—
Natural gas (millions of decatherms)(a)	676	35	328	116	212	313	—

(a) Duke Energy Ohio includes amounts related to the Disposal Group. Refer to Note 2 for further information on the sale.
(b) Amounts at Duke Energy Ohio include intercompany positions that eliminate at Duke Energy.

LOCATION AND FAIR VALUE OF DERIVATIVE ASSETS AND LIABILITIES RECOGNIZED IN THE CONSOLIDATED BALANCE SHEETS

The following tables show the fair value and balance sheet location of derivative instruments. 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.

Derivative Assets	**December 31, 2015**						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Commodity Contracts							
Not Designated as Hedging Instruments							
Current	12	—	1	—	1	3	7
Noncurrent	4	—	4	—	4	—	—
Total Derivative Assets – Commodity Contracts	$ 16	$ —	$ 5	$ —	$ 5	$ 3	$ 7
Interest Rate Contracts							
Designated as Hedging Instruments							
Noncurrent	$ 4	$ —	$ —	$ —	$ —	$ —	$ —
Not Designated as Hedging Instruments							
Current	6	—	6	2	2	—	—
Total Derivative Assets – Interest Rate Contracts	$ 10	$ —	$ 6	$ 2	$ 2	$ —	$ —
Total Derivative Assets	$ 26	$ —	$ 11	$ 2	$ 7	$ 3	$ 7

Derivative Liabilities	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Commodity Contracts							
Not Designated as Hedging Instruments							
Current	$ 256	$ 32	$ 222	$ 77	$ 145	$ —	$ —
Noncurrent	100	8	92	16	71	—	—
Total Derivative Liabilities – Commodity Contracts	$ 356	$ 40	$ 314	$ 93	$ 216	$ —	$ —
Interest Rate Contracts							
Designated as Hedging Instruments							
Current	$ 11	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	33	—	—	—	—	—	—
Not Designated as Hedging Instruments							
Current	4	—	3	—	—	1	—
Noncurrent	15	5	5	5	—	6	—
Total Derivative Liabilities – Interest Rate Contracts	$ 63	$ 5	$ 8	$ 5	$ —	$ 7	$ —
Total Derivative Liabilities	$ 419	$ 45	$ 322	$ 98	$ 216	$ 7	$ —

Derivative Assets	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Commodity Contracts							
Not Designated as Hedging Instruments							
Current Assets: Other	$ 18	$ —	$ —	$ —	$ —	$ 1	$ 14
Current Assets: Assets held for sale	15	—	—	—	—	28	—
Investments and Other Assets: Other	3	—	—	—	—	—	—
Investments and Other Assets: Assets held for sale	15	—	—	—	—	26	—
Current Liabilities: Other	1	—	—	—	—	—	—
Current Liabilities: Assets held for sale	174	—	—	—	—	175	—
Deferred Credits and Other Liabilities: Other	2	—	—	—	—	—	—
Deferred Credits and Other Liabilities: Assets held for sale	111	—	—	—	—	111	—
Total Derivative Assets – Commodity Contracts	$ 339	$ —	$ —	$ —	$ —	$ 341	$ 14
Interest Rate Contracts							
Designated as Hedging Instruments							
Investments and Other Assets: Other	10	—	—	—	—	—	—
Not Designated as Hedging Instruments							
Current Assets: Other	2	—	2	—	2	—	—
Total Derivative Assets – Interest Rate Contracts	$ 12	$ —	$ 2	$ —	$ 2	$ —	$ —
Total Derivative Assets	$ 351	$ —	$ 2	$ —	$ 2	$ 341	$ 14

Derivative Liabilities	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Commodity Contracts							
Designated as Hedging Instruments							
Current Liabilities: Other	$ —	$ —	$ 1	$ 1	$ —	$ —	$ —
Not Designated as Hedging Instruments							
Current Assets: Assets held for sale	—	—	—	—	—	4	—
Investments and Other Assets: Assets held for sale	—	—	—	—	—	4	—
Current Liabilities: Other	307	14	288	108	180	—	—
Current Liabilities: Assets held for sale	253	—	—	—	—	252	—
Deferred Credits and Other Liabilities: Other	91	5	80	23	57	—	—
Deferred Credits and Other Liabilities: Assets held for sale	208	—	—	—	—	207	—
Total Derivative Liabilities – Commodity Contracts	$ 859	$ 19	$ 369	$ 132	$ 237	$ 467	$ —
Interest Rate Contracts							
Designated as Hedging Instruments							
Current Liabilities: Other	$ 13	$ —	$ —	$ —	$ —	$ —	$ —
Deferred Credits and Other Liabilities: Other	29	—	—	—	—	—	—
Not Designated as Hedging Instruments							
Current Liabilities: Other	1	—	—	—	—	1	—
Deferred Credits and Other Liabilities: Other	7	—	2	—	2	5	—
Total Derivative Liabilities – Interest Rate Contracts	$ 50	$ —	$ 2	$ —	$ 2	$ 6	$ —
Total Derivative Liabilities	$ 909	$ 19	$ 371	$ 132	$ 239	$ 473	$ —

OFFSETTING ASSETS AND LIABILITIES

The following tables present the line items on the Consolidated Balance Sheets where derivatives are reported. Substantially all of Duke Energy's outstanding derivative contracts are subject to enforceable master netting arrangements. The Gross amounts offset in the tables below show the effect of these netting arrangements on financial position, and include collateral posted to offset the net position. The amounts shown are 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.

Derivative Assets	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current							
Gross amounts recognized	$ 18	$ —	$ 7	$ 2	$ 3	$ 3	$ 7
Gross amounts offset	(3)	—	(2)	—	(2)	—	—
Net amounts presented in Current Assets: Other	$ 15	$ —	$ 5	$ 2	$ 1	$ 3	$ 7
Noncurrent							
Gross amounts recognized	$ 8	$ —	$ 4	$ —	$ 4	$ —	$ —
Gross amounts offset	(4)	—	(4)	—	(4)	—	—
Net amounts presented in Investments and Other Assets: Other	$ 4	$ —	$ —	$ —	$ —	$ —	$ —

Derivative Liabilities	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current							
Gross amounts recognized	$ 271	$ 32	$ 225	$ 77	$ 145	$ 1	$ —
Gross amounts offset	(22)	—	(21)	(1)	(20)	—	—
Net amounts presented in Current Liabilities: Other	$ 249	$ 32	$ 204	$ 76	$ 125	$ 1	$ —
Noncurrent							
Gross amounts recognized	$ 148	$ 13	$ 97	$ 21	$ 71	$ 6	$ —
Gross amounts offset	(16)	—	(15)	—	(15)	—	—
Net amounts presented in Deferred Credits and Other Liabilities: Other	$ 132	$ 13	$ 82	$ 21	$ 56	$ 6	$ —

Derivative Assets	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current[(a)]							
Gross amounts recognized	$ 210	$ —	$ 2	$ —	$ 2	$ 204	$ 14
Gross amounts offset	(153)	—	(2)	—	(2)	(179)	—
Net amounts subject to master netting	57	—	—	—	—	25	14
Amounts not subject to master netting	—	—	—	—	—	—	—
Net amounts recognized on the Condensed Consolidated Balance Sheet	$ 57	$ —	$ —	$ —	$ —	$ 25	$ 14
Noncurrent[(b)]							
Gross amounts recognized	$ 136	$ —	$ —	$ —	$ —	$ 137	$ —
Gross amounts offset	(88)	—	—	—	—	(114)	—
Net amounts subject to master netting	48	—	—	—	—	23	—
Amounts not subject to master netting	5	—	—	—	—	—	—
Net amounts recognized on the Condensed Consolidated Balance Sheet	$ 53	$ —	$ —	$ —	$ —	$ 23	$ —

(a) Amounts for Duke Energy Registrants, except Duke Energy and Duke Energy Ohio, are included in Other within Current Assets on the Condensed Consolidated Balance Sheets. Amounts for Duke Energy and Duke Energy Ohio are included in Other and Assets held for sale within Current Assets on the Condensed Consolidated Balance Sheets.

(b) Amounts for Duke Energy Registrants, except Duke Energy and Duke Energy Ohio, are included in Other within Investments and Other Assets on the Condensed Consolidated Balance Sheets. Amounts for Duke Energy and Duke Energy Ohio are included in Other and Assets held for sale within Investments and Other Assets on the Condensed Consolidated Balance Sheets.

Derivative Liabilities	December 31, 2014						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Current(c)							
Gross amounts recognized	$ 573	$ 14	$ 289	$ 109	$ 180	$ 257	$ —
Gross amounts offset	(213)	—	(17)	—	(17)	(222)	—
Net amounts subject to master netting	360	14	272	109	163	35	—
Amounts not subject to master netting	1	—	—	—	—	—	—
Net amounts recognized on the Condensed Consolidated Balance Sheet	$ 361	$ 14	$ 272	$ 109	$ 163	$ 35	$ —
Noncurrent(d)							
Gross amounts recognized	$ 319	$ 5	$ 82	$ 23	$ 59	$ 216	$ —
Gross amounts offset	(173)	—	(8)	—	(8)	(193)	—
Net amounts subject to master netting	146	5	74	23	51	23	—
Amounts not subject to master netting	16	—	—	—	—	—	—
Net amounts recognized on the Condensed Consolidated Balance Sheet	$ 162	$ 5	$ 74	$ 23	$ 51	$ 23	$ —

(c) Amounts for Duke Energy Registrants, except Duke Energy and Duke Energy Ohio, are included in Other within Current Liabilities on the Condensed Consolidated Balance Sheets. Amounts for Duke Energy and Duke Energy Ohio are included in Other and Liabilities associated with assets held for sale within Current Liabilities on the Condensed Consolidated Balance Sheets.

(d) Amounts for Duke Energy Registrants, except Duke Energy and Duke Energy Ohio, are included in Other within Deferred Credits and Other Liabilities on the Condensed Consolidated Balance Sheets. Amounts for Duke Energy and Duke Energy Ohio are included in Other and Liabilities associated with assets held for sale within Deferred Credits and Other Liabilities on the Condensed Consolidated Balance Sheets.

OBJECTIVE CREDIT CONTINGENT FEATURES

Certain derivative contracts contain objective credit contingent features. These features include the requirement to post cash collateral or letters of credit 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. Amounts for Duke Energy Indiana were not material.

	December 31, 2015					
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**
Aggregate fair value of derivatives in a net liability position	**$ 334**	**$ 45**	**$ 290**	**$ 93**	**$ 194**	**$ —**
Fair value of collateral already posted	**30**	**—**	**30**	**—**	**30**	**—**
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	**304**	**45**	**260**	**93**	**164**	**—**

	December 31, 2014					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio(a)
Aggregate fair value of derivatives in a net liability position	$ 845	$ 19	$ 370	$ 131	$ 239	$ 456
Fair value of collateral already posted	209	—	23	—	23	186
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	407	19	347	131	216	41

(a) Duke Energy Ohio includes amounts related to the Disposal Group for the year ended December 31, 2014.

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 arrangement. Amounts disclosed below represent the receivables related to the right to reclaim cash collateral under master netting arrangements.

	December 31, 2015	December 31, 2014
(in millions)	Receivables	Receivables
Duke Energy		
Amounts offset against net derivative positions	**$ 30**	$ 145
Amounts not offset against net derivative positions	**—**	64
Progress Energy		
Amounts offset against net derivative positions	**30**	23
Duke Energy Florida		
Amounts offset against net derivative positions	**30**	23
Duke Energy Ohio		
Amounts offset against net derivative positions	**—**	122
Amounts not offset against net derivative positions	**—**	64

15. INVESTMENTS IN DEBT AND EQUITY SECURITIES

AVAILABLE-FOR-SALE SECURITIES

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

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 classifies all other investments in debt and equity securities as long-term, unless otherwise noted.

Investment Trusts

The investments within the NDTF investments 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 the 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 losses associated with debt and equity securities within the Investment Trusts are considered other-than-temporary impairments and are recognized immediately.

Investments within the Investment Trusts generally qualify for regulatory accounting, and accordingly realized and unrealized gains and losses are deferred as a regulatory asset or liability. Certain investments held in Duke Energy Florida's NDTF were acquired in a settlement with FMJO and do not qualify for regulatory accounting. Unrealized gains and losses on these assets are included in other comprehensive income until realized, unless it is determined the carrying value of an investment is other-than-temporarily impaired, and realized gains and losses are included within Other income and expense, net on the Consolidated Statements of Operations. The value of these assets have not materially changed since the assets were acquired from FMJO. As a result, there is no material 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 is 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, 2015 and 2014.

DUKE ENERGY

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

	December 31, 2015			December 31, 2014		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 179	$ —	$ —	$ 136
Equity securities	1,823	58	3,590	1,926	29	3,650
Corporate debt securities	7	8	432	14	2	454
Municipal bonds	5	1	185	5	—	184
U.S. government bonds	11	5	1,254	19	2	978
Other debt securities	—	4	177	1	2	147
Total NDTF(c)	$ 1,846	$ 76	$ 5,817	$ 1,965	$ 35	$ 5,549
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 29	$ —	$ —	$ 15
Equity securities	32	1	95	34	—	96
Corporate debt securities	1	3	92	1	1	58
Municipal bonds	3	1	74	3	1	76
U.S. government bonds	—	—	45	—	—	27
Other debt securities	—	2	62	1	1	80
Total Other Investments(a)	$ 36	$ 7	$ 397	$ 39	$ 3	$ 352
Total Investments	$ 1,882	$ 83	$ 6,214	$ 2,004	$ 38	$ 5,901

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.
(b) Substantially all these amounts are considered other-than-temporary impairments on investments within Investment Trusts that have been recognized immediately as a regulatory asset.
(c) The increase in estimated fair value of the NDTF as of December 31, 2015, is primarily due to NDTF assets acquired with the purchase of NCEMPA's ownership interest in certain generating assets and the NDTF assets acquired in a settlement with FMJO. This is partially offset due to reimbursements from the NDTF for Duke Energy Florida's costs related to ongoing decommissioning activity of the Crystal River Unit 3 Nuclear Plant. Refer to Note 2 for further information.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2015
Due in one year or less	120
Due after one through five years	775
Due after five through 10 years	598
Due after 10 years	828
Total	2,321

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

	Years Ended December 31,		
(in millions)	**2015**	2014	2013
Realized gains	**$ 193**	$ 271	$ 209
Realized losses	**98**	105	65

DUKE ENERGY CAROLINAS

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

	December 31, 2015			December 31, 2014		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value
NDTF						
Cash and cash equivalents	**$ —**	**$ —**	**$ 34**	$ —	$ —	$ 51
Equity securities	**1,021**	**27**	**2,094**	1,102	17	2,162
Corporate debt securities	**3**	**5**	**292**	8	2	316
Municipal bonds	**1**	**—**	**33**	1	—	62
U.S. government bonds	**3**	**3**	**438**	7	1	308
Other debt securities	**—**	**4**	**147**	1	2	133
Total NDTF	**$ 1,028**	**$ 39**	**$ 3,038**	$ 1,119	$ 22	$ 3,032
Other Investments						
Other debt securities	**$ —**	**$ 1**	**$ 3**	$ —	$ 1	$ 3
Total Other Investments(a)	**$ —**	**$ 1**	**$ 3**	$ —	$ 1	$ 3
Total Investments	**$ 1,028**	**$ 40**	**$ 3,041**	$ 1,119	$ 23	$ 3,035

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.
(b) Substantially all these amounts represent other-than-temporary impairments on investments within Investment Trusts that have been recognized immediately as a regulatory asset.

The table below summarizes the maturity date for debt securities.

(in millions)		December 31, 2015
Due in one year or less	$	13
Due after one through five years		187
Due after five through 10 years		275
Due after 10 years		438
Total	$	913

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

	Years Ended December 31,					
(in millions)		2015		2014		2013
Realized gains	$	158	$	109	$	115
Realized losses		83		93		12

PROGRESS ENERGY

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

	December 31, 2015						December 31, 2014					
(in millions)		Gross Unrealized Holding Gains		Gross Unrealized Holding Losses(b)		Estimated Fair Value		Gross Unrealized Holding Gains		Gross Unrealized Holding Losses(b)		Estimated Fair Value
NDTF												
Cash and cash equivalents	$	—	$	—	$	145	$	—	$	—	$	85
Equity securities		802		31		1,496		824		12		1,488
Corporate debt securities		4		3		140		6		—		138
Municipal bonds		4		1		152		4		—		122
U.S. government bonds		8		2		816		12		1		670
Other debt securities		—		—		30		—		—		14
Total NDTF(c)	$	818	$	37	$	2,779	$	846	$	13	$	2,517
Other Investments												
Cash and cash equivalents	$	—	$	—	$	18	$	—	$	—	$	15
Municipal bonds		3		—		45		3		—		43
Total Other Investments(a)	$	3	$	—	$	63	$	3	$	—	$	58
Total Investments	$	821	$	37	$	2,842	$	849	$	13	$	2,575

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

(b) Substantially all these amounts are considered other-than-temporary impairments on investments within Investment Trusts that have been recognized immediately as a regulatory asset.

(c) The increase in estimated fair value of the NDTF as of December 31, 2015, is primarily due to NDTF assets acquired with the purchase of NCEMPA's ownership interest in certain generating assets and the NDTF assets acquired in a settlement with FMJO. This is partially offset due to reimbursements from the NDTF for Duke Energy Florida's costs related to ongoing decommissioning activity of the Crystal River Unit 3 Nuclear Plant. Refer to Note 2 for further information.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2015
Due in one year or less	$ 94
Due after one through five years	496
Due after five through 10 years	254
Due after 10 years	339
Total	$ 1,183

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

	Years Ended December 31,		
(in millions)	**2015**	2014	2013
Realized gains	**$ 33**	$ 157	$ 90
Realized losses	**13**	11	46

DUKE ENERGY PROGRESS

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

	December 31, 2015			December 31, 2014		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value
NDTF						
Cash and cash equivalents	**$ —**	**$ —**	**$ 110**	$ —	$ —	$ 50
Equity securities	**596**	**25**	**1,178**	612	10	1,171
Corporate debt securities	**3**	**2**	**96**	5	—	97
Municipal bonds	**4**	**1**	**150**	4	—	120
U.S. government bonds	**6**	**2**	**486**	9	1	265
Other debt securities	**—**	**—**	**18**	—	—	8
Total NDTF(c)	**$ 609**	**$ 30**	**$ 2,038**	$ 630	$ 11	$ 1,711
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 1**	$ —	$ —	$ —
Total Other Investments(a)	**$ —**	**$ —**	**$ 1**	$ —	$ —	$ —
Total Investments	**$ 609**	**$ 30**	**$ 2,039**	$ 630	$ 11	$ 1,711

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

(b) Substantially all these amounts represent other-than-temporary impairments on investments within Investment Trusts that have been recognized immediately as a regulatory asset.

(c) As of December 31, 2015, the estimated fair value of the NDTF includes NDTF assets acquired with the purchase of NCEMPA's ownership interest in certain generating assets. Refer to Note 2 for further information.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2015
Due in one year or less	$ 15
Due after one through five years	285
Due after five through 10 years	206
Due after 10 years	244
Total	$ 750

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

	Years Ended December 31,		
(in millions)	**2015**	2014	2013
Realized gains	**$ 26**	$ 19	$ 58
Realized losses	**11**	5	26

DUKE ENERGY FLORIDA

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

	December 31, 2015			December 31, 2014		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 35	$ —	$ —	$ 35
Equity securities	206	6	318	212	2	317
Corporate debt securities	1	1	44	1	—	41
Municipal bonds	—	—	2	—	—	2
U.S. government bonds	2	—	330	3	—	405
Other debt securities	—	—	12	—	—	6
Total NDTF(c)	$ 209	$ 7	$ 741	$ 216	$ 2	$ 806
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 6	$ —	$ —	$ 1
Municipal bonds	3	—	45	3	—	43
Total Other Investments(a)	$ 3	$ —	$ 51	$ 3	$ —	$ 44
Total Investments	$ 212	$ 7	$ 792	$ 219	$ 2	$ 850

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

(b) Substantially all these amounts represent other-than-temporary impairments on investments within Investment Trusts that have been recognized immediately as a regulatory asset.

(c) The decrease in estimated fair value of the NDTF as of December 31, 2015, is primarily due to reimbursements from the NDTF for costs related to ongoing decommissioning activity of the Crystal River Unit 3 Nuclear Plant, partially offset by the NDTF asset acquired in a settlement with FMJO. Refer to Note 2 for further information.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2015
Due in one year or less	$ 79
Due after one through five years	211
Due after five through 10 years	48
Due after 10 years	95
Total	$ 433

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

	Years Ended December 31,		
(in millions)	2015	2014	2013
Realized gains	$ 7	$ 138	$ 32
Realized losses	2	5	20

DUKE ENERGY INDIANA

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

	December 31, 2015			December 31, 2014		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses(b)	Estimated Fair Value
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 2	$ —	$ —	$ —
Equity securities	27	—	71	28	—	71
Corporate debt securities	—	—	2	—	—	—
Municipal bonds	—	1	26	—	1	30
Total Other Investments(a)	$ 27	$ 1	$ 101	$ 28	$ 1	$ 101
Total Investments	$ 27	$ 1	$ 101	$ 28	$ 1	$ 101

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.
(b) Substantially all these amounts represent other-than-temporary impairments on investments within Investment Trusts that have been recognized immediately as a regulatory asset.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2015
Due in one year or less	$ 2
Due after one through five years	14
Due after five through 10 years	9
Due after 10 years	3
Total	$ 28

Realized gains and losses, which were determined on a specific identification basis, from sales of available-for-sale securities were insignificant for the years ended December 31, 2015, 2014 and 2013.

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.

Not Categorized – As discussed in Note 1, certain investments are not categorized within the Fair Value hierarchy. These investments are measured based on the fair value of the underlying investments but may not be readily redeemable at that fair value.

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, 2015, 2014 and 2013. Transfers out of Level 3 during the year ended December 31, 2014, were 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 New York Stock Exchange (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 debt securities

Most investments in debt securities are valued using Level 2 measurements because the valuations use 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 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 the 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 and Assets Held for Sale

See Note 11 for a discussion of the valuation of goodwill and long-lived assets. See Note 2 related to the assets and related liabilities of the Disposal Group classified as held for sale, and the purchase of NCEMPA's ownership interests in certain generating 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, 2015				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not categorized**
Nuclear decommissioning trust fund equity securities	$ 3,590	$ 3,418	$ —	$ —	$ 172
Nuclear decommissioning trust fund debt securities	2,227	672	1,555	—	
Other available-for-sale equity securities	95	95	—	—	—
Other available-for-sale debt securities	302	75	222	5	
Derivative assets	26	—	16	10	
Total assets	6,240	4,260	1,793	15	172
Derivative liabilities	(419)	—	(419)	—	
Net assets	$ 5,821	$ 4,260	$ 1,374	$ 15	$ 172

	December 31, 2014				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not categorized
Nuclear decommissioning trust fund equity securities	$ 3,650	$ 3,493	$ 6	$ —	$ 151
Nuclear decommissioning trust fund debt securities	1,899	648	1,251	—	
Other trading and available-for-sale equity securities	96	96	—	—	—
Other trading and available-for-sale debt securities	263	41	217	5	
Derivative assets	110	49	24	37	
Total assets	6,018	4,327	1,498	42	151
Derivative liabilities	(668)	(162)	(468)	(38)	
Net assets	$ 5,350	$ 4,165	$ 1,030	$ 4	$ 151

The following tables provide reconciliations of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements. Amounts included in earnings for derivatives are primarily included in Operating Revenues.

	December 31, 2015		
(in millions)	Investments	Derivatives (net)	Total
Balance at beginning of period	$ 5	$ (1)	$ 4
Total pretax realized or unrealized gains (losses) included in earnings	—	21	21
Purchases, sales, issuances and settlements:			
Purchases	—	24	24
Sales	—	(1)	(1)
Settlements	—	(37)	(37)
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	—	4	4
Balance at end of period	$ 5	$ 10	$ 15

	December 31, 2014		
(in millions)	Investments	Derivatives (net)	Total
Balance at beginning of period	$ 20	$ 13	$ 33
Total pretax realized or unrealized gains (losses) included in earnings	—	(7)	(7)
Purchases, sales, issuances and settlements:			
Purchases	—	50	50
Sales	(15)	—	(15)
Settlements	—	(54)	(54)
Net transfers In (Out) of Level 3 due to observability of inputs	—	6	6
Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities	—	(9)	(9)
Balance at end of period	$ 5	$ (1)	$ 4
Pretax amounts included in the Consolidated Statements of Comprehensive Income related to Level 3 measurements outstanding	$ —	$ (14)	$ (14)

DUKE ENERGY CAROLINAS

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, 2015				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not categorized
Nuclear decommissioning trust fund equity securities	**$ 2,094**	**$ 1,922**	**$ —**	**$ —**	**$ 172**
Nuclear decommissioning trust fund debt securities	**944**	**246**	**698**	**—**	
Other available-for-sale debt securities	**3**	**—**	**—**	**3**	
Total assets	**3,041**	**2,168**	**698**	**3**	**172**
Derivative liabilities	**(45)**	**—**	**(45)**	**—**	
Net assets	**$ 2,996**	**$ 2,168**	**$ 653**	**$ 3**	**$ 172**

	December 31, 2014				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not categorized
Nuclear decommissioning trust fund equity securities	$ 2,162	$ 2,005	$ 6	$ —	$ 151
Nuclear decommissioning trust fund debt securities	870	138	732	—	
Other trading and available-for-sale debt securities	3	—	—	3	
Total assets	3,035	2,143	738	3	151
Derivative liabilities	(19)	—	(19)	—	
Net assets	$ 3,016	$ 2,143	$ 719	$ 3	$ 151

The following tables provide a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements. There was no change to the Level 3 balance during the year ended December 31, 2015.

	December 31, 2014		
(in millions)	Investments	Derivatives (net)	Total
Balance at beginning of period	$ 3	$ (2)	$ 1
Settlements	—	2	2
Balance at end of period	$ 3	$ —	$ 3

PROGRESS 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, 2015			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	**$ 1,496**	**$ 1,496**	**$ —**	**$ —**
Nuclear decommissioning trust fund debt securities	**1,283**	**426**	**857**	**—**
Other available-for-sale debt securities	**63**	**18**	**45**	**—**
Derivative assets	**11**	**—**	**11**	**—**
Total assets	**2,853**	**1,940**	**913**	**—**
Derivative liabilities	**(322)**	**—**	**(322)**	**—**
Net assets	**$ 2,531**	**$ 1,940**	**$ 591**	**$ —**

	December 31, 2014			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Nuclear decommissioning trust fund equity securities	$ 1,488	$ 1,488	$ —	$ —
Nuclear decommissioning trust fund debt securities	1,029	510	519	—
Other trading and available-for-sale debt securities	58	15	43	—
Derivative assets	4	—	4	—
Total assets	2,579	2,013	566	—
Derivative liabilities	(373)	—	(373)	—
Net assets	$ 2,206	$ 2,013	$ 193	$ —

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, 2015			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Nuclear decommissioning trust fund equity securities	**$ 1,178**	**$ 1,178**	**$ —**	**$ —**
Nuclear decommissioning trust fund debt securities and other	**860**	**141**	**719**	**—**
Other available-for-sale debt securities and other	**1**	**1**	**—**	**—**
Derivative assets	**2**	**—**	**2**	**—**
Total assets	**2,041**	**1,320**	**721**	**—**
Derivative liabilities	**(98)**	**—**	**(98)**	**—**
Net assets	**$ 1,943**	**$ 1,320**	**$ 623**	**$ —**

	December 31, 2014			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Nuclear decommissioning trust fund equity securities	$ 1,171	$ 1,171	$ —	$ —
Nuclear decommissioning trust fund debt securities and other	540	151	389	—
Total assets	1,711	1,322	389	—
Derivative liabilities	(132)	—	(132)	—
Net assets	$ 1,579	$ 1,322	$ 257	$ —

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, 2015			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Nuclear decommissioning trust fund equity securities	**$ 318**	**$ 318**	**$ —**	**$ —**
Nuclear decommissioning trust fund debt securities and other	**423**	**285**	**138**	**—**
Other available-for-sale debt securities and other	**51**	**6**	**45**	**—**
Derivative assets	**7**	**—**	**7**	**—**
Total assets	**799**	**609**	**190**	**—**
Derivative liabilities	**(216)**	**—**	**(216)**	**—**
Net assets (liabilities)	**$ 583**	**$ 609**	**$ (26)**	**$ —**

	December 31, 2014			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Nuclear decommissioning trust fund equity securities	$ 317	$ 317	$ —	$ —
Nuclear decommissioning trust fund debt securities and other	489	359	130	—
Other trading and available-for-sale debt securities and other	44	—	44	—
Derivative assets	4	—	4	—
Total assets	854	676	178	—
Derivative liabilities	(241)	—	(241)	—
Net assets (liabilities)	$ 613	$ 676	$ (63)	$ —

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, 2015			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Derivative assets	**$ 3**	**$ —**	**$ —**	**$ 3**
Derivative liabilities	**(7)**	**—**	**(7)**	**—**
Net assets (liabilities)	**$ (4)**	**$ —**	**$ (7)**	**$ 3**

	December 31, 2014			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Derivative assets	$ 49	$ 20	$ 9	$ 20
Derivative liabilities	(181)	(117)	(26)	(38)
Net assets (liabilities)	$ (132)	$ (97)	$ (17)	$ (18)

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)	2015	2014
Balance at beginning of period	$ (18)	$ (4)
Total pretax realized or unrealized gains (losses) included in earnings	21	(9)
Purchases, sales, issuances and settlements:		
Purchases	5	1
Settlements	(5)	(13)
Net transfers In (Out) of Level 3 due to observability of inputs	—	6
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities	—	1
Balance at end of period	$ 3	$ (18)

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, 2015			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Other available-for-sale equity securities	$ 71	$ 71	$ —	$ —
Other available-for-sale debt securities and other	30	2	28	—
Derivative assets	7	—	—	7
Net assets (liabilities)	$ 108	$ 73	$ 28	$ 7

	December 31, 2014			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Other trading and available-for-sale equity securities	$ 71	$ 71	$ —	$ —
Other trading and available-for-sale debt securities and other	30	—	30	—
Derivative assets	14	—	—	14
Net assets (liabilities)	$ 115	$ 71	$ 30	$ 14

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)	2015	2014
Balance at beginning of period	$ 14	$ 12
Total pretax realized or unrealized gains included in earnings	—	3
Purchases, sales, issuances and settlements:		
Purchases	19	49
Settlements	(30)	(41)
Total gains (losses) included on the Consolidated Balance Sheet as regulatory assets or liabilities	4	(9)
Balance at end of period	$ 7	$ 14

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

The following table includes quantitative information about the Duke Energy Registrants' derivatives classified as Level 3.

	December 31, 2015			
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range
Duke Energy				
Financial transmission rights (FTRs)	$ 10	RTO auction pricing	FTR price – per Megawatt-Hour (MWh)	$ (0.74) - 7.29
Duke Energy Ohio				
FTRs	$ 3	RTO auction pricing	FTR price – per MWh	$ 0.67 - 2.53
Duke Energy Indiana				
FTRs	$ 7	RTO auction pricing	FTR price – per MWh	$ (0.74) - 7.29

	December 31, 2014			
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range
Duke Energy				
Natural gas contracts	$ (5)	Discounted cash flow	Forward natural gas curves – price per Million British Thermal Unit (MMBtu)	$ 2.12 - 4.35
FTRs	14	RTO auction pricing	FTR price – per MWh	(1.92) - 9.86
Electricity contracts	(1)	Discounted cash flow	Forward electricity curves – price per MWh	25.16 - 51.75
Commodity capacity option contracts	2	Discounted cash flow	Forward capacity option curves – price per MW day	21.00 - 109.00
Reserves	(11)		Bid-ask spreads, implied volatility, probability of default	
Total Level 3 derivatives	$ (1)			
Duke Energy Ohio				
Electricity contracts	$ (6)	Discounted cash flow	Forward electricity curves – price per MWh	$ 25.25 - 51.75
Natural gas contracts	(5)	Discounted cash flow	Forward natural gas curves – price per MMBtu	2.12 - 4.35
Reserves	(7)		Bid-ask spreads, implied volatility, probability of default	
Total Level 3 derivatives	$ (18)			
Duke Energy Indiana				
FTRs	$ 14	RTO auction pricing	FTR price – per MWh	$ (1.92) - 9.86

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, 2015		December 31, 2014	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy	**$ 39,569**	**$ 42,537**	$ 39,868	$ 44,566
Duke Energy Carolinas	**8,367**	**9,156**	8,353	9,626
Progress Energy	**14,464**	**15,856**	14,668	16,951
Duke Energy Progress	**6,518**	**6,757**	6,170	6,696
Duke Energy Florida	**4,266**	**4,908**	4,823	5,767
Duke Energy Ohio	**1,598**	**1,724**	1,760	1,970
Duke Energy Indiana	**3,768**	**4,219**	3,769	4,456

At both December 31, 2015 and December 31, 2014, fair value of cash and cash equivalents, accounts and notes receivable, accounts payable, notes payable and commercial paper, and non-recourse notes payable of variable interest entities are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated 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.

No financial support was provided to any of the consolidated VIEs during the years ended December 31, 2015, 2014 and 2013, or is expected to be provided in the future, that was not previously contractually required.

CONSOLIDATED VIEs

The following tables summarize the impact of VIEs consolidated by Duke Energy and the Subsidiary Registrants on the Consolidated Balance Sheets.

	December 31, 2015						
	Duke Energy						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida				
(in millions)	DERF	DEPR(c)	DEFR(c)	CRC	Renewables	Other	Total
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ —	$ —	$ —	$ —	$ —	$ 2	$ 2
Restricted receivables of variable interest entities (net of allowance for doubtful accounts)	596	349	309	454	19	21	1,748
Other	—	—	—	—	138	4	142
Investments and Other Assets							
Other	—	—	—	—	70	—	70
Property, Plant and Equipment							
Property, plant and equipment, cost(a)	—	—	—	—	2,015	20	2,035
Accumulated depreciation and amortization	—	—	—	—	(321)	(6)	(327)
Total assets	$ 596	$ 349	$ 309	$ 454	$ 1,921	$ 41	$ 3,670
LIABILITIES AND EQUITY							
Current Liabilities							
Accounts payable	—	—	—	—	35	—	35
Taxes accrued	5	3	—	—	5	1	14
Current maturities of long-term debt	—	—	—	—	108	17	125
Other	—	—	—	—	15	2	17
Long-Term Debt(b)	425	254	225	325	968	—	2,197
Deferred Credits and Other Liabilities							
Deferred income taxes	—	—	—	—	289	—	289
Asset retirement obligations	—	—	—	—	35	—	35
Other	—	—	—	—	33	—	33
Total liabilities	$ 430	$ 257	$ 225	$ 325	$ 1,488	$ 20	$ 2,745
Net assets of consolidated variable interest entities	$ 166	$ 92	$ 84	$ 129	$ 433	$ 21	$ 925

	December 31, 2014						
	Duke Energy						
	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida				
(in millions)	DERF	DEPR(c)	DEFR(c)	CRC	Renewables	Other	Total
ASSETS							
Current Assets							
Restricted receivables of variable interest entities (net of allowance for doubtful accounts)	$ 647	$ 436	$ 305	$ 547	$ 20	$ 18	$ 1,973
Other	—	—	—	—	68	6	74
Investments and Other Assets							
Other	—	—	—	—	25	25	50
Property, Plant and Equipment							
Property, plant and equipment, cost(a)	—	—	—	—	1,855	18	1,873
Accumulated depreciation and amortization	—	—	—	—	(250)	(5)	(255)
Regulatory Assets and Deferred Debits							
Other	—	—	—	—	34	2	36
Total assets	$ 647	$ 436	$ 305	$ 547	$ 1,752	$ 64	$ 3,751
LIABILITIES AND EQUITY							
Current Liabilities							
Accounts payable	—	—		—	3	—	3
Taxes accrued	—	—		—	6	—	6
Current maturities of long-term debt	—	—		—	68	16	84
Other	—	—		—	16	5	21
Long-Term Debt(b)	400	300	225	325	967	17	2,234
Deferred Credits and Other Liabilities							
Deferred income taxes	—	—		—	283	—	283
Asset retirement obligations	—	—		—	29	—	29
Other	—	—		—	34	4	38
Total liabilities	$ 400	$ 300	$ 225	$ 325	$ 1,406	$ 42	$ 2,698
Net assets of consolidated variable interest entities	$ 247	$ 136	$ 80	$ 222	$ 346	$ 22	$ 1,053

(a) Restricted as collateral for non-recourse debt of VIEs.
(b) Non-recourse to the general assets of the applicable registrant.
(c) The amount for Progress Energy is equal to the total amount for Duke Energy Progress and Duke Energy Florida.

The obligations of these VIEs are non-recourse to Duke Energy, Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida. 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/DEPR/DEFR

Duke Energy Receivables Finance Company, LLC (DERF), Duke Energy Progress Receivables, LLC (DEPR) and Duke Energy Florida Receivables, LLC (DEFR) are bankruptcy remote, special purpose subsidiaries of Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida, respectively. On a daily basis, DERF, DEPR and DEFR buy certain accounts receivable arising from the sale of electricity and/or related services from their parent companies. DERF, DEPR and DEFR are wholly owned limited liability companies with separate legal existence from their parents and their assets are not generally available to creditors of their parent companies. DERF, DEPR and DEFR borrow amounts under credit facilities to buy the receivables. Borrowing availability is limited to the amount of qualified receivables sold, which is generally expected to be in excess of the credit facilities. The credit facilities are reflected on the Consolidated Balance Sheets as Long-Term Debt. The secured credit facilities were 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, DEPR and DEFR are the decisions made to manage delinquent receivables. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida consolidate DERF, DEPR and DEFR, respectively, as they make those decisions.

The following table outlines amounts and expiration dates of the credit facilities.

	DERF	DEPR	DEFR
Credit facility amount (in millions)	$ 425	$ 300	$ 225
Expiration date	December 2018	February 2019	March 2017

CRC

On a revolving basis, Duke Energy Ohio and Duke Energy Indiana sell to CRC certain accounts receivable arising from the sale of electricity and related services. The receivables sold are securitized by CRC through a $325 million credit facility managed by two unrelated third parties. Borrowing availability from the credit facility is limited to the amount of qualified receivables sold to CRC. The sole source of funds to satisfy the related debt obligation is cash collections from the receivables. The credit facility expires in December 2018 and is reflected on Duke Energy's Consolidated Balance Sheets as Long-Term Debt.

The 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. Depending on collection experience, 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, 2015 and 2014.

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.

Renewables

Certain of Duke Energy’s renewable energy facilities are VIEs due to long-term fixed price power purchase agreements. 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. For certain VIEs, 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 consolidates the entities as it makes all of these decisions.

NON-CONSOLIDATED VIEs

The tables below show VIEs not consolidated and how these entities impact the Consolidated Balance Sheets.

	December 31, 2015				
	Duke Energy				
(in millions)	Renewables	Other	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables	$ —	$ —	$ —	$ 47	$ 60
Investments in equity method unconsolidated affiliates	235	152	387	—	—
Total assets	$ 235	$ 152	$ 387	$ 47	$ 60
Other current liabilities	—	3	3	—	—
Deferred credits and other liabilities	—	14	14	—	—
Total liabilities	$ —	$ 17	$ 17	$ —	$ —
Net assets (liabilities)	$ 235	$ 135	$ 370	$ 47	$ 60

	December 31, 2014				
	Duke Energy				
(in millions)	Renewables	Other	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables	$ —	$ —	$ —	$ 91	$ 113
Investments in equity method unconsolidated affiliates	150	38	188	—	—
Intangibles	—	—	—	—	—
Investments and other assets	—	4	4	—	—
Total assets	$ 150	$ 42	$ 192	$ 91	$ 113
Other current liabilities	—	3	3	—	—
Deferred credits and other liabilities	—	14	14	—	—
Total liabilities	$ —	$ 17	$ 17	$ —	$ —
Net assets	$ 150	$ 25	$ 175	$ 91	$ 113

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 OVEC, which is discussed below, and various guarantees, some of which are reflected in the table above as Deferred credits and other liabilities. For more information on various guarantees, refer to Note 7, "Guarantees and Indemnifications."

Renewables

Duke Energy has investments in various renewable energy project entities. Some of these entities are VIEs due to long-term fixed price power purchase agreements. 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.

Other

Duke Energy holds a 50 percent equity interest in Duke-American Transmission Company, LLC (DATC). DATC is considered a VIE due to insufficient equity at risk to permit DATC to finance its own activities without additional subordinated financial support. The activities that most significantly impact DATC's economic performance are the decisions related to investing in existing and development of new transmission facilities. The power to direct these activities is jointly and equally shared by Duke Energy and the other joint venture partner and, therefore, Duke Energy does not consolidate.

Duke Energy has a 40 percent equity interest and a 7.5 percent equity interest in ACP and Sabal Trail, respectively. These entities are considered VIEs as their equity is not sufficient to permit the entities to finance their activities without additional subordinated financial support. The activity that most significantly impacts the economic performance of both ACP and Sabal Trail is construction. Duke Energy does not control these activities and therefore does not consolidate ACP or Sabal Trail.

OVEC

Duke Energy Ohio's 9 percent ownership interest in OVEC is considered a non-consolidated VIE. 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. Proposed environmental rulemaking could increase the costs of OVEC, which would be passed through to Duke Energy Ohio. In 2014, Duke Energy Ohio recorded a $94 million impairment related to OVEC.

CRC

See discussion under Consolidated VIEs for additional information related to CRC.

Amounts included in Receivables in the above table for Duke Energy Ohio and Duke Energy Indiana reflect their retained interest in receivables sold to CRC. These subordinated notes held by Duke Energy Ohio and Duke Energy Indiana are stated at fair value. 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 bases 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.

Key assumptions used in estimating fair value are detailed in the following table.

	Duke Energy Ohio		Duke Energy Indiana	
	2015	**2014**	**2015**	**2014**
Anticipated credit loss ratio	**0.6%**	0.6%	**0.3%**	0.3%
Discount rate	**1.2%**	1.2%	**1.2%**	1.2%
Receivable turnover rate	**12.9%**	12.8%	**10.6%**	10.5%

The following table shows the gross and net receivables sold.

	Duke Energy Ohio		Duke Energy Indiana	
(in millions)	**2015**	**2014**	**2015**	**2014**
Receivables sold	**$ 233**	$ 273	**$ 260**	$ 310
Less: Retained interests	**47**	91	**60**	113
Net receivables sold	**$ 186**	$ 182	**$ 200**	$ 197

The following table shows sales and cash flows related to receivables sold.

	Duke Energy Ohio			Duke Energy Indiana		
	Years Ended December 31,			Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**	**2015**	**2014**	**2013**
Sales						
Receivables sold	**$ 1,963**	$ 2,246	$ 2,251	**$ 2,627**	$ 2,913	$ 2,985
Loss recognized on sale	**9**	11	12	**11**	11	11
Cash Flows						
Cash proceeds from receivables sold	**1,995**	2,261	2,220	**2,670**	2,932	2,944
Collection fees received	**1**	1	1	**1**	1	1
Return received on retained interests	**3**	4	5	**5**	6	6

Cash flows from the sales of receivables are reflected within Cash Flows From Operating Activities on Duke Energy Ohio's and Duke Energy Indiana's Consolidated Statements of Cash Flows.

Collection fees received in connection with servicing 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 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 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 stockholders, adjusted for distributed and undistributed earnings allocated to participating securities, by the weighted average number of common stock outstanding during the period. Diluted EPS is computed by dividing net income attributable to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities, by the diluted weighted average number of common stock 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, 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 unit's vesting periods.

The following table presents Duke Energy's basic and diluted EPS calculations and reconciles the weighted average number of common stock outstanding to the diluted weighted average number of common stock outstanding.

	Years Ended December 31,		
(in millions, except per share amounts)	**2015**	**2014**	**2013**
Income from continuing operations attributable to Duke Energy common stockholders excluding impact of participating securities	$ 2,791	$ 2,446	$ 2,565
Weighted average shares outstanding – basic	694	707	706
Weighted average shares outstanding – diluted	694	707	706
Earnings per share from continuing operations attributable to Duke Energy common stockholders			
Basic	$ 4.02	3.46	3.64
Diluted	$ 4.02	3.46	3.63
Potentially dilutive items excluded from the calculation(a)	2	2	2
Dividends declared per common share	$ 3.24	3.15	3.09

(a) Performance stock awards and certain stock options were not included in the dilutive securities calculation because either the performance measures related to the awards had not been met or the option exercise prices were greater than the average market price of the common shares during the presented periods.

On April 6, 2015, Duke Energy entered into agreements with each of Goldman, Sachs & Co. and JPMorgan Chase Bank, National Association (the Dealers) to repurchase a total of $1.5 billion of Duke Energy common stock under an accelerated stock repurchase program (the ASR). Duke Energy made payments of $750 million to each of the Dealers and was delivered 16.6 million shares, with a total fair value of $1.275 billion, which represented approximately 85 percent of the total number of shares of Duke Energy common stock expected to be repurchased under the ASR. The $225 million unsettled portion met the criteria to be accounted for as a forward contract indexed to Duke Energy's stock and qualified as an equity instrument. The company recorded the $1.5 billion payment as a reduction to common stock as of April 6, 2015. In June 2015, the Dealers delivered 3.2 million additional shares to Duke Energy to complete the ASR. Approximately 19.8 million shares, in total, were delivered to Duke Energy and retired under the ASR at an average price of $75.75 per share. The final number of shares repurchased was based upon the average of the daily volume weighted average stock prices of Duke Energy's common stock during the term of the program, less a discount.

19. SEVERANCE

During 2015, Duke Energy developed targeted cost-savings initiatives aimed at reducing operating and maintenance expense. The initiatives include efforts to reduce costs through standardization of processes and systems, leveraging technology and workforce optimization throughout the company in order to achieve sustainable cost reductions. In conjunction with these initiatives, voluntary and involuntary severance benefits were extended to a total of approximately 900 employees. The following table presents the direct and allocated severance and related expenses recorded by the Duke Energy Registrants associated with these initiatives. Amounts are included within Operation, maintenance and other on the Consolidated Statements of Operations.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Year Ended December 31, 2015	**$ 142**	**$ 93**	**$ 36**	**$ 28**	**$ 8**	**$ 2**	**$ 6**

In conjunction with the 2012 merger with Progress Energy, Duke Energy and Progress Energy offered a voluntary severance plan to certain eligible employees. As of December 31, 2015, all plan participants have separated from the company. The following table presents direct and allocated severance and related expenses recorded by the Duke Energy Registrants associated with this plan. Amounts are included within Operation, maintenance and other on the Consolidated Statements of Operations. Amounts for 2014 and 2015 were not material.

(in millions)	Duke Energy(a)	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Year Ended December 31, 2013	$ 34	$ 8	$ 19	$ 14	$ 5	$ 2	$ 2

(a) Includes $5 million of accelerated stock award expense and $2 million of COBRA and health care reimbursement expense.

During 2013, in conjunction with the retirement of Crystal River Unit 3, severance benefits were made available to certain impacted unionized and non-unionized employees, to the extent that those employees did not find job opportunities at other locations. For the year ended December 31, 2013, Duke Energy Florida deferred $26 million of severance costs as a regulatory asset. Severance costs accrued in 2014 and 2015 related to this plan were not material. As of December 31, 2015, all plan participants have separated from the company. Refer to Note 4 for further discussion regarding Crystal River Unit 3.

The table below presents the severance liability for past and ongoing severance plans including the plans described above. Amounts for Duke Energy Indiana and Duke Energy Ohio are not material.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida
Balance at December 31, 2014	$ 28	$ 2	$ 18	$ 1	$ 17
Provision/Adjustments	144	80	20	20	—
Cash Reductions	(36)	(4)	(15)	(2)	(13)
Balance at December 31, 2015	**$ 136**	**$ 78**	**$ 23**	**$ 19**	**$ 4**

20. STOCK-BASED COMPENSATION

The Duke Energy Corporation 2015 Long-Term Incentive Plan (the 2015 Plan) provides for the grant of stock-based compensation awards to employees and outside directors. The 2015 Plan reserves 10 million shares of common stock for issuance. 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 vest in the future. Duke Energy has not determined with certainty the amount of such new share issuances or open market repurchases.

The 2015 Plan supersedes the 2010 Long-Term Incentive Plan, as amended (the 2010 Plan), and the Progress Energy, Inc. 2007 Equity Incentive Plan (the Progress Plan). No additional grants will be made from the 2010 Plan and Progress Plan.

The following table summarizes the total expense recognized by the Duke Energy Registrants, net of tax, for stock-based compensation.

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Duke Energy	**$ 38**	$ 38	$ 52
Duke Energy Carolinas	**14**	12	13
Progress Energy	**14**	14	23
Duke Energy Progress	**9**	9	14
Duke Energy Florida	**5**	5	9
Duke Energy Ohio	**2**	5	4
Duke Energy Indiana	**4**	3	4

Duke Energy's 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.

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Restricted stock unit awards	**$ 38**	$ 39	$ 49
Performance awards	**23**	22	34
Stock options	**—**	—	2
Pretax stock-based compensation cost	**$ 61**	$ 61	$ 85
Tax benefit associated with stock-based compensation expense	**$ 23**	$ 23	$ 33
Stock-based compensation costs capitalized	**3**	4	3

STOCK OPTIONS

Stock options are granted with a maximum option term of 10 years and with an exercise price not less than the market price of Duke Energy's common stock on the grant date. Stock options outstanding at December 31, 2015, were not exercisable and the aggregate intrinsic value was not material. The following table summarizes information about stock options outstanding.

	Stock Options (in thousands)	Weighted Average Exercise Price (per share)	Weighted Average Remaining Life
Outstanding at December 31, 2014	373	$ 64	
Exercised	**(270)**	**62**	
Outstanding at December 31, 2015[(a)]	**103**	**69**	**7 years, 2 months**

(a) Outstanding stock options all vested on January 1, 2016.

The following table summarizes additional information related to stock options exercised and granted.

	Years Ended December 31,		
	2015	**2014**	**2013**
Intrinsic value of options exercised (in millions)	**$ 5**	$ 6	$ 26
Tax benefit related to options exercised (in millions)	**2**	2	10
Cash received from options exercised (in millions)	**17**	25	9
Stock options granted (in thousands)[(a)]	**—**	—	310

(a) Stock options granted in 2013 were expensed immediately.

RESTRICTED STOCK UNIT AWARDS

Restricted stock unit awards generally vest over periods from immediate to three years. Fair value amounts are based on the market price of Duke Energy's common stock on the grant date. The following table includes information related to restricted stock unit awards.

	Years Ended December 31,		
	2015	**2014**	**2013**
Shares awarded (in thousands)	**524**	557	612
Fair value (in millions)	**$ 41**	$ 40	$ 42

The following table summarizes information about restricted stock unit awards outstanding.

	Shares (in thousands)	Weighted Average Grant Date Fair Value (per share)
Outstanding at December 31, 2014	1,080	$ 69
Granted	**524**	**79**
Vested	**(602)**	**68**
Forfeited	**(49)**	**73**
Outstanding at December 31, 2015	**953**	**75**
Restricted stock unit awards expected to vest	**924**	**75**

The total grant date fair value of shares vested during the years ended December 31, 2015, 2014 and 2013 was $41 million, $52 million and $50 million, respectively. At December 31, 2015, Duke Energy had $19 million of unrecognized compensation cost, which is expected to be recognized over a weighted average period of one year, eleven months.

PERFORMANCE AWARDS

Stock-based performance awards generally vest over three years if performance targets are met.

Performance awards granted in 2015, 2014 and 2013 contain market conditions based on the total shareholder return (TSR) of Duke Energy stock relative to a predefined 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 predefined 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 are incorporated within the model.

For performance awards granted in 2015, the model used a risk-fee interest rate of 1.0 percent, which reflects the yield on three-year Treasury bonds as of the grant date, and an expected volatility of 13.6 percent based on Duke Energy's historical volatility over three years using daily stock prices.

The following table includes information related to stock-based performance awards.

	Years Ended December 31,		
	2015	**2014**	**2013**
Shares awarded (in thousands)	**642**	542	633
Fair value (in millions)	**$ 26**	$ 19	$ 28

The following table summarizes information about stock-based performance awards outstanding and assumes payout at the maximum level.

	Shares (in thousands)	Weighted Average Grant Date Fair Value (per share)
Outstanding at December 31, 2014	1,627	$ 42
Granted	**642**	**41**
Vested	**(271)**	**51**
Forfeited	**(301)**	**38**
Outstanding at December 31, 2015	**1,697**	**40**
Stock-based performance awards expected to vest	**1,301**	**40**

The total grant date fair value of shares vested during the years ended December 31, 2015, 2014 and 2013 was $26 million, $27 million and $42 million, respectively. At December 31, 2015, Duke Energy had $22 million of unrecognized compensation cost, which is expected to be recognized over a weighted average period of one year, two 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, or age and years of service, and interest credits. Certain employees are covered under plans that use a final average earnings formula. 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-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. As of January 1, 2014, the qualified and non-qualified non-contributory defined benefit plans are closed to new and rehired non-union and certain unionized employees.

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 Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Anticipated Contributions:							
2016	$ 145	$ 43	$ 43	$ 24	$ 20	$ 4	$ 9
Contributions Made:							
2015	**$ 302**	**$ 91**	**$ 83**	**$ 42**	**$ 40**	**$ 8**	**$ 19**
2014	—	—	—	—	—	—	—
2013	250	—	250	63	133	—	—

QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

	Year Ended December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	**$ 159**	**$ 50**	**$ 44**	**$ 23**	**$ 20**	**$ 4**	**$ 10**
Interest cost on projected benefit obligation	**324**	**83**	**104**	**48**	**54**	**18**	**27**
Expected return on plan assets	**(516)**	**(139)**	**(171)**	**(79)**	**(87)**	**(26)**	**(42)**
Amortization of actuarial loss	**166**	**39**	**65**	**33**	**31**	**7**	**13**
Amortization of prior service (credit) cost	**(15)**	**(7)**	**(3)**	**(2)**	**(1)**	**—**	**1**
Other	**8**	**2**	**3**	**1**	**1**	**—**	**1**
Net periodic pension costs(a)(b)	**$ 126**	**$ 28**	**$ 42**	**$ 24**	**$ 18**	**$ 3**	**$ 10**

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 135	$ 41	$ 40	$ 21	$ 20	$ 4	$ 9
Interest cost on projected benefit obligation	344	85	112	54	57	20	29
Expected return on plan assets	(511)	(132)	(173)	(85)	(85)	(27)	(41)
Amortization of actuarial loss	150	36	68	32	32	4	13
Amortization of prior service credit	(15)	(8)	(3)	(2)	(1)	—	—
Other	8	2	3	1	1	—	1
Net periodic pension costs(a)(b)	$ 111	$ 24	$ 47	$ 21	$ 24	$ 1	$ 11

(in millions)	Year Ended December 31, 2013 Duke Energy	Duke Energy Carolinas	Progress Energy	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

(a) Duke Energy amounts exclude $9 million, $10 million, and $12 million for the years ended December 2015, 2014, and 2013, 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 $4 million, $5 million, and $6 million for the years ended December 2015, 2014, and 2013, 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

(in millions)	Year Ended December 31, 2015 Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net increase	$ 173	$ 65	$ 18	$ 14	$ 4	$ 14	$ 11
Accumulated other comprehensive loss (income)							
Deferred income tax expense	$ 6	—	5	—	—	—	—
Actuarial losses arising during the year	4	—	—	—	—	—	—
Amortization of prior year service credit	1	—	—	—	—	—	—
Amortization of prior year actuarial losses	(11)	—	(4)	—	—	—	—
Transfer with the disposal group	3						
Reclassification of actuarial losses to regulatory assets	(6)	—	—	—	—	—	—
Net amount recognized in accumulated other comprehensive income	$ (3)	$ —	$ 1	$ —	$ —	$ —	$ —

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net increase (decrease)	$ 112	$ 30	$ (73)	$ (17)	$ 11	$ 17	$ 4
Accumulated other comprehensive (income) loss							
Deferred income tax expense	$ (10)	$ —	$ (2)	$ —	$ —	$ —	$ —
Actuarial losses arising during the year	29	—	—	—	—	—	—
Prior year service credit arising during the year	—	—	—	—	—	—	—
Amortization of prior year actuarial losses	(9)	—	—	—	—	—	—
Reclassification of actuarial losses to regulatory assets	(1)	—	—	—	—	—	—
Net amount recognized in accumulated other comprehensive income	$ 9	$ —	$ (2)	$ —	$ —	$ —	$ —

Reconciliation of Funded Status to Net Amount Recognized

	Year Ended December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 8,107	$ 2,053	$ 2,557	$ 1,187	$ 1,335	$ 469	$ 673
Obligation transferred with the Disposal Group	(83)	—	—	—	—	—	—
Service cost	159	50	44	23	20	4	10
Interest cost	324	83	104	48	54	18	27
Actuarial gain	(241)	(53)	(111)	(46)	(62)	(9)	(15)
Transfers	—	8	4	7	(3)	8	—
Plan amendments	(6)	—	—	—	—	—	(4)
Benefits paid	(533)	(146)	(147)	(76)	(68)	(37)	(42)
Obligation at measurement date	$ 7,727	$ 1,995	$ 2,451	$ 1,143	$ 1,276	$ 453	$ 649
Accumulated Benefit Obligation at measurement date	$ 7,606	$ 1,993	$ 2,414	$ 1,143	$ 1,240	$ 442	$ 628
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 8,498	$ 2,300	$ 2,722	$ 1,321	$ 1,363	$ 456	$ 681
Plan assets transferred with the Disposal Group	(81)	—	—	—	—	—	—
Employer contributions	302	91	83	42	40	8	19
Actual return on plan assets	(50)	(10)	(22)	(10)	(11)	(2)	(3)
Benefits paid	(533)	(146)	(147)	(76)	(68)	(37)	(42)
Transfers	—	8	4	7	(3)	8	—
Plan assets at measurement date	$ 8,136	$ 2,243	$ 2,640	$ 1,284	$ 1,321	$ 433	$ 655
Funded status of plan	$ 409	$ 248	$ 189	$ 141	$ 45	$ (20)	$ 6

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 7,510	$ 1,875	$ 2,739	$ 1,172	$ 1,233	$ 442	$ 632
Service cost	135	41	40	21	20	4	9
Interest cost	344	85	112	54	57	20	29
Actuarial loss[(a)]	618	132	211	98	105	41	41
Transfers	—	37	(375)	(61)	(9)	(6)	—
Plan amendments	(4)	(1)	—	—	—	(1)	—
Benefits paid	(496)	(116)	(170)	(97)	(71)	(31)	(38)
Obligation at measurement date	$ 8,107	$ 2,053	$ 2,557	$ 1,187	$ 1,335	$ 469	$ 673
Accumulated Benefit Obligation at measurement date	$ 7,966	$ 2,052	$ 2,519	$ 1,187	$ 1,297	$ 459	$ 645
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 8,142	$ 2,162	$ 2,944	$ 1,330	$ 1,299	$ 448	$ 654
Actual return on plan assets	852	217	300	149	144	45	65
Benefits paid	(496)	(116)	(170)	(97)	(71)	(31)	(38)
Transfers	—	37	(352)	(61)	(9)	(6)	—
Plan assets at measurement date	$ 8,498	$ 2,300	$ 2,722	$ 1,321	$ 1,363	$ 456	$ 681
Funded status of plan	$ 391	$ 247	$ 165	$ 134	$ 28	$ (13)	$ 8

(a) Includes an increase in benefit obligation of $180 million as a result of changes in Duke Energy's mortality assumptions.

Amounts Recognized in the Consolidated Balance Sheets

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Prefunded pension[(a)]	$ 474	$ 252	$ 232	$ 145	$ 84	$ 1	$ 6
Noncurrent pension liability[(b)]	$ 65	$ 4	$ 43	$ 4	$ 39	$ 21	$ —
Net asset recognized	$ 409	$ 248	$ 189	$ 141	$ 45	$ (20)	$ 6
Regulatory assets	$ 1,884	$ 472	$ 771	$ 360	$ 410	$ 79	$ 162
Accumulated other comprehensive (income) loss							
Deferred income tax asset	$ (45)	$ —	$ (6)	$ —	$ —	$ —	$ —
Prior service credit	(4)	—	—	—	—	—	—
Net actuarial loss	130	—	17	—	—	—	—
Net amounts recognized in accumulated other comprehensive loss[(c)]	$ 81	$ —	$ 11	$ —	$ —	$ —	$ —
Amounts to be recognized in net periodic pension costs in the next year							
Unrecognized net actuarial loss	$ 132	$ 31	$ 59	$ 25	$ 31	$ 4	$ 11
Unrecognized prior service credit	(16)	(8)	(3)	(2)	(1)	—	—

	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Prefunded pension[(a)]	$ 441	$ 247	$ 165	$ 134	$ 28	$ —	$ 8
Noncurrent pension liability[(b)]	$ 50	$ —	$ —	$ —	$ —	$ 13	$ —
Net asset recognized	$ 391	$ 247	$ 165	$ 134	$ 28	$ (13)	$ 8
Regulatory assets	$ 1,711	$ 407	$ 753	$ 346	$ 406	$ 65	$ 151
Accumulated other comprehensive (income) loss							
Deferred income tax asset	$ (51)	$ —	$ (11)	$ —	$ —	$ —	$ —
Prior service credit	(5)	—	—	—	—	—	—
Net actuarial loss	140	—	21	—	—	—	—
Net amounts recognized in accumulated other comprehensive loss[(c)]	$ 84	$ —	$ 10	$ —	$ —	$ —	$ —

(a) Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Consolidated Balance Sheets.

(c) Excludes accumulated other comprehensive income of $13 million and $22 million as of December 31, 2015 and 2014, respectively, net of tax, associated with a Brazilian retirement plan.

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

	December 31, 2015			
(in millions)	**Duke Energy**	**Progress Energy**	**Duke Energy Florida**	**Duke Energy Ohio**
Projected benefit obligation	**$ 1,216**	**$ 611**	**$ 611**	**$ 307**
Accumulated benefit obligation	**1,158**	**575**	**575**	**298**
Fair value of plan assets	**1,151**	**574**	**574**	**289**

	December 31, 2014	
(in millions)	**Duke Energy**	**Duke Energy Ohio**
Projected benefit obligation	$ 702	$ 315
Accumulated benefit obligation	672	306
Fair value of plan assets	652	302

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 seven years for Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana.

The following tables present the assumptions or range of assumptions used for pension benefit accounting.

	December 31,		
	2015	**2014**	**2013**
Benefit Obligations			
Discount rate	**4.40%**	4.10%	4.70%
Salary increase	**4.00% - 4.40%**	4.00% - 4.40%	4.00% - 4.40%
Net Periodic Benefit Cost			
Discount rate	**4.10%**	4.70%	4.10%
Salary increase	**4.00% - 4.40%**	4.00% - 4.40%	4.00% - 4.30%
Expected long-term rate of return on plan assets	**6.50%**	6.75%	7.75%

Expected Benefit Payments

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ending December 31,							
2016	$ 628	$ 189	$ 164	$ 91	$ 71	$ 35	$ 48
2017	639	199	167	92	73	35	47
2018	640	203	169	92	75	34	47
2019	643	202	171	91	77	34	47
2020	641	201	174	92	80	35	47
2021 – 2025	3,053	906	869	438	420	171	230

NON-QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

	Year Ended December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	**$ 3**	**$ —**	**$ 1**	**$ —**	**$ —**	**$ —**	**$ —**
Interest cost on projected benefit obligation	**13**	**1**	**4**	**1**	**2**	**—**	**—**
Amortization of actuarial loss	**6**	**—**	**2**	**1**	**2**	**—**	**1**
Amortization of prior service credit	**(1)**	**—**	**(1)**	**—**	**—**	**—**	**—**
Net periodic pension costs	**$ 21**	**$ 1**	**$ 6**	**$ 2**	**$ 4**	**$ —**	**$ 1**

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 3	$ —	$ 1	$ 1	$ —	$ —	$ —
Interest cost on projected benefit obligation	14	1	5	1	2	—	—
Amortization of actuarial loss	3	—	2	—	—	—	—
Amortization of prior service credit	(1)	—	(1)	—	—	—	—
Net periodic pension costs	$ 19	$ 1	$ 7	$ 2	$ 2	$ —	—

	Year Ended December 31, 2013						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	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	$ —	$ —

Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets and Liabilities

	Year Ended December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net (decrease) increase	**$ (13)**	**$ 2**	**$ (16)**	**$ (1)**	**$ (15)**	**$ —**	**$ (1)**
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	**$ (7)**	**$ —**	**$ (5)**	**$ —**	**$ —**	**$ —**	**$ —**
Amortization of prior service credit	**1**	**—**	**—**	**—**	**—**	**—**	**—**
Actuarial gains arising during the year	**17**	**—**	**13**	**—**	**—**	**—**	**—**
Net amount recognized in accumulated other comprehensive loss (income)	**$ 11**	**$ —**	**$ 8**	**$ —**	**$ —**	**$ —**	**$ —**

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory assets, net increase	$ 44	$ 1	$ 14	$ 4	$ 19	$ 1	$ 2
Regulatory liabilities, net decrease	$ (7)	$ —	$ —	$ —	$ —	$ —	$ —
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	$ 4	$ —	$ 5	$ —	$ —	$ —	$ —
Actuarial gains arising during the year	(9)	—	(11)	—	—	—	—
Net amount recognized in accumulated other comprehensive loss (income)	$ (5)	$ —	$ (6)	$ —	$ —	$ —	$ —

Reconciliation of Funded Status to Net Amount Recognized

	Year Ended December 31, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 337	$ 16	$ 116	$ 35	$ 61	$ 4	$ 5
Service cost	3	—	1	—	—	—	—
Interest cost	13	1	4	1	2	—	—
Actuarial losses (gains)	10	1	(1)	—	(14)	—	—
Transfers	4	—	—	—	—	—	—
Benefits paid	(26)	(2)	(8)	(3)	(3)	—	—
Obligation at measurement date	$ 341	$ 16	$ 112	$ 33	$ 46	$ 4	$ 5
Accumulated Benefit Obligation at measurement date	$ 336	$ 16	$ 112	$ 33	$ 46	$ 4	$ 5
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	—	—	—	—	—	—	—
Benefits paid	(26)	(2)	(8)	(3)	(3)	—	—
Employer contributions	26	2	8	3	3	—	—
Plan assets at measurement date	$ —	$ —	$ —	$ —	$ —	$ —	$ —

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Change in Projected Benefit Obligation							
Obligation at prior measurement date	$ 304	$ 15	$ 140	$ 34	$ 39	$ 3	$ 5
Service cost	3	—	1	1	—	—	—
Interest cost	14	1	5	1	2	—	—
Actuarial losses[(a)]	43	2	11	2	20	1	1
Settlements	—	—	—	—	—	—	—
Plan amendments	—	—	—	—	—	—	—
Transfers	—	—	(32)	—	4	—	—
Benefits paid	(27)	(2)	(9)	(3)	(4)	—	(1)
Obligation at measurement date	$ 337	$ 16	$ 116	$ 35	$ 61	$ 4	$ 5
Accumulated Benefit Obligation at measurement date	$ 333	$ 15	$ 116	$ 35	$ 61	$ 4	$ 5
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	—	—	—	—	—	—	—
Benefits paid	(27)	(2)	(9)	(3)	(4)	—	(1)
Employer contributions	27	2	9	3	4	—	1
Plan assets at measurement date	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(a) Includes an increase in benefit obligation of $21 million as a result of changes in Duke Energy's mortality assumptions.

Amounts Recognized in the Consolidated Balance Sheets

	December 31, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Current pension liability[a]	$ 27	$ 2	$ 8	$ 3	$ 3	$ —	$ —
Noncurrent pension liability[b]	314	14	104	30	43	4	5
Total accrued pension liability	$ 341	$ 16	$ 112	$ 33	$ 46	$ 4	$ 5
Regulatory assets	$ 76	$ 7	$ 16	$ 6	$ 10	$ 1	$ 1
Accumulated other comprehensive (income) loss							
Deferred income tax liability	$ (3)	$ —	$ (3)	$ —	$ —	$ —	$ —
Net actuarial loss	9	—	9	—	—	—	—
Net amounts recognized in accumulated other comprehensive income	$ 6	$ —	$ 6	$ —	$ —	$ —	$ —
Amounts to be recognized in net periodic pension expense in the next year							
Unrecognized net actuarial loss	$ 8	$ —	$ 1	$ —	$ —	$ —	$ —
Unrecognized prior service credit	(1)	—	—	—	—	—	—

	December 31, 2014						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Current pension liability[a]	$ 27	$ 2	$ 8	$ 3	$ 4	$ —	$ —
Noncurrent pension liability[b]	310	14	108	32	57	4	5
Total accrued pension liability	$ 337	$ 16	$ 116	$ 35	$ 61	$ 4	$ 5
Regulatory assets	$ 89	$ 5	$ 32	$ 7	$ 25	$ 1	$ 2
Regulatory liabilities	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Accumulated other comprehensive (income) loss							
Deferred income tax asset	$ 4	$ —	$ 2	$ —	$ —	$ —	$ —
Prior service credit	(1)	—	—	—	—	—	—
Net actuarial gain	(8)	—	(4)	—	—	—	—
Net amounts recognized in accumulated other comprehensive loss	$ (5)	$ —	$ (2)	$ —	$ —	$ —	$ —

(a) Included in Other within Current Liabilities on the Consolidated Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Consolidated Balance Sheets.

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

	December 31, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Projected benefit obligation	**$ 341**	**$ 16**	**$ 112**	**$ 33**	**$ 46**	**$ 4**	**$ 5**
Accumulated benefit obligation	**336**	**16**	**112**	**33**	**46**	**4**	**5**

	December 31, 2014						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Projected benefit obligation	$ 337	$ 16	$ 116	$ 35	$ 61	$ 4	$ 5
Accumulated benefit obligation	333	15	116	35	61	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 10 years for Duke Energy and Progress Energy, seven 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.

	December 31,		
	2015	**2014**	**2013**
Benefit Obligations			
Discount rate	**4.40%**	4.10%	4.70%
Salary increase	**4.40%**	4.40%	4.40%
Net Periodic Benefit Cost			
Discount rate	**4.10%**	4.70%	4.10%
Salary increase	**4.40%**	4.40%	4.30%

Expected Benefit Payments

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ending December 31,							
2016	$ 28	$ 2	$ 8	$ 3	$ 3	$ —	$ —
2017	29	2	8	3	3	—	—
2018	25	2	8	3	3	—	—
2019	26	2	8	3	3	—	—
2020	25	2	8	3	3	—	1
2021 - 2025	126	9	38	12	16	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, 2015, 2014 or 2013.

Components of Net Periodic Other Post-Retirement Benefit Costs

	Year Ended December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	**$ 6**	**$ 1**	**$ 1**	**$ 1**	**$ 1**	**$ —**	**$ 1**
Interest cost on accumulated post-retirement benefit obligation	**36**	**9**	**15**	**8**	**7**	**2**	**4**
Expected return on plan assets	**(13)**	**(8)**	**—**	**—**	**—**	**(1)**	**(1)**
Amortization of actuarial loss (gain)	**16**	**(2)**	**28**	**18**	**10**	**(2)**	**(2)**
Amortization of prior service credit	**(140)**	**(14)**	**(102)**	**(68)**	**(35)**	**—**	**—**
Net periodic post-retirement benefit costs(a)(b)	**$ (95)**	**$ (14)**	**$ (58)**	**$ (41)**	**$ (17)**	**$ (1)**	**$ 2**

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	$ 10	$ 2	$ 4	$ 1	$ 3	$ —	$ 1
Interest cost on accumulated post-retirement benefit obligation	49	12	22	11	12	2	5
Expected return on plan assets	(13)	(9)	—	—	—	—	(1)
Amortization of actuarial loss (gain)	39	3	42	31	10	(2)	—
Amortization of prior service credit	(125)	(11)	(95)	(73)	(21)	—	—
Net periodic post-retirement benefit costs(a)(b)	$ (40)	$ (3)	$ (27)	$ (30)	$ 4	$ —	$ 5

	Year Ended December 31, 2013						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	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

(a) Duke Energy amounts exclude $10 million, $9 million, and $8 million for the years ended December 2015, 2014, and 2013, 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 $3 million, $2 million, and $2 million for the years ended December 2015, 2014, and 2013, 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, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Regulatory assets, net increase (decrease)	**$ 1**	**$ —**	**$ 1**	**$ —**	**$ 1**	**$ —**	**$ (7)**
Regulatory liabilities, net increase (decrease)	**$ (92)**	**$ (8)**	**$ (71)**	**$ (36)**	**$ (35)**	**$ 2**	**$ (8)**
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	**$ 2**	**$ —**	**$ (1)**	**$ —**	**$ —**	**$ —**	**$ —**
Actuarial losses (gains) arising during the year	**(5)**	**—**	**2**	**—**	**—**	**—**	**—**
Transfer with the disposal group	**(3)**	**—**	**—**	**—**	**—**	**—**	**—**
Amortization of prior year prior service credit	**3**	**—**	**(1)**	**—**	**—**	**—**	**—**
Net amount recognized in accumulated other comprehensive income	**$ (3)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

	Year Ended December 31, 2014						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Regulatory assets, net increase (decrease)	$ 162	$ 34	$ 129	$ 97	$ (4)	$ —	$ (7)
Regulatory liabilities, net increase (decrease)	$ 249	$ 76	$ 122	$ 61	$ 61	$ (2)	$ 14
Accumulated other comprehensive (income) loss							
Deferred income tax benefit	$ 1	$ —	$ 1	$ —	$ —	$ —	$ —
Actuarial losses (gains) arising during the year	1	—	(2)	—	—	—	—
Prior year service credit arising during the year	(6)	—	—	—	—	—	—
Amortization of prior year prior service credit	2	—	—	—	—	—	—
Net amount recognized in accumulated other comprehensive income	$ (2)	$ —	$ (1)	$ —	$ —	$ —	$ —

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

	Year Ended December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	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	$ 916	$ 220	$ 379	$ 207	$ 170	$ 39	$ 96
Service cost	6	1	1	1	1	—	1
Interest cost	36	9	15	8	7	2	4
Plan participants' contributions	20	4	7	4	3	1	2
Actuarial (gains) losses	(39)	(18)	(1)	(13)	11	(3)	1
Transfers	—	2	—	—	—	—	—
Plan amendments	(9)	—	—	—	—	(1)	(4)
Benefits paid	(100)	(18)	(47)	(19)	(28)	(3)	(13)
Obligation transferred with the Disposal Group	(3)	—	—	—	—	—	—
Accrued retiree drug subsidy	1	—	—	—	—	—	—
Accumulated post-retirement benefit obligation at measurement date	$ 828	$ 200	$ 354	$ 188	$ 164	$ 35	$ 87
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 227	$ 145	$ —	$ (1)	$ —	$ 8	$ 23
Actual return on plan assets	(1)	(1)	1	1	1	—	(1)
Benefits paid	(100)	(18)	(47)	(19)	(28)	(3)	(13)
Employer contributions	62	4	39	15	25	2	8
Plan participants' contributions	20	4	7	4	3	1	2
Plan assets at measurement date	$ 208	$ 134	$ —	$ —	$ 1	$ 8	$ 19

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	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	$ 1,106	$ 265	$ 533	$ 233	$ 253	$ 42	$ 118
Service cost	10	2	4	1	3	—	1
Interest cost	49	12	22	11	12	2	5
Plan participants' contributions	25	10	8	4	4	—	2
Actuarial gains[(a)]	(87)	(35)	(19)	(21)	—	—	(20)
Transfers	—	1	(48)	(2)	—	(1)	—
Plan amendments	(85)	(4)	(77)	—	(78)	(1)	—
Benefits paid	(103)	(31)	(44)	(19)	(24)	(3)	(10)
Accrued retiree drug subsidy	1	—	—	—	—	—	—
Accumulated post-retirement benefit obligation at measurement date	$ 916	$ 220	$ 379	$ 207	$ 170	$ 39	$ 96
Change in Fair Value of Plan Assets							
Plan assets at prior measurement date	$ 214	$ 143	$ —	$ —	$ —	$ 8	$ 18
Actual return on plan assets	18	12	—	—	—	—	2
Benefits paid	(103)	(31)	(44)	(19)	(24)	(3)	(10)
Transfers	—	(1)	—	—	—	—	—
Employer contributions	73	12	36	14	20	3	11
Plan participants' contributions	25	10	8	4	4	—	2
Plan assets at measurement date	$ 227	$ 145	$ —	$ (1)	$ —	$ 8	$ 23

(a) Includes an increase in benefit obligation of $7 million as a result of changes in Duke Energy's mortality assumptions.

Amounts Recognized in the Consolidated Balance Sheets

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current post-retirement liability[(a)]	$ 37	$ —	$ 31	$ 16	$ 15	$ 2	$ —
Noncurrent post-retirement liability[(b)]	583	66	323	172	149	25	68
Total accrued post-retirement liability	$ 620	$ 66	$ 354	$ 188	$ 164	$ 27	$ 68
Regulatory assets	$ 1	$ —	$ 1	$ —	$ 1	$ —	$ 57
Regulatory liabilities	$ 288	$ 68	$ 51	$ 25	$ 26	$ 21	$ 83
Accumulated other comprehensive (income) loss							
Deferred income tax liability	$ 7	$ —	$ —	$ —	$ —	$ —	$ —
Prior service credit	(6)	—	(1)	—	—	—	—
Net actuarial gain	(13)	—	—	—	—	—	—
Net amounts recognized in accumulated other comprehensive income	$ (12)	$ —	$ (1)	$ —	$ —	$ —	$ —
Amounts to be recognized in net periodic pension expense in the next year							
Unrecognized net actuarial loss (gain)	$ 6	$ (3)	$ 22	$ 13	$ 9	$ (2)	$ (2)
Unrecognized prior service credit	(142)	(14)	(103)	(68)	(35)	—	(1)

	December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current post-retirement liability[(a)]	$ 35	$ —	$ 29	$ 16	$ 14	$ 2	$ —
Noncurrent post-retirement liability[(b)]	654	75	350	192	156	29	73
Total accrued post-retirement liability	$ 689	$ 75	$ 379	$ 208	$ 170	$ 31	$ 73
Regulatory assets	$ —	$ —	$ —	$ —	$ —	$ —	$ 64
Regulatory liabilities	$ 380	$ 76	$ 122	$ 61	$ 61	$ 19	$ 91
Accumulated other comprehensive (income) loss							
Deferred income tax liability	$ 5	$ —	$ 1	$ —	$ —	$ —	$ —
Prior service credit	(9)	—	—	—	—	—	—
Net actuarial gain	(5)	—	(2)	—	—	—	—
Net amounts recognized in accumulated other comprehensive income	$ (9)	$ —	$ (1)	$ —	$ —	$ —	$ —

(a) Included in Other within Current Liabilities on the Consolidated Balance Sheets.

(b) Included in Accrued pension and other post-retirement benefit costs 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.

	December 31,		
	2015	**2014**	**2013**
Benefit Obligations			
Discount rate	**4.40%**	4.10%	4.70%
Net Periodic Benefit Cost			
Discount rate	**4.10%**	4.70%	4.10%
Expected long-term rate of return on plan assets	**6.50%**	6.75%	7.75%
Assumed tax rate	**35%**	35%	35%

Assumed Health Care Cost Trend Rate

	December 31,	
	2015	**2014**
Health care cost trend rate assumed for next year	**7.50%**	6.75%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	**4.75%**	4.75%
Year that rate reaches ultimate trend	**2023**	2023

Sensitivity to Changes in Assumed Health Care Cost Trend Rates

	Year Ended December 31, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
1-Percentage Point Increase							
Effect on total service and interest costs	**$ 2**	**$ —**	**$ 1**	**$ 1**	**$ —**	**$ —**	**$ —**
Effect on post-retirement benefit obligation	**29**	**7**	**12**	**6**	**6**	**1**	**3**
1-Percentage Point Decrease							
Effect on total service and interest costs	**(1)**	**—**	**(1)**	**(1)**	**—**	**—**	**—**
Effect on post-retirement benefit obligation	**(26)**	**(6)**	**(11)**	**(6)**	**(5)**	**(1)**	**(3)**

Expected Benefit Payments

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ending December 31,							
2016	$ 76	$ 16	$ 31	$ 16	$ 15	$ 4	$ 10
2017	76	17	31	16	15	3	10
2018	74	18	30	16	14	3	9
2019	73	18	29	15	14	3	9
2020	71	18	29	15	13	3	8
2021 – 2025	312	80	129	68	60	14	33

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, 2015 and 2014. 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.

As of December 31, 2015, Duke Energy assumes pension and other post-retirement plan assets will generate a long-term rate of return of 6.50 percent. The expected long-term rate of return was developed using a weighted average calculation of expected returns based primarily on future expected returns across asset classes considering the use of active asset managers, where applicable. The asset allocation targets were set after considering the investment objective and the risk profile. Equity securities are held for their higher expected return. Debt securities are primarily held to hedge the qualified pension plan liability. Hedge funds, real estate and other global securities are held for diversification. Investments within asset classes are diversified to achieve broad market participation and reduce the impact of individual managers or investments.

In 2013, Duke Energy adopted a de-risking investment strategy for the Duke Energy Master Retirement Trust. As the funded status of the pension plans increase, the targeted allocation to return seeking assets will be reduced and the targeted allocation to fixed-income assets will be increased to better manage Duke Energy's pension liability and reduce funded status volatility. Duke Energy regularly reviews its actual asset allocation and periodically rebalances its investments to the targeted allocation when considered appropriate.

The Duke Energy Retirement Master Trust is authorized to engage in the lending of certain plan assets. Securities lending is an investment management enhancement that utilizes certain existing securities of the Duke Energy Retirement Master Trust to earn additional income. Securities lending involves the loaning of securities to approved parties. In return for the loaned securities, the Duke Energy Retirement Master Trust receives collateral in the form of cash and securities as a safeguard against possible default of any borrower on the return of the loan under terms that permit the Duke Energy Retirement Master Trust to sell the securities. The Master Trust mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned, with additional collateral obtained or refunded as necessary. The fair value of securities on loan was approximately $305 million and $383 million at December 31, 2015 and 2014, respectively. Cash and securities obtained as collateral exceeded the fair value of the securities loaned at December 31, 2015 and 2014, respectively. Securities lending income earned by the Master Trust was immaterial for the years ended December 31, 2015, 2014 and 2013, respectively.

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, 2015 and the actual asset allocations for the Duke Energy Master Retirement Trust.

	Target Allocation	Actual Allocation at December 31, 2015	2014
U.S. equity securities	10%	**11%**	10%
Non-U.S. equity securities	8%	**8%**	8%
Global equity securities	10%	**10%**	10%
Global private equity securities	3%	**2%**	3%
Debt securities	63%	**63%**	63%
Hedge funds	2%	**2%**	3%
Real estate and cash	2%	**2%**	1%
Other global securities	2%	**2%**	2%
Total	100%	**100%**	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 presents target and actual asset allocations for VEBA I at December 31, 2015.

	Target Allocation	Actual Allocation at December 31, 2015	2014
U.S. equity securities	30%	**29%**	29%
Debt securities	45%	**28%**	28%
Cash	25%	**43%**	43%
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 below are as follows:

Investments in equity securities

Investments in equity securities 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 the price of an institutional commingled fund is unpublished, it is not categorized in the fair value hierarchy, even though the funds are readily available at the fair value.

Investments in corporate debt securities and U.S. government 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 2.

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 and are readily redeemable at the measurement date. 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 limited partnerships

Investments in real estate limited partnerships are valued by the trustee at each valuation date (monthly). As part of the trustee’s valuation process, properties are externally appraised generally on an annual basis, conducted by reputable, independent appraisal firms, and signed by appraisers that are members of the Appraisal Institute, with the professional designation MAI. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three valuation techniques that can be used to value investments in real estate assets: the market, income or cost approach. The appropriateness of each valuation technique depends on the type of asset or business being valued. In addition, the trustee may cause additional appraisals to be performed as warranted by specific asset or market conditions. Property valuations and the salient valuation-sensitive assumptions of each direct investment property are reviewed by the trustee quarterly and values are adjusted if there has been a significant change in circumstances related to the investment property since the last valuation. Value adjustments for interim capital expenditures are only recognized to the extent that the valuation process acknowledges a corresponding increase in fair value. An independent firm is hired to review and approve quarterly direct real estate valuations. Key inputs and assumptions used to determine fair value includes among others, rental revenue and expense amounts and related revenue and expense growth rates, terminal capitalization rates and discount rates. Development investments are valued using cost incurred to date as a primary input until substantive progress is achieved in terms of mitigating construction and leasing risk at which point a discounted cash flow approach is more heavily weighted. Key inputs and assumptions in addition to those noted above used to determine the fair value of development investments include construction costs, and the status of construction completion and leasing. Investments in real estate limited partnerships are valued at net asset value of units held at year end and are not readily redeemable at the measurement date. Investments in real estate limited partnerships are not categorized within the fair value hierarchy.

Duke Energy Master Retirement Trust

The following tables provide the fair value measurement amounts for the Duke Energy Master Retirement Trust qualified pension and other post-retirement assets.

	December 31, 2015				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized(b)**
Equity securities	$ 2,160	$ 1,470	$ 2	$ —	688
Corporate debt securities	4,362	—	4,362	—	—
Short-term investment funds	404	192	212	—	—
Partnership interests	185	—	—	—	185
Hedge funds	210	—	—	—	210
Real estate limited partnerships	118	—	—	—	118
U.S. government securities	748	—	748	—	—
Guaranteed investment contracts	31	—	—	31	—
Governments bonds – foreign	34	—	34	—	—
Cash	10	10	—	—	—
Government and commercial mortgage backed securities	9	—	9	—	—
Net pending transactions and other investments	(28)	(36)	8	—	—
Total assets(a)	$ 8,243	$ 1,636	$ 5,375	$ 31	$ 1,201

(a) Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana were allocated approximately 28 percent, 32 percent, 15 percent, 16 percent, 5 percent and 8 percent, respectively, of the Duke Energy Master Retirement Trust assets at December 31, 2015. Accordingly, all amounts included in the table above are allocable to the Subsidiary Registrants using these percentages.

(b) Certain investments are not categorized. These investments are measured based on the fair value of the underlying investments but may not be readily redeemable at that fair value.

	December 31, 2014				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**(b)
Equity securities	$ 2,346	$ 1,625	$ 3	$ —	$ 718
Corporate debt securities	4,349	—	4,348	1	—
Short-term investment funds	333	171	162	—	—
Partnership interests	298	—	—	—	298
Hedge funds	146	—	—	—	146
Real estate limited partnerships	104	—	—	—	104
U.S. government securities	917	—	916	1	—
Guaranteed investment contracts	32	—	—	32	—
Governments bonds – foreign	44	—	44	—	—
Cash	30	30	—	—	—
Government and commercial mortgage backed securities	9	—	9	—	—
Net pending transactions and other investments	10	(10)	20	—	—
Total assets(a)	$ 8,618	$ 1,816	$ 5,502	$ 34	$ 1,266

(a) Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana were allocated approximately 28 percent, 31 percent, 15 percent, 16 percent, 5 percent and 8 percent, respectively, of the Duke Energy Master Retirement Trust assets at December 31, 2014. Accordingly, all amounts included in the table above are allocable to the Subsidiary Registrants using these percentages.

(b) Certain investments are not categorized. These investments are measured based on the fair value of the underlying investments but may not be readily redeemable at that fair value.

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)	**2015**	**2014**
Balance at January 1	**$ 34**	$ 37
Sales	**(2)**	(4)
Total gains (losses) and other, net	**(1)**	1
Balance at December 31	**$ 31**	$ 34

VEBA I

The following tables provide the fair value measurement amounts for VEBA I other post-retirement assets.

	December 31, 2015			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	**$ 18**	**—**	**$ 18**	**—**
Equity securities	**12**	**—**	**12**	**—**
Debt securities	**12**	**—**	**12**	**—**
Total assets	**$ 42**	**—**	**$ 42**	**—**

	December 31, 2014			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 21	—	$ 21	—
Equity securities	14	—	14	—
Debt securities	13	—	13	—
Total assets	$ 48	—	$ 48	—

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.

As of January 1, 2014, for new and rehired non-union and certain unionized employees who are not eligible to participate in Duke Energy's defined benefit plans, an additional employer contribution of 4 percent of eligible pay per pay period, which is subject to a three-year vesting schedule, is provided to the employee's savings plan account.

The following table includes pretax employer matching contributions made by Duke Energy and expensed by the Subsidiary Registrants.

(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Years ended December 31,							
2015(a)	**$ 159**	**$ 54**	**$ 48**	**$ 34**	**$ 13**	**$ 3**	**$ 7**
2014(a)	143	47	43	30	14	3	7
2013	134	45	45	25	14	3	7

(a) For 2014 and 2015, amounts include the additional employer contribution of 4 percent of eligible pay per pay period for employees not eligible to participate in a defined benefit plan.

22. INCOME TAXES

Income Tax Expense

Components of Income Tax Expense

	Year Ended December 31, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Current income taxes							
Federal	$ —	$ 216	$ (193)	$ (56)	$ 1	$ (18)	$ (86)
State	(12)	14	1	(4)	(7)	(1)	(12)
Foreign	99	—	—	—	—	—	—
Total current income taxes	87	230	(192)	(60)	(6)	(19)	(98)
Deferred income taxes							
Federal	1,089	345	694	334	290	96	245
State	181	57	27	27	58	5	17
Foreign	(17)	—	—	—	—	—	—
Total deferred income taxes(a)	1,253	402	721	361	348	101	262
Investment tax credit amortization	(14)	(5)	(7)	(7)	—	(1)	(1)
Income tax expense from continuing operations	1,326	627	522	294	342	81	163
Tax expense (benefit) from discontinued operations	19	—	(1)	—	—	22	—
Total income tax expense included in Consolidated Statements of Operations	$ 1,345	$ 627	$ 521	$ 294	$ 342	$ 103	$ 163

(a) Includes benefits of net operating loss (NOL) carryforwards and utilization of NOL and tax credit carryforwards of $264 million at Duke Energy, $15 million at Duke Energy Carolinas, $119 million at Progress Energy, $21 million at Duke Energy Progress, $84 million at Duke Energy Florida, $3 million at Duke Energy Ohio and $45 million at Duke Energy Indiana.

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Current income taxes							
Federal	$ —	$ 161	$ (466)	$ (184)	$ (53)	$ (73)	$ (112)
State	56	51	(8)	14	1	3	1
Foreign	144	—	—	—	—	—	—
Total current income taxes	200	212	(474)	(170)	(52)	(70)	(111)
Deferred income taxes							
Federal	1,517	407	938	436	350	113	294
State	35	(25)	84	25	52	1	15
Foreign	(67)	—	—	—	—	—	—
Total deferred income taxes(a)(b)	1,485	382	1,022	461	402	114	309
Investment tax credit amortization	(16)	(6)	(8)	(6)	(1)	(1)	(1)
Income tax expense from continuing operations	1,669	588	540	285	349	43	197
Tax benefit from discontinued operations	(295)	—	(4)	—	—	(300)	—
Total income tax expense (benefit) included in Consolidated Statements of Operations	$ 1,374	$ 588	$ 536	$ 285	$ 349	$ (257)	$ 197

(a) There were no benefits of NOL carryforwards.

(b) Includes utilization of NOL and tax credit carryforwards of $1,544 million at Duke Energy, $345 million at Duke Energy Carolinas, $530 million at Progress Energy, $291 million at Duke Energy Progress, $64 million at Duke Energy Florida, $56 million at Duke Energy Ohio and $141 million at Duke Energy Indiana.

	Year Ended December 31, 2013						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Current income taxes							
Federal	$ (141)	$ 49	$ (221)	$ (70)	$ (143)	$ (24)	$ (88)
State	(40)	11	(37)	(10)	(13)	(4)	7
Foreign	151	—	—	—	—	—	—
Total current income taxes	(30)	60	(258)	(80)	(156)	(28)	(81)
Deferred income taxes							
Federal	1,092	464	555	316	326	65	276
State	144	75	84	59	44	6	29
Foreign	14	—	—	—	—	—	—
Total deferred income taxes(a)	1,250	539	639	375	370	71	305
Investment tax credit amortization	(15)	(5)	(8)	(7)	(1)	—	(1)
Income tax expense from continuing operations	1,205	594	373	288	213	43	223
Tax expense (benefit) from discontinued operations	29	—	(26)	—	—	32	—
Total income tax expense included in Consolidated Statements of Operations	$ 1,234	$ 594	$ 347	$ 288	$ 213	$ 75	$ 223

(a) Includes benefits of NOL carryforwards of $808 million at Duke Energy, $458 million at Progress Energy, $64 million at Duke Energy Progress, $301 million at Duke Energy Florida and $179 million at Duke Energy Indiana.

Duke Energy Income from Continuing Operations before Income Taxes

	Years Ended December 31,		
(in millions)	**2015**	**2014**	**2013**
Domestic	**$ 3,828**	$ 3,600	$ 3,183
Foreign	**309**	534	612
Income from continuing operations before income taxes	**$ 4,137**	$ 4,134	$ 3,795

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.

	Year Ended December 31, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Income tax expense, computed at the statutory rate of 35 percent	**$ 1,448**	**$ 598**	**$ 555**	**$ 302**	**$ 330**	**$ 81**	**$ 168**
State income tax, net of federal income tax effect	**109**	**46**	**18**	**15**	**33**	**2**	**2**
Tax differential on foreign earnings	**(27)**	**—**	**—**	**—**	**—**	**—**	**—**
AFUDC equity income	**(58)**	**(34)**	**(19)**	**(17)**	**(3)**	**(1)**	**(4)**
Renewable energy production tax credits	**(72)**	**—**	**(1)**	**—**	**—**	**—**	**—**
Audit adjustment	**(22)**	**—**	**(23)**	**1**	**(24)**	**—**	**—**
Tax true-up	**2**	**2**	**(3)**	**(4)**	**2**	**(5)**	**(9)**
Other items, net	**(54)**	**15**	**(5)**	**(3)**	**4**	**4**	**6**
Income tax expense from continuing operations	**$ 1,326**	**$ 627**	**$ 522**	**$ 294**	**$ 342**	**$ 81**	**$ 163**
Effective tax rate	**32.1%**	**36.7%**	**32.9%**	**34.2%**	**36.3%**	**35.2%**	**34.0%**

	Year Ended December 31, 2014						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Income tax expense, computed at the statutory rate of 35 percent	$ 1,447	$ 581	$ 497	$ 263	$ 314	$ 39	$ 195
State income tax, net of federal income tax effect	59	17	49	25	34	3	10
Tax differential on foreign earnings[(a)]	(110)	—	—	—	—	—	—
AFUDC equity income	(47)	(32)	(9)	(9)	—	(1)	(5)
Renewable energy production tax credits	(67)	—	—	—	—	—	—
International tax dividend[(b)]	373	—	—	—	—	—	—
Other items, net	14	22	3	6	1	2	(3)
Income tax expense (benefit) from continuing operations	$ 1,669	$ 588	$ 540	$ 285	$ 349	$ 43	$ 197
Effective tax rate	40.4%	35.4%	38.0%	37.9%	38.9%	38.9%	35.5%

(a) Includes a $57 million benefit as a result of the merger of two Chilean subsidiaries and a change in income tax rates in various countries primarily relating to Peru.

(b) During 2014, Duke Energy declared a taxable dividend of foreign earnings in the form of notes payable that was expected to result in the repatriation of approximately $2.7 billion of cash held, and expected to be generated, by International Energy over a period of up to eight years. In 2015, approximately $1.5 billion was remitted. As a result of the decision to repatriate cumulative historical undistributed foreign earnings Duke Energy recorded U.S. income tax expense of approximately $373 million in 2014.

	Year Ended December 31, 2013						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Income tax expense, computed at the statutory rate of 35 percent	$ 1,328	$ 549	$ 361	$ 276	$ 188	$ 39	$ 203
State income tax, net of federal income tax effect	66	56	31	31	20	2	23
Tax differential on foreign earnings	(49)	—	—	—	—	—	—
AFUDC equity income	(55)	(32)	(18)	(15)	(3)	—	(5)
Renewable energy production tax credits	(62)	—	—	—	—	—	—
Other items, net	(23)	21	(1)	(4)	8	2	2
Income tax expense from continuing operations	$ 1,205	$ 594	$ 373	$ 288	$ 213	$ 43	$ 223
Effective tax rate	31.8%	37.8%	36.2%	36.5%	39.6%	39.1%	38.4%

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.

Undistributed Foreign Earnings

As of December 31, 2015, Duke Energy’s intention was to indefinitely reinvest undistributed earnings generated by Duke Energy's foreign subsidiaries. As a result, no U.S. tax is recorded on such earnings of approximately $250 million. The amount of unrecognized deferred tax liability related to undistributed earnings was approximately $12 million.

On February 18, 2016, Duke Energy announced it had initiated a process to divest the International Energy business segment, excluding the investment in NMC. See Note 2 for further information. Accordingly, Duke Energy no longer intends to indefinitely reinvest the undistributed foreign earnings of International Energy and will therefore record U.S. taxes related to International Energy's undistributed foreign earnings during the first quarter of 2016.

DEFERRED TAXES

Net Deferred Income Tax Liability Components

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	$ 245	$ 38	$ 115	$ 25	$ 66	$ 29	$ 5
Capital lease obligations	63	9	—	—	—	—	2
Pension, post-retirement and other employee benefits	580	46	186	92	82	24	40
Progress Energy merger purchase accounting adjustments[(a)]	1,009	—	—	—	—	—	—
Tax credits and NOL carryforwards	3,719	170	997	163	177	25	215
Investments and other assets	—	—	—	—	—	3	—
Other	206	20	48	2	46	37	20
Valuation allowance	(160)	—	(38)	—	—	—	—
Total deferred income tax assets	5,662	283	1,308	282	371	118	282
Investments and other assets	(1,584)	(1,057)	(412)	(228)	(201)	—	(7)
Accelerated depreciation rates	(13,070)	(4,429)	(4,169)	(2,325)	(1,868)	(1,356)	(1,797)
Regulatory assets and deferred debits, net	(3,633)	(943)	(1,517)	(756)	(762)	(169)	(135)
Total deferred income tax liabilities	(18,287)	(6,429)	(6,098)	(3,309)	(2,831)	(1,525)	(1,939)
Net deferred income tax liabilities	$ (12,625)	$ (6,146)	$ (4,790)	$ (3,027)	$ (2,460)	$ (1,407)	$ (1,657)

(a) Primarily related to capital lease obligations and debt fair value adjustments.

The following table presents the expiration of tax credits and NOL carryforwards.

	December 31, 2015	
(in millions)	**Amount**	**Expiration Year**
Investment tax credits	$ 864	2029 — 2035
Alternative minimum tax credits	1,121	Indefinite
Federal NOL carryforwards	484	2030 — 2033
State NOL carryforwards and credits[(a)]	299	2016 — 2035
Foreign NOL carryforwards[(b)]	100	2026 — 2034
Foreign Tax Credits	851	2024
Total tax credits and NOL carryforwards	$ 3,719	

(a) A valuation allowance of $81 million has been recorded on the state Net Operating Loss carryforwards, as presented in the Net Deferred Income Tax Liability Components table.

(b) A valuation allowance of $79 million has been recorded on the foreign Net Operating Loss carryforwards, as presented in the Net Deferred Income Tax Liability Components table.

	December 31, 2014						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Deferred credits and other liabilities	$ 188	$ 53	$ 108	$ 28	$ 78	$ (8)	$ 12
Capital lease obligations	63	10	—	—	—	—	2
Pension, post-retirement and other employee benefits	546	4	188	96	93	17	43
Progress Energy merger purchase accounting adjustments[(a)]	1,124	—	—	—	—	—	—
Tax credits and NOL carryforwards	3,540	157	980	91	252	38	260
Investments and other assets	—	—	—	—	—	14	—
Other	—	12	—	55	—	35	11
Valuation allowance	(184)	—	(13)	(1)	—	—	—
Total deferred income tax assets	5,277	236	1,263	269	423	96	328
Investments and other assets	(1,625)	(1,051)	(427)	(232)	(245)	—	(4)
Accelerated depreciation rates	(11,715)	(4,046)	(3,284)	(2,030)	(1,252)	(1,660)	(1,603)
Regulatory assets and deferred debits, net	(3,694)	(953)	(1,602)	(809)	(792)	(141)	(106)
Other	(44)	—	(151)	—	(246)	—	—
Total deferred income tax liabilities	(17,078)	(6,050)	(5,464)	(3,071)	(2,535)	(1,801)	(1,713)
Net deferred income tax liabilities	$ (11,801)	$ (5,814)	$ (4,201)	$ (2,802)	$ (2,112)	$ (1,705)	$ (1,385)

(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.

On August 6, 2015, pursuant to N.C. Gen. Stat. 105-130.3C, the North Carolina Department of Revenue announced the North Carolina corporate income tax rate would be reduced from a statutory rate of 5.0 percent to 4.0 percent beginning January 1, 2016. Duke Energy recorded a net reduction of approximately $95 million to its North Carolina deferred tax liability in the third quarter of 2015. The significant majority of this deferred tax liability reduction was offset by recording a regulatory liability pending NCUC determination of the disposition of amounts related to Duke Energy Carolinas and Duke Energy Progress. The impact 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.

Balance Sheet Classification of Deferred Taxes

As discussed in Note 1, the FASB issued revised accounting guidance for the Balance Sheet classification of deferred taxes. As shown in the table below, all deferred tax assets and liabilities are presented as noncurrent as of December 31, 2015. However, for December 31, 2014, the revised guidance was not applied. As a result, a portion of deferred tax assets and liabilities is shown as current at December 31, 2014.

	December 31, 2015						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Investments and Other Assets: Other	**80**	**—**	**—**	**—**	**—**	**—**	**—**
Deferred Credits and Other Liabilities: Deferred income taxes	**(12,705)**	**(6,146)**	**(4,790)**	**(3,027)**	**(2,460)**	**(1,407)**	**(1,657)**
Net deferred income tax liabilities	**$ (12,625)**	**$ (6,146)**	**$ (4,790)**	**$ (3,027)**	**$ (2,460)**	**$ (1,407)**	**$ (1,657)**

	December 31, 2014						
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**
Current Assets: Other	$ 1,593	$ 3	$ 558	$ 106	$ 340	$ 60	$ 206
Investments and Other Assets: Other	29	—	—	—	—	—	—
Current Liabilities: Other	—	(5)	—	—	—	—	—
Deferred Credits and Other Liabilities: Deferred income taxes	(13,423)	(5,812)	(4,759)	(2,908)	(2,452)	(1,765)	(1,591)
Net deferred income tax liabilities	$ (11,801)	$ (5,814)	$ (4,201)	$ (2,802)	$ (2,112)	$ (1,705)	$ (1,385)

UNRECOGNIZED TAX BENEFITS

The following tables present changes to unrecognized tax benefits.

	Year Ended December 31, 2015					
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Indiana**
Unrecognized tax benefits – January 1	**$ 213**	**$ 160**	**$ 32**	**$ 23**	**$ 8**	**$ 1**
Unrecognized tax benefits increases (decreases)						
Gross increases – tax positions in prior periods	**—**	**—**	**1**	**1**	**—**	**—**
Gross decreases – tax positions in prior periods	**(48)**	**(45)**	**—**	**—**	**—**	**—**
Decreases due to settlements	**(45)**	**(43)**	**—**	**—**	**—**	**—**
Reduction due to lapse of statute of limitations	**(32)**	**—**	**(32)**	**(21)**	**(8)**	**—**
Total changes	**(125)**	**(88)**	**(31)**	**(20)**	**(8)**	**—**
Unrecognized tax benefits – December 31	**$ 88**	**$ 72**	**$ 1**	**$ 3**	**$ —**	**$ 1**

	Year Ended December 31, 2014					
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Indiana**
Unrecognized tax benefits – January 1	$ 230	$ 171	$ 32	$ 22	$ 8	$ 1
Unrecognized tax benefits (decreases) increases						
Gross increases – tax positions in prior periods	—	—	1	1	—	—
Gross decreases – tax positions in prior periods	(2)	—	—	—	—	—
Decreases due to settlements	(15)	(11)	(1)	—	—	—
Total changes	(17)	(11)	—	1	—	—
Unrecognized tax benefits – December 31	$ 213	$ 160	$ 32	$ 23	$ 8	$ 1

	Year Ended December 31, 2013						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	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

The following table includes additional information regarding the Duke Energy Registrants' unrecognized tax benefits. It is reasonably possible that Duke Energy could reflect an approximate $65 million reduction and Duke Energy Carolinas could reflect an approximate $63 million reduction in unrecognized tax benefits within the next 12 months. All other Duke Energy Registrants do not anticipate a material increase or decrease in unrecognized tax benefits within the next 12 months.

	December 31, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Amount that if recognized, would affect the effective tax rate or regulatory liability(a)	**$ 62**	**$ 54**	**$ 2**	**$ 3**	**$ 1**	**$ —**	**$ 2**
Amount that if recognized, would be recorded as a component of discontinued operations	**4**	**—**	**—**	**—**	**—**	**—**	**—**

(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, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Net interest income recognized related to income taxes	$ 12	$ —	$ 2	$ 2	$ 1	$ —	$ 1
Net interest expense recognized related to income taxes	—	1	—	—	—	—	—
Interest receivable related to income taxes	3	—	—	—	—	—	3
Interest payable related to income taxes	—	14	—	1	—	—	—

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Net interest income recognized related to income taxes	$ 6	$ —	3	—	1	4	$ 4
Net interest expense recognized related to income taxes	—	1	—	1	—	—	—
Interest receivable related to income taxes	—	—	—	—	—	—	2
Interest payable related to income taxes	13	13	5	3	5	—	—

	Year Ended December 31, 2013						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	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	—	—

Duke Energy and its subsidiaries are no longer subject to U.S. federal examination for years before 2008. The years 2008 through 2011 are in Appeals. The IRS is currently auditing the federal income tax returns for years 2012 through 2014. 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, 2015						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Interest income	**$ 38**	**$ 2**	**$ 4**	**$ 2**	**$ 2**	**$ 4**	**$ 6**
Foreign exchange losses	**(4)**	**—**	**—**	**—**	**—**	**—**	**—**
AFUDC equity	**164**	**96**	**54**	**47**	**7**	**3**	**11**
Post in-service equity returns	**73**	**60**	**13**	**13**	**—**	**—**	**—**
Nonoperating income (expense), other	**36**	**2**	**26**	**9**	**15**	**(1)**	**(6)**
Other income and expense, net	**$ 307**	**$ 160**	**$ 97**	**$ 71**	**$ 24**	**$ 6**	**$ 11**

	Year Ended December 31, 2014						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Interest income	$ 57	$ 4	$ 3	$ —	$ 2	$ 8	$ 6
Foreign exchange gains	3	—	—	—	—	—	—
AFUDC equity	135	91	26	25	—	4	14
Post in-service equity returns	89	71	17	17	—	—	—
Nonoperating income (expense), other	67	6	31	9	18	(2)	2
Other income and expense, net	$ 351	$ 172	$ 77	$ 51	$ 20	$ 10	$ 22

	Year Ended December 31, 2013						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Interest income	$ 26	$ 1	$ 7	$ 1	$ 3	$ 5	$ 6
Foreign exchange losses	(18)	—	—	—	—	—	—
AFUDC equity	157	91	50	42	8	1	15
Post in-service equity returns	39	32	7	7	—	—	—
Nonoperating income (expense), other	58	(4)	30	7	19	(4)	(3)
Other income and expense, net	$ 262	$ 120	$ 94	$ 57	$ 30	$ 2	$ 18

24. SUBSEQUENT EVENTS

For information on subsequent events related to significant accounting policies, acquisitions and dispositions, business segments, regulatory matters, commitments and contingencies, debt and credit facilities, asset retirement obligations, derivatives and hedging and income taxes see Notes 1, 2, 3, 4, 5, 6, 9, 14 and 22, respectively.

25. QUARTERLY FINANCIAL DATA (UNAUDITED)

DUKE ENERGY

Quarterly EPS amounts may not sum to the full-year total due to changes in the weighted average number of common shares outstanding and rounding.

(in millions, except per share data)		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total
2015										
Operating revenues	**$**	**6,065**	**$**	**5,589**	**$**	**6,483**	**$**	**5,322**	**$**	**23,459**
Operating income		**1,456**		**1,246**		**1,688**		**977**		**5,367**
Income from continuing operations		**776**		**604**		**940**		**491**		**2,811**
Income (loss) from discontinued operations, net of tax		**91**		**(57)**		**(5)**		**(9)**		**20**
Net income		**867**		**547**		**935**		**482**		**2,831**
Net income attributable to Duke Energy Corporation		**864**		**543**		**932**		**477**		**2,816**
Earnings per share:										
Income from continuing operations attributable to Duke Energy Corporation common stockholders										
Basic	**$**	**1.09**	**$**	**0.87**	**$**	**1.36**	**$**	**0.70**	**$**	**4.02**
Diluted	**$**	**1.09**	**$**	**0.87**	**$**	**1.36**	**$**	**0.70**	**$**	**4.02**
Income (loss) from discontinued operations attributable to Duke Energy Corporation common stockholders										
Basic	**$**	**0.13**	**$**	**(0.09)**	**$**	**(0.01)**	**$**	**(0.01)**	**$**	**0.03**
Diluted	**$**	**0.13**	**$**	**(0.09)**	**$**	**(0.01)**	**$**	**(0.01)**	**$**	**0.03**
Net income attributable to Duke Energy Corporation common stockholders										
Basic	**$**	**1.22**	**$**	**0.78**	**$**	**1.35**	**$**	**0.69**	**$**	**4.05**
Diluted	**$**	**1.22**	**$**	**0.78**	**$**	**1.35**	**$**	**0.69**	**$**	**4.05**
2014										
Operating revenues	$	6,263	$	5,708	$	6,395	$	5,559	$	23,925
Operating income		1,362		1,289		1,619		988		5,258
Income from continuing operations		750		726		891		98		2,465
(Loss) Income from discontinued operations, net of tax		(843)		(113)		378		2		(576)
Net (loss) income		(93)		613		1,269		100		1,889
Net (loss) income attributable to Duke Energy Corporation		(97)		609		1,274		97		1,883
Earnings per share:										
Income from continuing operations attributable to Duke Energy Corporation common stockholders										
Basic	$	1.05	$	1.02	$	1.25	$	0.14	$	3.46
Diluted	$	1.05	$	1.02	$	1.25	$	0.14	$	3.46
(Loss) Income from discontinued operations attributable to Duke Energy Corporation common stockholders										
Basic	$	(1.19)	$	(0.16)	$	0.55	$	—	$	(0.80)
Diluted	$	(1.19)	$	(0.16)	$	0.55	$	—	$	(0.80)
Net (loss) income attributable to Duke Energy Corporation common stockholders										

Basic	$ (0.14)	$ 0.86	$ 1.80	$ 0.14	$ 2.66
Diluted	$ (0.14)	$ 0.86	$ 1.80	$ 0.14	$ 2.66

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.

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Costs to Achieve, Mergers	**$ (21)**	**$ (22)**	**$ (24)**	**$ (30)**	**$ (97)**
Edwardsport Settlement (see Note 4)	**—**	**—**	**(90)**	**(3)**	**(93)**
Ash Basin Settlement and Penalties (see Note 5)	**—**	**—**	**(7)**	**(7)**	**(14)**
State Tax Adjustment related to Midwest Generation Sale	**—**	**(41)**	**—**	**—**	**(41)**
Cost Savings Initiatives (see Note 19)	**—**	**—**	**—**	**(142)**	**(142)**
Total	**$ (21)**	**$ (63)**	**$ (121)**	**$ (182)**	**$ (387)**
2014					
Costs to Achieve, Mergers	$ (55)	$ (61)	$ (56)	$ (33)	$ (205)
Midwest Generation Impairment	(1,287)	—	477	(39)	(849)
Coal Ash Plea Agreements Reserve (see Note 5)	—	—	—	(102)	(102)
International Tax Adjustment (see Note 22)	—	—	—	(373)	(373)
Asset Impairment	(94)	—	—	—	(94)
Total	$ (1,436)	$ (61)	$ 421	$ (547)	$ (1,623)

DUKE ENERGY CAROLINAS

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Operating revenues	**$ 1,901**	**$ 1,707**	**$ 2,061**	**$ 1,560**	**$ 7,229**
Operating income	**515**	**483**	**666**	**296**	**1,960**
Net income	**292**	**265**	**383**	**141**	**1,081**
2014					
Operating revenues	$ 2,000	$ 1,755	$ 1,938	$ 1,658	$ 7,351
Operating income	509	438	630	318	1,895
Net income	286	270	377	139	1,072

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.

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Costs to Achieve, Mergers	**$ (9)**	**$ (11)**	**$ (11)**	**$ (16)**	**$ (47)**
Ash Basin Settlement and Penalties (see Note 5)	**—**	**—**	**(1)**	**(7)**	**(8)**
Cost Savings Initiatives (see Note 19)	**—**	**—**	**—**	**(93)**	**(93)**
Total	**$ (9)**	**$ (11)**	**$ (12)**	**$ (116)**	**$ (148)**
2014					
Costs to Achieve, Mergers	$ (29)	$ (38)	$ (25)	$ (17)	$ (109)
Coal Ash Plea Agreements Reserve (see Note 5)	—	—	—	(72)	(72)
Total	$ (29)	$ (38)	$ (25)	$ (89)	$ (181)

PROGRESS ENERGY

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Operating revenues	**$ 2,536**	**$ 2,476**	**$ 2,929**	**$ 2,336**	**$ 10,277**
Operating income	**549**	**504**	**756**	**351**	**2,160**
Income from continuing operations	**264**	**217**	**452**	**132**	**1,065**
Net income	**263**	**217**	**451**	**131**	**1,062**
Net income attributable to Parent	**260**	**215**	**448**	**128**	**1,051**
2014					
Operating revenues	$ 2,541	$ 2,421	$ 2,863	$ 2,341	$ 10,166
Operating income	477	488	665	388	2,018
Income from continuing operations	204	207	330	139	880
Net income	203	202	330	139	874
Net income attributable to Parent	202	202	329	136	869

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.

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Costs to Achieve, Mergers	**$ (8)**	**$ (8)**	**$ (8)**	**$ (10)**	**$ (34)**
Ash Basin Settlement and Penalties (see Note 5)	**—**	**—**	**(6)**	**—**	**(6)**
Cost Savings Initiatives (see Note 19)	**—**	**—**	**—**	**(36)**	**(36)**
Total	**$ (8)**	**$ (8)**	**$ (14)**	**$ (46)**	**$ (76)**
2014					
Costs to Achieve, Mergers	$ (19)	$ (12)	$ (21)	$ (13)	$ (65)
Coal Ash Plea Agreements Reserve (see Note 5)	—	—	—	(30)	(30)
Total	$ (19)	$ (12)	$ (21)	$ (43)	$ (95)

DUKE ENERGY PROGRESS

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Operating revenues	**$ 1,449**	**$ 1,193**	**$ 1,488**	**$ 1,160**	**$ 5,290**
Operating income	**316**	**184**	**394**	**130**	**1,024**
Net income	**183**	**85**	**229**	**69**	**566**
2014					
Operating revenues	$ 1,422	$ 1,191	$ 1,367	$ 1,196	$ 5,176
Operating income	258	212	285	180	935
Net income	133	101	157	76	467

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.

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Costs to Achieve, Mergers	**$ (5)**	**$ (5)**	**$ (6)**	**$ (6)**	**$ (22)**
Ash Basin Settlement and Penalties (see Note 5)	**—**	**—**	**(6)**	**—**	**(6)**
Cost Savings Initiatives (see Note 19)	**—**	**—**	**—**	**(28)**	**(28)**
Total	**$ (5)**	**$ (5)**	**$ (12)**	**$ (34)**	**$ (56)**
2014					
Costs to Achieve, Mergers	$ (14)	$ (3)	$ (15)	$ (10)	$ (42)
Coal Ash Plea Agreements Reserve (see Note 5)	—	—	—	(30)	(30)
Total	$ (14)	$ (3)	$ (15)	$ (40)	$ (72)

DUKE ENERGY FLORIDA

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Operating revenues	**$ 1,086**	**$ 1,281**	**$ 1,436**	**$ 1,174**	**$ 4,977**
Operating income	**227**	**315**	**357**	**216**	**1,115**
Net income	**113**	**165**	**216**	**105**	**599**
2014					
Operating revenues	$ 1,116	$ 1,225	$ 1,491	$ 1,143	$ 4,975
Operating income	219	276	378	205	1,078
Net income	108	142	205	93	548

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.

(in millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2015					
Costs to Achieve, Mergers	**$ (3)**	**$ (3)**	**$ (3)**	**$ (4)**	**$ (13)**
Cost Savings Initiatives (see Note 19)	**—**	**—**	**—**	**(8)**	**(8)**
Total	**$ (3)**	**$ (3)**	**$ (3)**	**$ (12)**	**$ (21)**
2014					
Costs to Achieve, Mergers	$ (5)	$ (9)	$ (6)	$ (3)	$ (23)

DUKE ENERGY OHIO

(in millions)		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total
2015										
Operating revenues	**$**	**586**	**$**	**405**	**$**	**462**	**$**	**452**	**$**	**1,905**
Operating income		**111**		**43**		**76**		**73**		**303**
Income (loss) from discontinued operations, net of tax		**90**		**(65)**		**(2)**		**—**		**23**
Net income (loss)		**149**		**(52)**		**32**		**43**		**172**
2014										
Operating revenues	$	575	$	412	$	446	$	480	$	1,913
Operating (loss) income		(7)		60		58		76		187
(Loss) Income from discontinued operations, net of tax		(875)		(135)		413		34		(563)
Net (loss) income		(890)		(107)		439		63		(495)

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.

(in millions)		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total
2015										
Costs to Achieve, Mergers	**$**	**(1)**	**$**	**(1)**	**$**	**(1)**	**$**	**(1)**	**$**	**(4)**
Cost Savings Initiatives (see Note 19)		**—**		**—**		**—**		**(2)**		**(2)**
Total	**$**	**(1)**	**$**	**(1)**	**$**	**(1)**	**$**	**(3)**	**$**	**(6)**
2014										
Costs to Achieve, Mergers	$	(2)	$	(4)	$	(3)	$	(2)	$	(11)
Midwest Generation Impairment		(1,318)		—		477		(39)		(880)
Asset Impairment		(94)		—		—		—		(94)
Total	$	(1,414)	$	(4)	$	474	$	(41)	$	(985)

DUKE ENERGY INDIANA

(in millions)		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total
2015										
Operating revenues	**$**	**788**	**$**	**686**	**$**	**749**	**$**	**667**	**$**	**2,890**
Operating income		**210**		**146**		**117**		**171**		**644**
Net income		**108**		**68**		**46**		**94**		**316**
2014										
Operating revenues	$	845	$	748	$	790	$	792	$	3,175
Operating income		215		178		182		130		705
Net income		113		87		101		58		359

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.

(in millions)		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total
2015										
Costs to Achieve, Mergers	**$**	**(2)**	**$**	**(1)**	**$**	**(2)**	**$**	**(2)**	**$**	**(7)**
Edwardsport Settlement (see Note 4)		**—**		**—**		**(90)**		**(3)**		**(93)**
Cost Savings Initiatives (see Note 19)		**—**		**—**		**—**		**(6)**		**(6)**
Total	**$**	**(2)**	**$**	**(1)**	**$**	**(92)**	**$**	**(11)**	**$**	**(106)**
2014										
Costs to Achieve, Mergers	$	(2)	$	(5)	$	(3)	$	(2)	$	(12)

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	04/13/2016	End of 2015/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)	4,322,978,001
4	Property Under Capital Leases	56,605,337
5	Plant Purchased or Sold	
6	Completed Construction not Classified	1,119,962,284
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	5,499,545,622
9	Leased to Others	
10	Held for Future Use	2,134,741
11	Construction Work in Progress	122,443,446
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	5,624,123,809
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	1,755,403,580
15	Net Utility Plant (Total of lines 13 and 14)	3,868,720,229
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	1,634,993,228
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	120,360,347
22	TOTAL In Service (Total of lines 18 thru 21)	1,755,353,575
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	50,005
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	50,005
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	1,755,403,580

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	2,679,713,093	1,371,599,051		271,665,857
4	14,692,223	36,336,992		5,576,122
5				
6	521,717,041	527,912,965		70,332,278
7				
8	3,216,122,357	1,935,849,008		347,574,257
9				
10	2,134,741			
11	93,645,137	24,674,694		4,123,615
12				
13	3,311,902,235	1,960,523,702		351,697,872
14	1,083,008,585	546,848,320		125,546,675
15	2,228,893,650	1,413,675,382		226,151,197
16				
17				
18	1,041,411,447	524,039,561		69,542,220
19				
20				
21	41,547,133	22,808,759		56,004,455
22	1,082,958,580	546,848,320		125,546,675
23				
24				
25				
26				
27				
28	50,005			
29				
30	50,005			
31				
32				
33	1,083,008,585	546,848,320		125,546,675

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	18,518,237	311,624
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	18,518,237	311,624
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)

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	16,815,873	1,350,877
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	16,815,873	1,350,877
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		

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	1,542,641	
96	376 Mains	1,132,149,117	58,951,086
97	377 Compressor Station Equipment		
98	378 Measuring and Regulating Station Equipment-General	28,102,392	2,031,170
99	379 Measuring and Regulating Station Equipment-City Gate	263,232	
100	380 Services	469,672,884	24,949,004
101	381 Meters	46,810,642	2,324,966
102	382 Meter Installations	28,824,583	
103	383 House Regulators	26,245,876	269,299
104	384 House Regulator Installations	16,889,434	
105	385 Industrial Measuring and Regulating Station Equipment	3,537,976	
106	386 Other Property on Customers' Premises		
107	387 Other Equipment	856,671	
108	388 Asset Retirement Costs for Distribution Plant	3,275,879	2,077,759
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	1,767,288,607	90,603,284
110	GENERAL PLANT		
111	389 Land and Land Rights		
112	390 Structures and Improvements	1,910,997	
113	391 Office Furniture and Equipment	2,104,623	482,843
114	392 Transportation Equipment	1,056,938	679,671
115	393 Stores Equipment		
116	394 Tools, Shop, and Garage Equipment	9,458,198	302,151
117	395 Laboratory Equipment	65,368	
118	396 Power Operated Equipment	555,469	504,197
119	397 Communication Equipment	35,807,549	(162,134)
120	398 Miscellaneous Equipment		
121	Subtotal (Enter Total of lines 111 thru 120)	50,959,142	1,806,728
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)	50,959,142	1,806,728
125	TOTAL (Accounts 101 and 106)	1,853,581,859	94,072,513
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)	1,853,581,859	94,072,513

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	1,211,565			17,618,296
5	1,211,565			17,618,296
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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	55,272		(389,655)	17,721,823
41	55,272		(389,655)	17,721,823
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46				
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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				
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91				
92				
93				
94			2,631	9,119,911
95				1,542,641
96	1,253,555		58,105	1,189,904,753
97				
98			389,655	30,523,217
99				263,232
100	6,071,450			488,550,438
101	1,594,546			47,541,062
102	744,685			28,079,898
103	1,339,108			25,176,067
104				16,889,434
105				3,537,976
106				
107	59,477			797,194
108	(421,588)			5,775,226
109	10,641,233		450,391	1,847,701,049
110				
111				
112				1,910,997
113				2,587,466
114				1,736,609
115				
116				9,760,349
117				65,368
118				1,059,666
119				35,645,415
120			41,970	41,970
121			41,970	52,807,840
122				
123				
124			41,970	52,807,840
125	11,908,070		102,706	1,935,849,008
126				
127				
128				
129	11,908,070		102,706	1,935,849,008

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	04/13/2016	End of 2015/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	2006 Bank of America Leasing & Capital		Meters	2,493,520
2	2007 Bank of America Leasing & Capital		Meters	1,055,662
3	2009 Bank of America Leasing & Capital		Meters	1,192,822
4	2010 Bank of America Leasing & Capital		Meters	732,798
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45	**Total**			**5,474,802**

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	04/13/2016	End of 2015/Q4

Gas Property and Capacity Leased to Others

1. For all leases in which the average lease income over the initial term of the lease exceeds $500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations.
2. In column (d) provide the lease payments received from others.
3. 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				
2				
3				
4				
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45	**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	04/13/2016	End of 2015/Q4

Gas Plant Held for Future Use (Account 105)

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

Line No.	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	None			
3				
4				
5				
6				
7				
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44				
45	**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	04/13/2016	End of 2015/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	LARGE MEASURING & REGULATING STATIONS	3,738,663	
2	PUBLIC IMPROVEMENT PROJECTS	2,287,027	
3	GAS MAINS BLANKET PROJECTS	1,885,138	
4	GAS DISTRIBUTION LINES REPLACEMENT PROJECTS	1,770,590	
5	MISCELLANEOUS GAS PRODUCTION PROJECTS	1,035,366	
6	HARRISON GAS REPLACEMENT	1,008,135	
7	MISCELLANEOUS GAS TOOLS BLANKET PROJECTS	1,201,748	
8	DAILY RATING CHARGING ESTIMATE SOFTWARE	2,153,612	
9	DEO ENABLE SOFTWARE	2,019,265	
10	SMART ANALYSIS SOFTWARE	1,578,317	
11	PROJECTS LESS THAN $1,000,000	5,996,833	
12			
13			
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45	**Total**	**24,674,694**	

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	04/13/2016	End of 2015/Q4

Non-Traditional Rate Treatment Afforded New Projects

1. The Commission's Certificate Policy Statement provides a threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. See Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC P61,227 (1999); order clarifying policy, 90 FERC P61,128 (2000); order clarifying policy, 92 FERC P61,094 (2000) (Policy Statement). In column a, list the name of the facility granted non-traditional rate treatment.
2. In column b, list the CP Docket Number where the Commission authorized the facility.
3. In column c, indicate the type of rate treatment approved by the Commission (e.g. incremental, at risk)
4. In column d, list the amount in Account 101, Gas Plant in Service, associated with the facility.
5. In column e, list the amount in Account 108, Accumulated Provision for Depreciation of Gas Utility Plant, associated with the facility.

Line No.	Name of Facility (a)	CP Docket No. (b)	Type of Rate Treatment (c)	Gas Plant in Service (d)
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	Total			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	04/13/2016	End of 2015/Q4

Non-Traditional Rate Treatment Afforded New Projects (continued)

6. In column f, list the amount in Account 190, Accumulated Deferred Income Tax; Account 281, Accumulated Deferred Income Taxes – Accelerated Amortization Property; Account 282, Accumulated Deferred Income Taxes – Other Property; Account 283, Accumulated Deferred Income Taxes – Other, associated with the facility.
7. In column g, report the total amount included in the gas operations expense accounts during the year related to the facility (Account 401, Operation Expense).
8. In column h, report the total amount included in the gas maintenance expense accounts during the year related to the facility.
9. In column i, report the amount of depreciation expense accrued on the facility during the year.
10. In column j, list any other expenses(including taxes) allocated to the facility.
11. In column k, report the incremental revenues associated with the facility.
12. Identify the volumes received and used for any incremental project that has a separate fuel rate for that project.
13. Provide the total amounts for each column.

Line No.	Accumulated Depreciation (e)	Accumulated Deferred Income Taxes (f)	Operating Expense (g)	Maintenance Expense (h)	Depreciation Expense (i)	Other Expenses (including taxes) (j)	Incremental Revenues (k)
1							
2							
3							
4							
5							
6							
7							
8							
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36							

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 2015 WAS 5.68%. THE MONTHLY RATE DOES NOT INCLUDE A REDUCTION FOR THE INCOME TAX EFFECT ON THE COST OF DEBT.

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	04/13/2016	End of 2015/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	490,013,313	490,013,313		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	46,582,732	46,582,732		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing	38,809	38,809		
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):	4,552,758	4,552,758		
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	51,174,299	51,174,299		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(10,696,504)	(10,696,504)		
13	Cost of Removal	(3,062,296)	(3,062,296)		
14	Salvage (Credit)	(1,549,781)	(1,549,781)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(12,209,019)	(12,209,019)		
16	Other Debit or Credit Items (Describe) (footnote details):	(4,939,032)	(4,939,032)		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	524,039,561	524,039,561		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	9,304,336	9,304,336		
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	503,565,505	503,565,505		
29	General	11,169,720	11,169,720		
30	TOTAL (Total of lines 21 thru 29)	524,039,561	524,039,561		

FOOTNOTE DATA

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

Common Utility Plant Provision	(5,000,873)
Misc. Transfers/Adjustments	61,841
Total Transfers/Adjustments	(4,939,032)

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

ARO Provision	(233,483)
Deferral of SG Projects	4,786,241
Total Other	4,552,758

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	04/13/2016	End of 2015/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								
3	Gas Withdrawn from								
4	Other Debits and Credits								
5	Balance at End of Year					0			
6	Dth								
7	Amount Per Dth								

FOOTNOTE DATA

Schedule Page: 220 Line No.: 5 Column: f

Gas inventory is now stored and managed by Duke Energy's Asset Manager.

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/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		2,676,954	
4	DATE ACQUIRED:04/20/05			
5				
6				
7	136 NONE			
8				
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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	402,803		2,274,151		
4					
5					
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7					
8					
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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	04/13/2016	End of 2015/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			125,452
4	PURCHASE ACCOUNTING GOODWILL ALLOCATION			6,553
5	ADVANCES-OPEN ACCOUNT			6,090
6	SUBTOTAL			179,075
7				
8	DUKE ENERGY KENTUCKY, INC.	09/30/1945		
9	INVESTMENT AT COST			27,397,284
10	DUKE ENERGY KENTUCKY, INC & PURCH ACCTG UNAPPROPRIATED			425,983,307
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			(185,000,000)
19	SUBTOTAL			587,852,778
20				
21	TRI-STATE IMPROVEMENT COMPANY	01/14/1964		
22	INVESTMENT AT COST			25,000
23	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			(4,302,386)
24	PURCHASE ACCOUNTING ADJUSTMENTS			2,690,629
25	PURCHASE ACCOUNTING GOODWILL ALLOCATION			(168,780)
26	ADVANCES-OPEN ACCOUNT			360,924
27	SUBTOTAL			(1,394,613)
28				
29	KO TRANSMISSION COMPANY	04/11/1994		
30	INVESTMENT AT COST			10
31	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			6,290,741
32	DEFERRED TAX RECONCILIATION ADJUSTMENTS			43,869
33	ADVANCES-OPEN ACCOUNT			617,865
34	EQUITIZE BALANCE BETWEEN KO AND DUKE ENERGY OHIO			(2,714,597)
35	SUBTOTAL			4,237,888
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	04/13/2016	End of 2015/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			373,283,456
2	ADVANCES-OPEN ACCOUNT			426,962
3	DECAM DIVIDEND TO PARENT			(902,000,000)
4	DUKE ENERGY OHIO NON-NATIVE ALLOWANCE CONTRIBUTION			24,021,779
5	VERMILLION SALE TO DUKE ENERGY INDIANA			(28,041,551)
6	INVESTMENT AT BOOK VALUE (MIAMI FORT, ZIMMER, DICKS CREEK	05/01/2014		1,187,580,022
7	BECKJORD			(653,511)
8	DISPOSITION			
9	SUBTOTAL			1,825,317,118
10				
11	BECKJORD	05/01/2014		
12	INVESTMENT AT COST			
13	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			
14	ADVANCES - OPEN ACCOUNT			
15	SUBTOTAL			
16				
17				
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39				
40	**TOTAL Cost of Account 123.1 $**		**TOTAL**	2,416,192,246

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	17,135		142,587	
4			6,553	
5			6,090	
6	17,135		196,210	
7				
8				
9			27,397,284	
10	49,779,704	4,025,873	471,737,138	
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		55,000,000	(240,000,000)	
19	49,779,704	59,025,873	578,606,609	
20				
21				
22			25,000	
23	392,573		(3,909,813)	
24			2,690,629	
25			(168,780)	
26			360,924	
27	392,573		(1,002,040)	
28				
29				
30			10	
31	389,211		6,679,952	
32			43,869	
33			617,865	
34			(2,714,597)	
35	389,211		4,627,099	
36				
37				
38			1,032,299,496	
39			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	04/13/2016	End of 2015/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	66,569,248		439,852,704	
2			426,962	
3			(902,000,000)	
4			24,021,779	
5			(28,041,551)	
6			1,187,580,022	
7		(653,511)		
8		1,911,304,304	(1,911,304,304)	
9	66,569,248	1,910,650,793	(18,764,427)	
10				
11				
12		969,213	(969,213)	
13	(5,693,407)		(5,693,407)	
14				
15	(5,693,407)	969,213	(6,662,620)	
16				
17				
18				
19				
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36				
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39				
40	111,454,464	1,970,645,879	557,000,831	

FOOTNOTE DATA

Schedule Page: 224.1 Line No.: 8 Column: a

Pursuant to the sale of Midwest Commercial Generation to Dynegy, on April 2, 2015, the generation assets were transferred out of DE Ohio at their book value. Hence, no gain or loss on the sale was recorded at the DE Ohio level.

Schedule Page: 224.1 Line No.: 11 Column: a

The Beckjord generating station was moved into its own LLC and reported as a subsidiary 5/2/2014. As Beckjord was not a part of the disposal group purchased by Dynegy, it is currently reflected as an individual investment.

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	04/13/2016	End of 2015/Q4

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	4,932,368
4	Prepaid Interest	
5	Miscellaneous Prepayments	144,527
6	TOTAL	5,076,895

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7	NOT APPLICABLE						
8							
9							
10							
11							
12							
13							
14							
15	**Total**						

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2) (continued)

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
16	NOT APPLICABLE						
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	**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	04/13/2016	End of 2015/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	65,337,576		various	1,498,547		63,839,029
2	Regulatory Asset Working Papers						
3	Acclerated Gas Main Replacement Program	16,907,394	1,436,103	407.3	406,857		17,936,640
4	SmartGrid	76,180,728	48,005,120	various	56,230,664		67,955,184
5							
6	DEO Gas Construction Expenditures Program		5,175,222	various	2,389,586		2,785,636
7							
8	Load Factor Adjustment Deferral - Asset	3,574,099	680,587	456	4,254,686		
9							
10	Ohio Distribution Decoupling Rider	1,048,155	462,093	456/254	1,293,404		216,844
11							
12	MISO Hillcrest Project	4,184,824					4,184,824
13	MISO Transmission Expansion Projects	69,438,736	4,401,151	561.8	5,566,132		68,273,755
14	Alternative Energy Recovery Rider	64,779	1,067,952	407.3	1,006,717		126,014
15	Camera Costs AMRP - Reg Asset	4,325,987		874	1,000,000		3,325,987
16							
17	Manufactured Gas Plant Reg Asset	114,897,638	1,909,015	407.3	12,475,331		104,331,322
18	Deferred DSM Costs	12,033,269	2,958,318	456	12,033,269		2,958,318
19							
20	ARO Other Regulatory Asset	16,138,589	801,200				16,939,789
21	Base Transmission Rider	3,223,474	6,593,956	407.3	715,793		9,101,637
22							
23	Interest Rate Hedges	1,100,750		427	59,500		1,041,250
24	Supplier Cost Recovery Rider	2,905,784	8,862,774	555/254	11,768,558		
25	Ohio Electric Choice Supplier Website	317,080	16,020				333,100
26	Deferred PIPP Uncollectible - Gas	6,610,799	10,388,229	904	13,190,706		3,808,322
27							
28	Accrued Pension Post Retire Purchase Accounting	36,732,850	41,706	926	3,561,264		33,213,292
29							
30	Pension Post Retire Purchase Accounting - FAS87 NQ	190,486		926	64,440		126,046
31	Pension Post Retire Purchase Accounting - FAS106	20,005,585	41,706	926	1,957,866		18,089,425
32							
33	Electric Economic Competitive Fund	2,389,703	1,647,235	456	4,032,034		4,904
34							
35	2012 DEO Electric Distribution Rate Case	172,000		928	129,000		43,000
36	2012 DEO Gas Rate Case	317,250		928	81,000		236,250
37							
38							
39							
40	**Total**	**458,097,535**	**94,488,387**		**133,715,354**	**0**	**418,870,568**

Schedule Page: 232 Line No.: 2 Column: a

Line No: 3 Column a

Accelerated Gas Main Replacement Program

Order # 01-1228-GA-AIR	Ending Balance
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning June 2002)	265,699
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning June 2002)	41,760
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2003)	220,831
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2003)	512,686
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2003)	82,357
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2004)	311,233
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2004)	474,646
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2004)	117,903
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2005)	225,966
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2005)	593,560
Accelerated Gas Main Replacement Program Post In Service Carrying Costs	109,392

(Amortized 504 months, beginning May 2005)	
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2006)	46,706
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2006)	802,897
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2006)	129,167
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2007)	118,872
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2007)	1,005,790
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 504 months, beginning May 2007)	97,274
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 720 months, beginning May 2008)	157,764
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 600 months, beginning May 2008)	1,321,524
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2008)	110,256
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2009)	104,002
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2009)	579,692
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2009)	151,576

Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2009)	**12,672**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2010)	**25,947**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2010)	**885,303**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2010)	**131,932**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2010)	**138,578**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2011)	**18,581**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2011)	**946,540**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2011)	**418,959**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2011)	**398,401**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2012)	**21,898**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2012)	**770,592**
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2012)	**481,040**
Accelerated Gas Main Replacement Program	

	153,004
Post In Service Carrying Costs (Amortized 384 months, beginning May 2012)	
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 780 months, beginning May 2013)	451,005
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 660 months, beginning May 2013)	1,117,279
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2013)	746,214
Accelerated Gas Main Replacement Program Post In Service Carrying Costs (Amortized 384 months, beginning May 2013)	80,743
Accelerated Gas Main Replacement Program	363,601
Post in Service Carrying Costs (Amortized 804 months, beginning May 2014)	
Accelerated Gas Main Replacement Program	634,805
Post in Service Carrying Costs (Amortized 720 months, beginning May 2014)	
Accelerated Gas Main Replacement Program	513,333
Post in Service Carrying Costs (Amortized 384 months, beginning May 2014)	
Accelerated Gas Main Replacement Program	420,455
Post in Service Carrying Costs (Amortized 804 months, beginning May 2015)	
Accelerated Gas Main Replacement Program	698,036
Post in Service Carrying Costs (Amortized 720 months, beginning May 2015)	
Accelerated Gas Main Replacement Program	276,630
Post in Service Carrying Costs (Amortized 384 months, beginning May 2015)	

Accelerated Gas Main Replacement Program	**271,091**
Post in Service Carrying Costs	
Accelerated Gas Main Replacement Program	**327,975**
Post in Service Carrying Costs	
Accelerated Gas Main Replacement Program	**50,473**
Post in Service Carrying Costs	
Total:-	**17,936,640**

Line No: 4 Smart Grid

Order # 09-543-GE-UNC - 08-920-EL-SSO	**Ending Balance**
SmartGrid 2008 PISCC	**307,610**
(Amortized 541 months, beginning May 2010)	
SmartGrid 2009 PISCC	**1,307,700**
(Amortized 660 months, beginning April 2011)	
SmartGrid 2010 PISCC	**2,293,269**
(Amortized 690 months, beginning July 2012)	
SmartGrid 2011 PISCC	**4,785,427**
(Amortized 690 months, beginning April 2013)	
SmartGrid 2012 PISCC	**7,700,944**

(Amortized 236 months, beginning December 2013)

SmartGrid 2013 PISCC	**8,692,363**
(Amortized 732 months, beginning April 2015)	
SmartGrid 2013 Deferred Costs	**3,447,062**
(Amortized 12 months, beginning April 2015)	
SmartGrid 2013 Deferred Depreciation	**5,263,643**
(Amortized 12 months, beginning April 2015)	
SmartGrid 2014 PISCC	**8,508,549**
SmartGrid 2014 Deferred Costs	**11,175,697**
SmartGrid 2014 Deferred Depreciation	**21,397,529**
SmartGrid 2015 PISCC	**4,702,928**
SmartGrid 2015 Deferred Costs	**-11,627,537**
	67,955,184

Line No: 6 Column a

DEO Gas Construction Expenditures Program
Order # 13-2417-GA-UNC
Ending Balance $2,785,636

Line No: 8 Column a

Load Factor Adjustment Deferral - Asset
(Amortized in accordance with rider revenue)
Order # 11-3549-EL-SSO
Ending Balance $0.00

Line No: 10 Column a

Ohio Distribution Decoupling Rider

(Amortized in accordance with rider revenue)
Order # 11-5905-EL-RDR
Ending Balance $216,844

Line No: 12 Column a

MISO Hillcrest Project
Order # 11-2642-EL-RDR
Ending Balance $4,184,824

Line No: 13 Column a

MISO Transmission Expansion Projects
Order # 11-2642-EL-RDR
Ending Balance $68,273,755

Line No: 14 Column a

Alternative Energy Recovery Rider
(Amortized in accordance with rider revenue)
Order # 11-3549-EL-SSO
Ending Balance $126,014

Line No: 15 Column a

Camera Costs AMRP - Regulatory Asset
(Amortized 60 months beginning May 2014)
Order # 09-1097-GA-AAM
Ending Balance $3,325,987

Line No: 17 Column a

Manufactured Gas Plant Regulatory Asset
(Amortized in accordance with rider revenue)
Order # 09-0712-GA-AAM
Ending Balance $104,331,322

Line No: 18 Column a

Deferred DSM Costs
(Amortized in accordance with rider revenue)
Order # 06-0091-EL-UNC
Ending Balance $2,958,318

Line No: 20 Column a

ARO Other Regulatory Asset

Ending Balance $753,378

Gas ARO Other Regulatory Asset
Ending Balance $16,186,411

Line No: 21 Column a

Base Transmission Rider
(Amortized in accordance with rider revenue)
Order # 11-2641-EL-RDR
Ending Balance $9,101,637

Line No: 23 Column a

Interest Rate Hedges
(Amortized over the life of various instruments)
Order # 06-573-GA-AAM
Ending Balance $1,041,250

Line No: 24 Column a

Supplier Cost Recovery Rider - Asset
(Amortized in accordance with rider revenue)
Order # 11-3549-EL-SSO
Ending Balance $0.00

Line No: 25 Column a

Ohio Electric Choice Supplier Website
Order # 11-3549-EL-SSO
Ending Balance $333,100

Line No: 26 Column a

Deferred PIPP Uncollectible - Gas
(Amortized in accordance with Rate per MCF billed)
Order # 15-0418-GA-PIPP
Ending Balance $3,808,322

Line No: 28 Column a

Accrued Pension Post Retire Purchase Accounting
(Amortization varies based on actuarial projection)
Order # 06-573-GA-AAM
Ending Balance $33,213,292

Line No: 30 Column a

Pension Post Retire Purchase Accounting - FAS87 NQ
Order # 06-573-GA-AAM
Ending Balance $126,046

Line No: 31 Column a

Pension Post Retire Purchase Accounting - FAS 106
Order # 06-573-GA-AAM
Ending Balance $18,089,425

Line No: 33 Column a

Electric Economic Competitive Fund
Order # 11-6001-EL-RDR
Ending Balance $4,904

Line No: 35 Column a

2012 DEO Electric Distribution Rate Case
(Amortized 36 months beginning May 2013)
Order # 12-1682-EL-AIR
Ending Balance $43,000

Line No: 36 Column a

2012 DEO Gas Rate Case
(Amortized 60 months beginning May 2013)
Order # 12-1685-GA-AIR
Ending Balance $236,250

FOOTNOTE DATA

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	04/13/2016	End of 2015/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						
2						
3	Deferred compensation	1,999,613	1,936,016	Various	729,704	3,205,925
4						
5	Vacation accrual	3,951,689	52,772	242	754,580	3,249,881
6						
7	Accrued pension post retire FAS158	50,567,825	15,199,259	Various	6,124,783	59,642,301
8						
9	Indirect overhead allocation	193,736	36,768,840	Various	36,805,784	156,792
10	pool - undistributed					
11						
12	Goodwill - PA	746,918,647				746,918,647
13						
14	Ohio excise tax	1,496,857		Various	855,354	641,503
15						
16	Cincinnati Zoo naming right	130,000	10,959	404	40,959	100,000
17	(Amort 5/1/2009-4/30/2019)					
18						
19	Private outdoor lighting	664,917	320,113	Various	498,683	486,347
20						
21	Accum expenses - debt	5,260				5,260
22						
23	Ohio SSO / MRO Exp	429,002	290,306	Various	719,308	
24						
25	Economic Development Program		5,240,327			5,240,327
26						
27	AHFS Accts for MWGen Assets	(58,942,117)	58,942,122	Various		5
28						
29	Other	24,250	187,444	Various	194,293	17,401
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Miscellaneous Work in Progress					
40	**Total**	**747,439,679**	**118,948,158**		**46,723,448**	**819,664,389**

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	04/13/2016	End of 2015/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	(2,450,177)	23,716,288	8,124,570
3	Gas	39,480,990	15,080,611	6,856,945
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	37,030,813	38,796,899	14,981,515
6	Other (Specify) (footnote details)	27,120,983	13,122,723	31,486,706
7	TOTAL Account 190 (Total of lines 5 thru 6)	64,151,796	51,919,622	46,468,221
8	Classification of TOTAL			
9	Federal Income Tax	69,182,536	49,972,655	45,709,011
10	State Income Tax	(5,030,740)	1,946,967	759,210
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	143,292			(18,185,187)
3			Footnote	116,000			31,141,324
4							
5				259,292			12,956,137
6	173,640	29,894,762	Footnote	3,276,371			71,929,717
7	173,640	29,894,762		3,535,663			84,885,854
8							
9	170,585	29,350,961		3,478,928			90,620,340
10	3,055	543,801		56,735			(5,734,486)
11							

Schedule Page: 234 Line No.: 6 Column: b

	Beginning Balance
Federal NOL	28,293,740
Property Tax Reserve	23,445,863
State NOL	2,130,889
Retirement Plan Expense	(19,953,632)
Other Post-Employment Benefits	(5,444,862)
Mark to Market	(637,663)
Other	(713,352)
	27,120,983

Schedule Page: 234 Line No.: 6 Column: k

	Ending Balance
Federal NOL	18,790,100
Property Tax Reserve	23,445,862
Litigation/Legal Reserve	28,292,476
State NOL	1,352,985
Other	48,294
	71,929,717

Schedule Page: 234 Line No.: 2 Column: h

Adjustments include
- Transactions with Account Group 254
- Reclassifications with Electric - Utility and Gas - Utility and Electric - Utility and Other

Schedule Page: 234 Line No.: 3 Column: h

Adjustments include
- Transactions with Account Group 254

Schedule Page: 234 Line No.: 6 Column: h

Adjustments include
- Transfer of ADIT due to the restructuring of Duke Energy Ohio

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	04/13/2016	End of 2015/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				
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40				

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						
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Schedule Page: 250 Line No.: 1 Column: b

The respondent's Common Stock is not listed on a national stock exchange.

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	04/13/2016	End of 2015/Q4

Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Recieved on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1	ACCOUNT 202 - NONE			
2	ACCOUNT 203 - NONE			
3	ACCOUNT 205 - NONE			
4	ACCOUNT 206 - NONE			
5	ACCOUNT 207 - NONE			
6	ACCOUNT 212 - NONE			
7				
8				
9				
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37				
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39				
40	**Total**		**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	04/13/2016	End of 2015/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 Reacquired Capital Stock (Acct 210)	
12		
13	Miscellaneous Paid-In Capital (Account 211)	
14	Balance: Beginning of Year	3,274,963,187
15	Cash Dividend to Cinergy Corp	(150,000,000)
16	Write Down of Investment in Midwest Commercial Generation Upon Sale to Dynegy	(1,911,975,893)
17		
18	Subtotal Balance: End of Year	1,212,987,294
19		
20		
21		
22		
23		
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31		
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39		
40	**Total**	**2,719,915,712**

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	04/13/2016	End of 2015/Q4

DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
	TOTAL	

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. Use as many rows as necessary to report all data. Number the rows in sequence starting from the last row number used for Discount on Capital Stock above.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
16	None	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	TOTAL	

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 security matured in 2015:

Series:FMB, Variable rate

Issued:September 6, 2013

Due:March 6, 2015

Principal:$150,000,000

Redemption Price:$150,000,000

Unamortized Expenses:$0

Unamortized Discount:$0

Unamortized Premium:$0

No securities were issued in 2015.

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	04/13/2016	End of 2015/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	5.45% First Mortgage Bonds Due 2019	03/23/2009	04/01/2019	450,000,000
3				
4				
5	3.80% First Mortgage Bonds due 2023	09/06/2013	09/01/2023	300,000,000
6				
7				
8	Subtotal Account 221			750,000,000
9				
10	Account 222 & 223- None			
11				
12	Account 224- Notes Payable			
13				
14	Floating Rate Note due 2015	09/06/2013	03/06/2015	
15				
16	6.9% Unsecured Debentures due in 2025	06/01/1995	06/01/2025	150,000,000
17				
18	5.40% Debentures due in 2033	06/16/2003	06/15/2033	200,000,000
19				
20	5.375% Debentures due in 2033	06/16/2003	06/15/2033	200,000,000
21				
22	Subtotal Account 224			550,000,000
23				
24	SEE FOOTNOTE			
25				
26				
27				
28	OCI Amortization			
29				
30	Treasury Bonds			
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	**TOTAL**			1,300,000,000

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					
2	5.450	24,525,000			0.40
3					
4					
5	3.800	11,400,000			0.15
6					
7					
8		35,925,000			
9					
10					
11					
12					
13					
14	0.375	100,093			
15					
16	6.900	10,350,000			
17					
18	5.400	10,800,000			0.20
19					
20	5.375	10,750,000			0.20
21					
22		32,000,093			
23					
24					
25					
26					
27					
28		59,500			
29					
30		577,835			
31					
32					
33					
34					
35					
36					
37					
38					
39					
40		68,562,428			

Schedule Page: 256 Line No.: 2 Column: i

Footnote for line 2,5,16,18,20

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.: 14 Column: a

Floating Rate Variable Bond matured on March 6, 2015.

Schedule Page: 256 Line No.: 30 Column: a

The following Pollution Control Bonds Series were repurchased back in 2014: 1995A, 1995B,2002A, 2002B, 2004A, 2004B, 2007A, 2007B.The bonds are now classified as Treasury Bonds. The amount listed are fees associated with the bonds.

Schedule Page: 256 Line No.: 24 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 7, 2014, the long-term financing authority, PUCO Case No. 14-304-GE-AIS, was approved to issue securities in the form of Secured and Unsecured notes, Tax Exempt notes, and Capital leases and expires on June 30, 2015. The order provides authorization to issue up to $600 million 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 $450 million of tax-exempt bonds and $100 million of capital leases. Also, the authorization provides the authority to use interest rate hedges to help manage interest rate risk.

On June 17, 2015 the long-term financing authority, PUCO Case No. 15-539-GE-AIS, was approved to issue securities in the form of Secured and Unsecured notes, Tax Exempt notes, and Capital leases and expires on June 30, 2016. The order provides authorization to issue up to $600 million of first mortgage bonds, senior and junior unsecured debentures, or other forms of unsecured indebtedness. Additionally, the authorization provides for the issuance of up $100 million of capital leases. Also, the authorization provides the authority to use interest rate hedges to help manage interest rate risk.

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	5.45% FIRST MORTG BONDS DUE 4/1/19	450,000,000	2,174,657	03/23/2009	04/01/2019
5	3.80% First Mortgage Bonds Due 09/01/23	300,000,000	1,683,500	09/06/2013	09/01/2023
6	Floating Rate Note due 03/06/15	150,000,000	391,500	09/06/2013	03/06/2015
7	5.40% DEBENTURES DUE 6/15/33	200,000,000	1,295,647	06/16/2003	06/15/2033
8	5.375% DEBENTURES DUE 6/15/33	200,000,000	840,299	06/16/2003	06/15/2033
9					
10	MASTER CREDIT FACILITY			11/18/2011	01/31/2020
11					
12	SUBTOTAL ACCOUNT 181				
13					
14					
15	UNAMORTIZED PREMIUM				
16	PURCH ACCTG - 5.40% DEBENTURES DUE 6/15/33	200,000,000	(2,590,117)	04/01/2006	06/15/2033
17	PURCH ACCTG - 6.90% UNSECURED DEBENTURES DUE 6/1/25	150,000,000	(6,459,047)	04/01/2006	06/01/2025
18	SUBTOTAL ACCOUNT 225				
19					
20	UNAMORTIZED DISCOUNT				
21	6.9% UNSECURED DEBENTURES DUE 2025	150,000,000	975,000	06/01/1995	06/01/2025
22	5.45% DEBENTURES DUE 4/1/19	450,000,000	180,000	03/23/2009	04/01/2019
23	5.40% DEBENTURES DUE 6/15/33	200,000,000	35,366,184	06/16/2003	06/15/2033
24	5.375% DEBENTURES DUE 6/15/33	200,000,000	17,312,591	06/16/2003	06/15/2033
25	3.80% First Mortgage Bonds Due 9/01/23	300,000,000	99,000	09/06/2013	09/01/2023
26	SUBTOTAL ACCOUNT 226				
27					
28					
29					
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40					

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4

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	575,963		55,293	520,670
4	950,748		223,706	727,042
5	1,446,094		116,347	1,329,747
6				
7	511,763		27,729	484,034
8	440,769		23,883	416,886
9				
10	2,020,220	434,912	515,233	1,939,899
11				
12	5,945,557	434,912	962,191	5,418,278
13				
14				
15				
16	(1,754,368)	95,059		(1,659,309)
17	(3,512,419)	337,193		(3,175,226)
18	(5,266,787)	432,252		(4,834,535)
19				
20				
21	338,835		32,535	306,300
22	76,322		17,960	58,362
23	21,762,247		1,179,171	20,583,076
24	11,669,686		632,313	11,037,373
25	85,919		9,914	76,005
26	33,933,009		1,871,893	32,061,116
27				
28				
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Schedule Page: 258 Line No.: 10 Column: a

At December 31, 2015, Duke Energy had a Master Credit Facility with a capacity of $7.5 billion that expires in January 2020. The Duke Energy Registrants, excluding Progress Energy (Parent), have borrowing capacity under the Master Credit Facility up to specified sublimits for each borrower. Duke Energy Ohio has a $300 million borrowing limit as of December 31, 2015.

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	04/13/2016	End of 2015/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%	05/01/1995	200,000,000	(3,724,487)	262,735	209,055
4	POLLUTION CONTROL BONDS - 10-1/8% DATED DECEMBER 1, 1985 DUE DECEMBER 1, 2015	12/01/1995	84,000,000	(3,554,482)	57,030	
5	FIRST MORTGAGE BONDS - 10.20% DATED DECEMBER 1, 1990 DUE DECEMBER 1, 2020	10/30/1995	4,000,000	(1,950,399)	161,177	133,936
6	FIRST MORTGAGE BONDS - 8.95% SERIES	03/03/1997	100,000,000	(1,480,555)	145,825	124,860
7	FIRST MORTGAGE BONDS - 8-1/2%	03/30/1998	100,000,000	(987,703)	108,546	94,388
8	FIRST MORTGAGE BONDS - 7.20%	07/14/1999	34,500,000	(316,026)	39,911	35,349
9	OAQD BONDS 1985 A SERIES	10/01/2002	42,000,000	(300,358)	7,319	
10	OAQD BONDS 1985 B SERIES	10/01/2002	42,000,000	(299,568)	7,300	
11	DEBENTURES - 8.28% JR SB	06/30/2003	100,000,000	(3,158,778)	1,087,957	984,342
12	FIRST MORTGAGE BONDS - 7.20%	10/01/2003	265,500,000	(5,485,728)	1,731,963	1,534,024
13	OAQD BONDS 2001 A SERIES	09/01/2010	12,100,000	(534,966)	433,809	410,465
14						
15	TOTAL ACCOUNT 189		984,100,000	(21,793,050)	4,043,572	3,526,419
16						
17	FIRST MORTGAGE BONDS - 7.20%	07/14/1999	34,500,000	1,006,250	362,985	321,501
18						
19	TOTAL ACCOUNT 257		34,500,000	1,006,250	362,985	321,501
20						
21						
22						
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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	04/13/2016	End of 2015/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)	170,511,621
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions In Aid Of Construction	3,004,281
6		
7		
8	TOTAL	3,004,281
9	Deductions Recorded on Books Not Deducted for Return	
10	See Footnote For Details	207,051,393
11		
12		
13	TOTAL	207,051,393
14	Income Recorded on Books Not Included in Return	
15	Equity in Earnings Of Subsidiary	(111,454,464)
16	Allowance For Funds Used During Construction	(3,326,938)
17	Past In-Service Carrying Costs	(1,425,024)
18	TOTAL	(116,206,426)
19	Deductions on Return Not Charged Against Book Income	
20		310,426,645
21		
22		
23		
24		
25		
26	TOTAL	310,426,645
27	Federal Tax Net Income	(46,065,776)
28	Show Computation of Tax:	
29	Tax at 35% of -46,065,776	(16,123,022)
30	Less: NOL's	(17,084,404)
31	Less: Known Tax Reserve Adjustments	418,398
32	Less: Prior Year Adjustments	(14,109,262)
33	Plus: Other	1,922,721
34		
35	Tax of Respondent	(44,905,569)

Schedule Page: 261 Line No.: 10 Column: b

Federal Income Tax Expense - Net of ITC	30,761,344
State Income Tax Expense	831,666
Emission Allowance Expense	501,966
Loss on Reacquired Debt-Amort	517,153
Retirement Plan Expense - Overfunded	566,645
Reg Asset - Distribution Decoupling Rider	594,727
Reg Asset - Rate Case Expense	637,279
Reg Asset Smart Grid Gas Furnace	651,539
Reg Asset - Accr Pension FAS158 - FAS 106	657,131
OFFSITE GAS STORAGE COSTS	696,963
Vacation Carryover - Reg Asset	701,808
Reg Asset Storm Damage Recovery	795,799
FAS 112 Medical Expenses Accrual	834,924
Lobbying	877,000
Non-qualified Pension - Accrual	986,157
Book Capital Lease Meters	1,448,892
Bad Debt Provision	1,618,875
Reg Asset-Pension Post Retirement PAA-FAS 106 and Oth	1,916,160
Tax Interest Capitalized	2,689,129
UNCOLLECTIBLE PROVISION PIP ADJ	2,802,477
ASSET RETIREMENT OBLIGATION	3,072,755
Reg Asset-Pension Post Retirement PAA-FAS87Qual and Oth	3,519,558
Regulatory Asset Supplier Cost Recovery	3,680,424
Section 481(a) Casualty Losses	3,685,294
Regulatory Asset/Liab - Load Factor Adj Rider	4,171,847
Retirement Plan Expense - Underfunded	4,546,616
UNBILLED REVENUE - FUEL	7,222,469
After Tax ADC,M&E,ITC Permanent	9,848,617
Reg Asset - MGP Costs	10,566,315
Demand Side Management (DSM) Defer	11,459,750
Reg Asset Smart Grid Dfd Other O&M	12,836,538
Litigation / Legal Reserve-ST	79,875,000
Other	1,478,576
Total	207,051,393

Schedule Page: 261 Line No.: 20 Column: b

Depreciation Deducted in Excess of Book	97,272,127
T & D Repairs 481(a) (pursuant to 3115)	112,000,000
263A ADJUSTMENT	35,000,000
T & D Repairs - Annual Adj.	14,285,999
After Tax ADC,M&E, ITC Temporary	9,848,617
Reg Asset - Accr Pension FAS158 - FAS87Qual	9,070,575
Regulatory Asset - Base Transmission Rider	5,878,163
Non-Cash Overhead Basis Adj	5,135,132
Leased Meters - Elec & Gas	4,098,836
Reg Asset Smart Grid PISCC	3,236,885
OPEB Expense Accrual	3,097,587
Asset Retirement Costs - ARO	2,271,555
Reg Asset Smart Grid Deferred Depr.	2,025,645

FOOTNOTE DATA

Regulatory Asset - Deferred Plant Costs	1,389,860
Current Portion of Reg Asset	1,351,131
Lease Meters-Current	809,772
ARO Regulatory Asset	801,200
Accrued Vacation	625,463
ANNUAL INCENTIVE PLAN COMP	569,998
Other	1,658,100
Total	310,426,645

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	04/13/2016	End of 2015/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	FEDERAL TAXES		
2	INCOME TAXES	(25,783,191)	
3	FEDERAL INSURANCE	225,224	
4	UNEMPLOYMENT	43,094	
5	HIGHWAY & FUEL		
6			
7			
8			
9			
10	STATE TAXES		
11	INCOME TAXES	2,436,069	
12	UNEMPLOYMENT	315	
13	SALES & USE	154,757	
14	PROPERTY	401,098	
15	EXCISE	12,738,576	
16			
17			
18			
19	OTHER TAXES		
20	LOCAL PROPERTY	128,985,429	
21	CINCINNATI FRANCHISE		
22	OHIO COMMERCIAL	2,580,979	
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
	TOTAL	121,782,350	

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	04/13/2016	End of 2015/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	(44,905,569)	(50,513,868)	680,377	(19,494,515)	
3	7,154,764	7,205,751		174,237	
4	88,214	66,828		64,481	
5	7,725	7,725			
6					
7					
8					
9					
10					
11	(2,231,319)	18,590,225	1,215,106	(17,170,369)	
12	22,255	22,104		466	
13	(112,729)	25,589		16,439	
14	9,392	285,490		125,000	
15	98,336,463	99,709,231		11,365,808	
16					
17					
18					
19					
20	130,298,389	118,470,078		140,813,740	
21	1,025,824				
22	2,259,371	2,566,486	2,016,557	257,307	
23					
24					
25					
26					
27					
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29					
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39					
TOTAL	191,952,780	196,435,639	3,912,040	116,152,594	

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/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	(46,358,332)	22,353,349		(20,900,583)
3	4,973,751	2,181,014		
4	55,452	32,763		
5	4,990	2,735		
6				
7				
8				
9				
10				
11	(2,164,820)	983,297		(1,049,796)
12	13,990	8,266		
13	69,762,958	28,460,779		
14				410,216
15	1,025,776	45		
16				
17				
18				
19				
20	102,946,816	26,950,742		
21				
22	2,259,371			
23				
24				
25				
26				
27				
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36				
37				
38				
39				
TOTAL	132,519,952	80,972,990		(21,540,163)

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	04/13/2016	End of 2015/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.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
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37					
38					
39					
TOTAL					

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Duke Energy Ohio, Inc.	(1) X An Original (2) _ A Resubmission	(Mo, Da, Yr) 04/13/2016	2015/Q4

FOOTNOTE DATA

Schedule Page: 262 Line No.: 2 Column: f

Fin48 & KTRA Adjustments	849,800
Other	(169,423)
	680,377

Schedule Page: 262 Line No.: 11 Column: f

Fin48 & KTRA Adjustments	1,044,650
Other	170,456
Total	1,215,106

Schedule Page: 262 Line No.: 22 Column: f

Adjustment includes reclass with other 236 accounts

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	04/13/2016	End of 2015/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	Litigation Reserve Accrued	79,875,000
2	MISO MTEP Short Term Accruals	3,945,000
3	Vacation Entitlement Reserve	3,727,291
4	Collateral Liab	3,292,000
5	Wages Payable Accrual	2,819,000
6	FAS 158 Liabilities	2,393,608
7	Retirement Bank Accrual	1,975,596
8	Provision for Incentive Ben Prog	1,622,911
9	Contract Retentions	552,593
10	Deferred Revenue Payable - Other	119,116
11	Employee Other Insurance Deductions	6,886
12		
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14		
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45	**Total**	**100,329,001**

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	900,000	146 & 235	100,000	250,000	1,050,000
2						
3	Gas Refund and Recon. Adj.					
4	- Due Customers	2,314	Various	4,485	20,885	18,714
5						
6	Employee Postretirement Benefit					
7	Cost - DP&L	(2,298)	Various	271	50	(2,519)
8						
9	Postretirement Benefits Health					
10	Care DP&L/CSP Share	(3,347)			68	(3,279)
11						
12	Pension Cost Adj.					
13	- DP&L/CSP Share	156,761	Various	116	5	156,650
14						
15						
16						
17	Pension Cost Adj. - FAS 106	15,528,424	Various	2,475,361	2,997,239	16,050,302
18						
19	SmartGrid Reserve	402,586	903	402,586		
20						
21	Deferred Credit Affiliate					
22	- Gain on Sale of I/C Inventory	362,657	411 & 146	362,657		
23						
24	Misc. Deferred Credits	(134,023)	Various	153,735	145,029	(142,729)
25						
26	MISO MTEP Accrual	69,692,526	Various	211,364,110	209,723,787	68,052,203
27						
28	2015 Economic Contribution Accruals		186	4,000,000	7,240,327	3,240,327
29						
30	2012 Gas/Elec Rate Case Contribution					
31	Accrual (2013-2015)	700,000	232	350,000		350,000
32						
33	MGP Reserve		Various	250,642	53,654,642	53,404,000
34						
35						
36						
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43						
44						
45	**Total**	**87,605,600**		**219,463,963**	**274,032,032**	**142,173,669**

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	594,833,204	118,180,684	47,949,938
3	Gas	332,144,096	40,876,853	22,616,111
4	Other (Define) (footnote details)			
5	Total (Enter Total of lines 2 thru 4)	926,977,300	159,057,537	70,566,049
6	Other (Specify) (footnote details)	9,338,383	21,555,501	1,240,443
7	TOTAL Account 282 (Enter Total of lines 5 thr	936,315,683	180,613,038	71,806,492
8	Classification of TOTAL			
9	Federal Income Tax	928,018,254	177,044,128	70,132,245
10	State Income Tax	8,297,429	3,568,910	1,674,247
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	5,954,563	659,109,387
3					Footnote	708,208	349,696,630
4							
5						6,662,771	1,008,806,017
6	457,217	100,574	Footnote	739,387			30,749,471
7	457,217	100,574		739,387		6,662,771	1,039,555,488
8							
9	448,857	98,735		739,387		6,142,458	1,029,877,188
10	8,360	1,839				520,313	9,678,300
11							

Schedule Page: 274 Line No.: 6 Column: b

	Beginning Balance
Property, Plant & Equipment - ARAM	422,811,431
Property, Plant & Equipment - Repairs	105,332,685
Property, Plant & Equipment - DTL	81,144,437
263A Adjustment	(7,204,862)
Book Capitalized Interest - FAS 34	5,484,854
Casualty Loss	3,525,213
Self-Developed Software	2,609,750
Impairment of Plant Assets	(604,306,324)
Depreciation	(7,288,316)
Tax Interest Capitalized	(7,232,786)
Other	52,577
	9,338,383

Schedule Page: 274 Line No.: 6 Column: k

	Ending Balance
Property, Plant & Equipment - ARAM	422,811,431
Property, Plant & Equipment - Repairs	105,332,685
Property, Plant & Equipment - DTL	81,144,437
263A Adjustment	(7,204,862)
Book Capitalized Interest - FAS 34	5,484,854
Casualty Loss	3,525,213
Self-Developed Software	2,609,750
Impairment of Plant Assets	(604,306,324)
Depreciation	14,125,882
Tax Interest Capitalized	(7,232,786)
Other	49,467
	30,749,471

Schedule Page: 274 Line No.: 2 Column: i

Adjustments Include:

- Transactions with Account Groups 182, 283, and 254
- Reclassifications between Electric - Utility and Other

Schedule Page: 274 Line No.: 3 Column: i

Adjustments Include:

- Transactions with Account Groups 182, 283, and 254
- Reclassifications between Electric - Utility and Other

Schedule Page: 274 Line No.: 6 Column: g

Adjustments Include:

- Reclassifications due to restructuring of Duke Energy Ohio

Schedule Page: 274 Line No.: 2 Column: k

FOOTNOTE DATA

PJM FERC Electric Tarriff Attachement H-22A excludes FAS 106 and FAS 109 related items

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	04/13/2016	End of 2015/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	82,769,814	8,890,265	29,119,445
3	Gas	84,000,533	1,872,757	19,397,781
4	Other (Define) (footnote details)			
5	Total (Total of lines 2 thru 4)	166,770,347	10,763,022	48,517,226
6	Other (Specify) (footnote details)	(32,611,838)	89,896	1,482,304
7	TOTAL Account 283 (Total of lines 5 thru	134,158,509	10,852,918	49,999,530
8	Classification of TOTAL			
9	Federal Income Tax	129,669,441	10,654,493	49,085,391
10	State Income Tax	4,489,068	198,425	914,139
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	04/13/2016	End of 2015/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	90,476			62,631,110
3			Footnote	53,373			66,528,882
4							
5				143,849			129,159,992
6	32,834,456	12,267					(1,182,057)
7	32,834,456	12,267		143,849			127,977,935
8							
9	32,234,145	12,043		115,516			123,576,161
10	600,311	224		28,333			4,401,774
11							

Schedule Page: 276 Line No.: 6 Column: b

	Beginning Balance
Regulatory Asset - Accrued Pension - FAS 158	29,207,312
Other	3,404,526
	32,611,838

Schedule Page: 276 Line No.: 6 Column: k

	Ending Balance
Other	1,182,058

Schedule Page: 276 Line No.: 2 Column: g

Adjustments include FAS158 reclassifications

Schedule Page: 276 Line No.: 3 Column: g

Adjustments include FAS158 reclassifications

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	04/13/2016	End of 2015/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	2,003,644				4,904,922	6,908,566
2							
3	Supplier Cost Recovery Liability					774,640	774,640
4	Order # 11-3549-EL-SSO						
5							
6	Bad Debt Expense Over Collection	8,554,998	182.3	26,632,809		26,987,801	8,909,990
7	Order # 09-773-GA-UEX						
8							
9	Ohio Distribution Decoupling Rider	236,584	182.3	236,584			
10	(Amortized in accordance with revenue rider)						
11	Order # 11-5905-EL-RDR						
12							
13	Alternative Energy Recovery Rider	87,248	182.3	394,747		307,499	
14	(Amortized in accordance with revenue rider)						
15	Order # 11-3549--EL-SSO						
16							
17	Load Factor Adjustment Deferred Liability		456	1,672,736		2,270,484	597,748
18	Order # 11-3549-EL-SSO						
19							
20	Distribution Storm Rider Liability		593	2,200,000		2,995,799	795,799
21	Order # 14-841-EL-SSO						
22							
23							
24							
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43							
44							
45	**Total**	**10,882,474**	[redacted]	**31,136,876**	**0**	**38,241,145**	**17,986,743**

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/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)	934,746			15,825,522	15,825,522
2	Transportation of Gas for Others (489.2 and 489..3)					
3	Rate- Case #PRO-27				10,013	10,013
4	Rate FT	1,618,835			12,772,089	12,772,089
5	Rate IT	1,543,929			1,289,143	1,289,143
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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	04/13/2016	End of 2015/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)	3,162,764			14,071,245	14,071,245
64	Storage (489.4)					
65						
66						
67						
68						
69						
70						
71						
72						
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75						
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77						
78						
79						
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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)				409,399	409,399
98	Other Gas Revenues (495)				(68)	(68)
99	(Less) Provision for Rate Refunds					
100	Total Additional Revenues				409,331	409,331
101	Total Operating Revenues (Total of Lines 1,63,90,94 & 100)	4,097,510			30,306,098	30,306,098

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/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	1,713,718			18,453,331	18,453,331	2,267,576			20,188,318	20,188,318
2	[redacted]									
3				16,008	16,008				18,592	18,592
4	2,802,202			14,631,688	14,631,688	3,759,034			14,712,154	14,712,154
5	1,626,789			1,353,068	1,353,068	1,728,561			1,478,062	1,478,062
6										
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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										
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53										
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56										
57										
58										
59										
60										
61										
62										
63	4,428,991			16,000,764	16,000,764	5,487,595			16,208,808	16,208,808
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67										
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95										
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97				414,175	414,175				414,175	414,175
98				567	567				949	949
99										
100				414,742	414,742				415,124	415,124
101	6,142,709			34,868,837	34,868,837	7,755,171			36,812,250	36,812,250

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/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 Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/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	190,310,127	190,380,665	190,310,127	190,380,665	15,688,512	15,800,503
2	64,713,799	70,894,002	64,713,799	70,894,002	6,198,177	6,930,347
3	4,382,796	4,833,807	4,382,796	4,833,807	495,474	544,565
4						
5	502,253	944,813	502,253	944,813	355,919	776,983
6						
7						
8	270,720	326,299	270,720	326,299		
9						
10						
11	181,355,381	180,895,226	181,355,381	180,895,226	53,116,987	57,202,585
12						
13						
14						
15						
16	5,076,446	5,245,837	5,076,446	5,245,837		
17						
18	8,784	11,955	8,784	11,955		
19	446,620,306	453,532,604	446,620,306	453,532,604		
20						
21	446,620,306	453,532,604	446,620,306	453,532,604		

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	04/13/2016	End of 2015/Q4

Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction 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 Current Year (d)
1	NOT APPLICABLE				
2					
3					
4					
5					
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23					
24					
25					

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4

Revenues from Transporation of Gas of Others Through Gathering Facilities (Account 489.1)

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).
4. Delivered Dth of gas must not be adjusted for discounting.

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						
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25						

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	04/13/2016	End of 2015/Q4

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (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	NOT APPLICABLE				
2					
3					
4					
5					
6					
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25					

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	04/13/2016	End of 2015/Q4

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

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						
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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	04/13/2016	End of 2015/Q4

Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction 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)
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2					
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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	04/13/2016	End of 2015/Q4

Revenues from Storing Gas of Others (Account 489.4)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

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)
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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	04/13/2016	End of 2015/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	8,784
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14		
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35		
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37		
38		
39		
	Total	**8,784**

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	04/13/2016	End of 2015/Q4

Discounted Rate Services and Negotiated Rate Services

1. In column b, report the revenues from discounted rate services.
2. In column c, report the volumes of discounted rate services.
3. In column d, report the revenues from negotiated rate services.
4. In column e, report the volumes of negotiated rate services.

Line No.	Account (a)	Discounted Rate Services Revenue (b)	Discounted Rate Services Volumes (c)	Negotiated Rate Services Revenue (d)	Negotiated Rate Services Volumes (e)
1	Account 489.1, Revenues from transportation of gas of others through gathering facilities.				
2	Account 489.2, Revenues from transportation of gas of others through transmission facilities.				
3	Account 489.4, Revenues from storing gas of others.				
4	Account 495, Other gas revenues.				
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34					
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37					
38					
39					
	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	04/13/2016	End of 2015/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)	2,656,508	3,774,570
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

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

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	102,806,860	147,996,008
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	(4,518,731)	(20,673,216)
76	(Less) 805.1 Purchases Gas Cost Adjustments	0	0
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	98,288,129	127,322,792
78	806 Exchange Gas	2,179,023	(1,877,570)
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	809,112	832,176
82	807.3 Maintenance of Purchased Gas Measuring Stations	199,616	112,937
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	313,256	341,665
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	1,321,984	1,286,778

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)	101,789,136	126,732,000
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	104,445,644	130,506,570
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

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

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

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	2,352	1,106
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	2,352	1,106
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)	2,352	1,106
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	476,846	184,042
205	871 Distribution Load Dispatching	603,900	747,747
206	872 Compressor Station Labor and Expenses	0	0
207	873 Compressor Station Fuel and Power	0	0

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	11,544,448	9,726,576
209	875 Measuring and Regulating Station Expenses-General	89,854	87,164
210	876 Measuring and Regulating Station Expenses-Industrial	90,622	84,443
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	0	0
212	878 Meter and House Regulator Expenses	6,585,595	5,850,343
213	879 Customer Installations Expenses	6,453,127	7,307,163
214	880 Other Expenses	5,193,169	3,780,162
215	881 Rents	0	0
216	TOTAL Operation (Total of lines 204 thru 215)	31,037,561	27,767,640
217	Maintenance		
218	885 Maintenance Supervision and Engineering	240,247	181,456
219	886 Maintenance of Structures and Improvements	0	0
220	887 Maintenance of Mains	4,006,926	3,828,664
221	888 Maintenance of Compressor Station Equipment	0	0
222	889 Maintenance of Measuring and Regulating Station Equipment-General	101,864	128,196
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	8,587	13,147
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	0	0
225	892 Maintenance of Services	322,511	401,465
226	893 Maintenance of Meters and House Regulators	1,159,151	835,797
227	894 Maintenance of Other Equipment	100,363	157,123
228	TOTAL Maintenance (Total of lines 218 thru 227)	5,939,649	5,545,848
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	36,977,210	33,313,488
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	51,174	34,665
233	902 Meter Reading Expenses	1,029,671	1,435,879
234	903 Customer Records and Collection Expenses	11,783,444	11,676,018

Gas Operation and Maintenance Expenses(continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts	14,667,979	8,723,956
236	905 Miscellaneous Customer Accounts Expenses	3,307	1,660
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	27,535,575	21,872,178
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision	0	0
241	908 Customer Assistance Expenses	670,404	703,134
242	909 Informational and Instructional Expenses	14,286	7,634
243	910 Miscellaneous Customer Service and Informational Expenses	3,872,805	4,778,424
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	4,557,495	5,489,192
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision	0	0
248	912 Demonstrating and Selling Expenses	299,500	660,216
249	913 Advertising Expenses	4,168	26,819
250	916 Miscellaneous Sales Expenses	0	0
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	303,668	687,035
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries	7,728,085	6,649,229
255	921 Office Supplies and Expenses	4,702,843	4,491,047
256	(Less) 922 Administrative Expenses Transferred-Credit	0	0
257	923 Outside Services Employed	3,221,523	3,635,528
258	924 Property Insurance	380,948	237,679
259	925 Injuries and Damages	1,494,153	1,337,973
260	926 Employee Pensions and Benefits	8,221,330	7,500,457
261	927 Franchise Requirements	0	0
262	928 Regulatory Commission Expenses	700,360	734,658
263	(Less) 929 Duplicate Charges-Credit	772,068	545,377
264	930.1General Advertising Expenses	47,446	112,868
265	930.2Miscellaneous General Expenses	1,269,248	687,768
266	931 Rents	1,694,573	1,858,189
267	TOTAL Operation (Total of lines 254 thru 266)	28,688,441	26,700,019
268	Maintenance		
269	932 Maintenance of General Plant	104,420	17,556
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	28,792,861	26,717,575
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	202,614,805	218,587,144

FOOTNOTE DATA

Schedule Page: 317 Line No.: 3 Column: b

OPERATION:	**2015**
711 Gas Boiler Labor	$ 15,647
712 Other Power Expenses	14,593
717 Liquified Petroleum Gas Expenses	70,870
728 Liquified Petroleum Gas	1,107,888
735 Misc. Production Expense	364,931
736 Gas Raw Material - Rents	622,591
Total Operation	**$ 2,196,520**
MAINTENANCE:	
742 Production Equipment	$ 459,988
Total Maintenance	**$ 459,988**
Total Manufactured Gas Production	**$ 2,656,508**

Schedule Page: 317 Line No.: 3 Column: c

OPERATION:	**2014**
711 Gas Boiler Labor	$ 24,697
712 Other Power Expenses	14,351
717 Liquified Petroleum Gas Expenses	101,074
728 Liquified Petroleum Gas	2,125,509
735 Misc. Production Expense	417,182
736 Gas Raw Material - Rents	614,092
Total Operation	**$ 3,296,905**
MAINTENANCE:	
742 Production Equipment	$ 477,665
Total Maintenance	**$ 477,665**
Total Manufactured Gas Production	**$ 3,774,570**

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	04/13/2016	End of 2015/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	(1,345,882)	(182,753)	(1,345,882)	(182,753)
2	Duke Energy Ohio Enhanced Firm Balancing Service	3,396,374	1,377,792	3,396,374	1,377,792
3					
4					
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23					
24					
25	**Total**	**2,050,492**	**1,195,039**	**2,050,492**	**1,195,039**

Gas Used in Utility Operations

1. Report below details of credits during the year to Accounts 810, 811, and 812.
2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
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7						
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24						
25	**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	04/13/2016	End of 2015/Q4

Transmission and Compression of Gas by Others (Account 858)

1. Report below details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000) Dth may be grouped. Also, include in column (c) amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No.	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1				
2				
3				
4				
5				
6				
7				
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10				
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22				
23				
24				
25	**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	04/13/2016	End of 2015/Q4

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of $250,000 or more.

Line No.	Description (a)	Amount (in dollars) (b)
1	None	
2		
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4		
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24		
25	**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	04/13/2016	End of 2015/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.	92,711
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	5,645
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	(73,338)
6	Dues and Subscriptions to Various Organizations	460,577
7	Director's Fees and Expenses	81,023
8	Shareholder's Communications/Systems	390
9	Account Analysis Reconciliation Adjustments	702,245
10	Leased Circuit Charges - Other	(5)
11		
12		
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24		
25	**Total**	1,269,248

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	04/13/2016	End of 2015/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				827,104
2	Production plant, manufactured gas	373,580			
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	38,764,202			
10	General plant	2,444,077			822,255
11	Common plant-gas	5,000,873			962,846
12	TOTAL	46,582,732			2,612,205

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			827,104	Intangible plant
2			373,580	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			38,764,202	Distribution plant
10			3,266,332	General plant
11			5,963,719	Common plant-gas
12			49,194,937	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	04/13/2016	End of 2015/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)		
4	Underground Gas Storage Plant (footnote details)	17,245	2.17
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	52,808	6.36
9	Distribution Plant	1,824,500	2.37
10	Intangible Plant	17,618	7.68
11			
12			
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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	04/13/2016	End of 2015/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 Community Involvement	361,419
6	Marketing Expenses	407,703
7	Customer Assistance Program	200,149
8	Items Under Threshold	158,857
9		
10	Account 426.2 Life Insurance:	
11	Items Under Threshold	(10,432)
12		
13	Account 426.3 Penalties:	
14	Items Under Threshold	694
15		
16	Account 426.4 Expenditures:	
17	Civic, Political & Related Activities	1,357,440
18		
19	Account 426.5 Other Deductions:	
20	Commercial Power Litigation Expenses	72,294,338
21	Loss on the sale of Airplane	198,145
22	Sale of A/R Fees	1,066,734
23	Items Under Threshold	64,282
24		
25	Total Account 426	76,099,329
26		
27	Account 430 Interest on Debt to Associated Companies:	
28	Money Pool - Duke Energy Ohio to Duke Energy Carolinas	32,528
29	Money Pool - Duke Energy Ohio to Duke Energy Corporation	30,276
30	Money Pool - Duke Energy Ohio to Duke Energy Progress	18,935
31	Money Pool - Duke Energy Ohio to Progress Energy Service Company	11,249
32	Money Pool - Duke Energy Ohio to Duke Energy Indiana	6,679
33	Money Pool - Duke Energy Ohio to Duke Energy Florida	87
34	Money Pool - Duke Energy Ohio to Duke Energy Kentucky	15
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	04/13/2016	End of 2015/Q4

Particulars Concerning Certain Income Deductions and Interest Charges Accounts (continued)

Line No.	Item (a)	Amount (b)
1	Total Account 430	99,769
2		
3	Account 431 Other Interest Expense:	
4	Certified Retail Energy Suppliers	19,567
5	Customer Service Deposits @ 3% Annum	849,324
6	Capital Meter Lease Interest	566,195
7	Deferred Compensation for Board of Directors	23,560
8	Interest - Assigned from Service Company	380,129
9	Credit Facility	680,118
10	Items Under Threshold	5,071
11		
12	Total 431	2,523,964
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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	04/13/2016	End of 2015/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)	461,106		461,106	
4	Ohio Consumers' Council	79,118		79,118	
5	PUCO - Division of Forecasting	52,386		52,386	
6					
7	Electric Related				
8	Public Utilities Commission of Ohio	1,102,126		1,102,126	
9	Ohio Consumers' Council	189,107		189,107	
10	PUCO - Division of Forecasting	106,857		106,857	
11					
12	Pipeline Safety Fund				
13	PUCO Assessment	21,308		21,308	
14					
15	Public Utilities Commission of Ohio				
16	Case No. 12-1682-EL-AIR				
17	Request for Rate Increase - Electric		129,000	129,000	172,000
18					
19	Case No. 12-1685-GA-AIR				
20	Request for Rate Increase - Gas		86,442	86,442	317,250
21					
22					
23					
24					
25	**Total**	2,012,008	215,442	2,227,450	489,250

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/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	461,106				
4	Gas	928	79,118				
5	Gas	928	52,386				
6							
7							
8	Electric	928	1,102,126				
9	Electric	928	189,107				
10	Electric	928	106,857				
11							
12							
13	Gas	928	21,308				
14							
15							
16							
17	Electric	928	129,000			129,000	43,000
18							
19							
20	Gas	928	86,442			81,000	236,250
21							
22							
23							
24							
25			2,227,450			210,000	279,250

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	04/13/2016	End of 2015/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	5,836,791
2	Pensions – other	2,162,069
3	Post-retirement benefits other than pensions (PBOP)	1,328,832
4	Post- employment benefit plans	1,655,823
5	Other (Specify)	
6	Medical and Dental	5,053,230
7	Vacation Carryover	
8	Life Insurance	51,553
9	Service/Safety Awards	38,651
10	Other Work/Family Benefits/Tuition	23,970
11	MSA/DCSA Fees	
12	Benefits Distribution	10,013,658
13	Other	(242,318)
14		
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	Total	**25,922,259**

Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report 2015/Q4

FOOTNOTE DATA

Schedule Page: 352 Line No.: 12 Column: b

Includes allocated benefits from 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.: 40 Column: b

Total includes electric and gas expense

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	3	1,998	120	2,121
4	Transmission	822,442	4,134,280	297,012	5,253,734
5	Distribution	6,483,367	8,989,566	927,153	16,400,086
6	Customer Accounts	2,083,484	10,385,326	747,143	13,215,953
7	Customer Service and Informational	99,197	906,954	60,290	1,066,441
8	Sales				
9	Administrative and General	(32,542)	19,537,969	1,168,784	20,674,211
10	TOTAL Operation (Total of lines 3 thru 9)	9,455,951	43,956,093	3,200,502	56,612,546
11	Maintenance				
12	Production	70,413	2,586,686		2,657,099
13	Transmission	730,296	1,498,161		2,228,457
14	Distribution	7,702,384	5,856,695		13,559,079
15	Administrative and General	206,587	301,976		508,563
16	TOTAL Maintenance (Total of lines 12 thru 15)	8,709,680	10,243,518		18,953,198
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)	70,416	2,588,684	120	2,659,220
19	Transmission (Total of lines 4 and 13)	1,552,738	5,632,441	297,012	7,482,191
20	Distribution (Total of lines 5 and 14)	14,185,751	14,846,261	927,153	29,959,165
21	Customer Accounts (line 6)	2,083,484	10,385,326	747,143	13,215,953
22	Customer Service and Informational (line 7)	99,197	906,954	60,290	1,066,441
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)	174,045	19,839,945	1,168,784	21,182,774
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)	18,165,631	54,199,611	3,200,502	75,565,744
26	Gas				
27	Operation				
28	Production - Manufactured Gas	225,202	23,157	3,836	252,195
29	Production - Natural Gas(Including Exploration and Development)				
30	Other Gas Supply	36,682	788,813	12,750	838,245
31	Storage, LNG Terminaling and Processing				
32	Transmission				
33	Distribution	5,172,767	7,407,658	194,314	12,774,739
34	Customer Accounts	739,546	5,250,947	92,528	6,083,021
35	Customer Service and Informational	59,676	1,131,189	18,394	1,209,259
36	Sales				
37	Administrative and General	1,784	6,153,001	95,066	6,249,851
38	TOTAL Operation (Total of lines 28 thru 37)	6,235,657	20,754,765	416,888	27,407,310
39	Maintenance				
40	Production - Manufactured Gas	164,769	72,461		237,230
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission				
45	Distribution	1,511,879	1,029,203		2,541,082

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		16		16
47	TOTAL Maintenance (Total of lines 40 thru 46)	1,676,648	1,101,680		2,778,328
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)	389,971	95,618	3,836	489,425
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)				
52	Other Gas Supply (Total of lines 30 and 42)	36,682	788,813	12,750	838,245
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)	6,684,646	8,436,861	194,314	15,315,821
56	Customer Accounts (Total of line 34)	739,546	5,250,947	92,528	6,083,021
57	Customer Service and Informational (Total of line 35)	59,676	1,131,189	18,394	1,209,259
58	Sales (Total of line 36)				
59	Administrative and General (Total of lines 37 and 46)	1,784	6,153,017	95,066	6,249,867
60	Total Operation and Maintenance (Total of lines 50 thru 59)	7,912,305	21,856,445	416,888	30,185,638
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	26,077,936	76,056,056	3,617,390	105,751,382
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant	17,366,083	15,507,817		32,873,900
67	Gas Plant	5,284,230	9,314,559		14,598,789
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	22,650,313	24,822,376		47,472,689
70	Plant Removal (By Utility Departments)				
71	Electric Plant	3,188,257	1,109,351		4,297,608
72	Gas Plant	634,171	241,240		875,411
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)	3,822,428	1,350,591		5,173,019
75	Other Accounts (Specify) (footnote details)	(10,189,588)	13,562,250		3,372,662
76	TOTAL Other Accounts	(10,189,588)	13,562,250		3,372,662
77	TOTAL SALARIES AND WAGES	42,361,089	115,791,273	3,617,390	161,769,752

Schedule Page: 354 Line No.: 75 Column: b	
Projects for Duke Subsidiaries and Merchandising	$ 268,212
Other Work in Progress	($10,471,968)
Other Accounts	$ 14,168
Schedule Page: 354 Line No.: 75 Column: c	
Projects for Duke Subsidiaries and Merchandising	$ 178,514
Other Work in Progress	$10,771,016
Other Accounts	$ 2,612,720
Schedule Page: 354 Line No.: 75 Column: e	
Projects for Duke Subsidiaries and Merchandising	$ 446,726
Other Work in Progress	$ 299,048
Other Accounts	$ 2,626,888

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	04/13/2016	End of 2015/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	ACCENTURE LLP - CONSULTING - FINANCE, IT	2,950,478
2	INTERNATIONAL BUSINESS MACHINES CORP - CONSULTING - IT	1,508,858
3	ICF RESOURCES LLC - CONSULTING - IT	816,125
4	SIDLEY AUSTIN LLP - CONSULTING - LEGAL SERVICES	772,529
5	UBISENSE INC - CONSULTING - ASSET MANAGEMENT	638,539
6	K&L GATES LLP - CONSULTING - LEGAL SERVICES	622,367
7	PRICE WATERHOUSE COOPERS LLP - CONSULTING - REGULATORY	575,307
8	ERNST & YOUNG LLP - CONSULTING - REGULATORY	488,566
9	ETERA CONSULTING - CONSULTING - SOFTWARE	443,255
10	PORTER WRIGHT MORRIS & ARTHUR - LEGAL SERVICES - REGULATORY	313,685
11	ELECTRIC POWER RESEARCH INSTITUTE EPRI - CONSULTING - ELECTRICITY	306,158
12	PROCUREMENT AUCTION	
13	OTHER	4,683,912
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15	TOTAL	14,119,779
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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	04/13/2016	End of 2015/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	Duke Energy Business Services, LLC	Various	368,880,229
3	Customer and Market Services	Duke Energy Florida, LLC	Various	466,985
4	Generation Services	Duke Energy Florida, LLC	Various	20,680
5	Other Goods and Services	Duke Energy Florida, LLC	Various	5,490
6	Transmission and Distribuion Services	Duke Energy Florida, LLC	Various	185,051
7	Customer and Market Services	Duke Energy Indiana, LLC	Various	76,189
8	Generation Services	Duke Energy Indiana, LLC	Various	1,606
9	Other Goods and Services	Duke Energy Indiana, LLC	Various	5,537
10	Transmission and Distribuion Services	Duke Energy Indiana, LLC	Various	4,784,192
11	Other Goods and Services	Duke Energy Kentucky, Inc.	Various	29,202
12	Customer and Market Services	Duke Energy Kentucky, Inc.	Various	30,151
13	Gas Distribution Services	Duke Energy Kentucky, Inc.	Various	1,356,725
14	Generation Services	Duke Energy Kentucky, Inc.	Various	(543)
15	Transmission and Distribution Services	Duke Energy Kentucky, Inc.	Various	1,098,534
16	Customer and Market Services	Duke Energy Progress, LLC	Various	1,293,387
17	Generation Services	Duke Energy Progress, LLC	Various	18,280
18	Other Goods and Services	Duke Energy Progress, LLC	Various	76,141
19	Transmission and Distribution Services	Duke Energy Progress, LLC	Various	904,920
20	Goods or Services Provided for Affiliated Company			
21	Duke Energy Ohio provided services to Duke Energy CAM	Duke Energy CAM	Various	991,290
22	Duke Energy Ohio provided services to Duke Energy Beckjord, LLC	Duke Energy Beckjord, LLC	Various	604,986
23	Duke Energy Ohio provided services to Duke Energy Business Services, LLC	Duke Energy Business Services, LLC	Various	12,141,468
24	Customer and Market Services	Duke Energy Carolinas, LLC	Various	309
25	Gas Distribution Services	Duke Energy Carolinas, LLC	Various	75,492
26	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	326,222
27	Generation Services	Duke Energy Carolinas, LLC	Various	35,639
28	Duke Energy Ohio provided services to Duke Energy Conesville, LLC	Duke Energy Conesville, LLC	Various	1,104,942
29	Duke Energy Ohio provided services to Duke Energy Fayette II	Duke Energy Fayette II	Various	2,934,075
30	Duke Energy Ohio provided services to Duke Energy Hanging Rock II	Duke Energy Hanging Rock II	Various	3,321,239
31	Duke Energy Ohio provided services to Duke Energy Zimmer, LLC	Duke Energy Zimmer, LLC	Various	20,143,031
32	Customer and Market Services	Duke Energy Indiana, LLC	Various	14,870
33	Gas Distribution Services	Duke Energy Indiana, LLC	Various	23,469
34	Other Goods and Services	Duke Energy Indiana, LLC	Various	227,463
35	Transmission and Distribution Services	Duke Energy Indiana, LLC	Various	1,916,649
36	Generation Services	Duke Energy Indiana, LLC	Various	(17,796)
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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	04/13/2016	End of 2015/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	Customer and Market Services	Duke Energy Carolinas, LLC	Various	24,512,654
3	Gas Distribution Services	Duke Energy Carolinas, LLC	Various	435,508
4	Other Goods and Services	Duke Energy Carolinas, LLC	Various	622,151
5	Transmission and Distribution Services	Duke Energy Carolinas, LLC	Various	3,077,707
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20	Goods or Services Provided for Affiliated Company			
21	Customer and Market Services	Duke Energy Kentucky, Inc.	Various	179,099
22	Gas Distribution Services	Duke Energy Kentucky, Inc.	Various	3,617,310
23	Other Goods and Services	Duke Energy Kentucky, Inc.	Various	243,457
24	Transmission and Distribution Services	Duke Energy Kentucky, Inc.	Various	6,403,105
25	Generation Services	Duke Energy Kentucky, Inc.	Various	1,624,309
26				
27	Duke Energy Ohio provided services to Duke Energy Killen, LLC	Duke Energy Killen, LLC	Various	1,150,783
28	Duke Energy Ohio provided services to Duke Energy Lee II	Duke Energy Lee II	Various	738,080
29	Duke Energy Ohio provided services to Duke Energy Miami Fort, LLC	Duke Energy Miami Fort, LLC	Various	13,221,909
30	Duke Energy Ohio provided services to Duke Energy Stuart, LLC	Duke Energy Stuart, LLC	Various	4,613,516
31	Duke Energy Ohio provided services to Duke Energy Washington II	Duke Energy Washington II	Various	1,422,208
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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/Millions of Instructions per Second
- 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

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

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	04/13/2016	End of 2015/Q4

Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.
2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1				
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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	04/13/2016	End of 2015/Q4

Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4

Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May			
7	June			
8	July			
9	August			
10	September			
11	October			
12	November			
13	December			
14	TOTAL (Total of lines 2 thru 13)			
15	Gas Withdrawn from Storage			
16	January			
17	February			
18	March			
19	April			
20	May			
21	June			
22	July			
23	August			
24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 thru 27)			

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	04/13/2016	End of 2015/Q4

Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of Injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

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	04/13/2016	End of 2015/Q4

Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1			
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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	04/13/2016	End of 2015/Q4

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date:			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Describe) (footnote details)			
7	TOTAL			
8	Volumes of gas Withdrawn form Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Describe) (footnote details)			
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Describe) (footnote details)			
18	TOTAL			
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates:			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Describe) (footnote details)			
26	TOTAL			
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Describe) (footnote details)			
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Describe) (footnote details)			
37	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	04/13/2016	End of 2015/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 Ave - Ohio	Liquid Petroleum Gas Installation	91,000	12,728,975	Yes
2	Dicks Creek - Ohio	Liquid Petroleum Gas Installation		4,117,572	No
3	Erlanger KY - Owned by Duke KY	Liquid Petroleum Gas Installation	44,940	7,614,969	Yes
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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	04/13/2016	End of 2015/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)		21,947,492	
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	52,270,725	
7	Gas of Others Received for Contract Storage (Account 489.4)	307		
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328	1,195,039	
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)		83,167	
16	Total Receipts (Total of lines 3 thru 15)		75,496,423	
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		21,543,039	
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	53,116,987	
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	1,195,039	
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		49,781	
30	Total Deliveries (Total of lines 18 thru 29)		75,904,846	
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		(408,423)	
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		75,496,423	

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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
1	**SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)**				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	**Total Shipper Supplied Gas**				
8	**LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)**				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	**Total gas used in compressors**				
15	**LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)**				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	**Total Gas Used For Other Deliveries And Gas Used For Other Operations**				
23	**LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)**				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission				
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	**Total Gas Lost And Unaccounted For**				

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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 1 Discounted rate Dth (b)	Month 1 Negotiated Rate Dth (c)	Month 1 Recourse Rate Dth (d)	Month 1 Total Dth (e)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	**Total Net Excess Or (Deficiency)**				
38	**DISPOSITION OF EXCESS GAS:**				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	**Total Disposition Of Excess Gas**				
52	**GAS ACQUIRED TO MEET DEFICIENCY:**				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	**Total Gas Acquired To Meet Deficiency**				
	SEPARATION OF FORWARDHAUL AND BACKHAUL THROUGHPUT				
66	Forwardhaul Volume in Dths for the Quarter				
67	Backhaul Volume in Dths for the Quarter				
68	**TOTAL (Lines 66 and 67)**				

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
1	**SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)**				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	**Total Shipper Supplied Gas**				
8	**LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)**				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	**Total gas used in compressors**				
15	**LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)**				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	**Total Gas Used For Other Deliveries And Gas Used For Other Operations**				
23	**LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)**				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission				
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	**Total Gas Lost And Unaccounted For**				

Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 2 Discounted rate Dth (p)	Month 2 Negotiated Rate Dth (q)	Month 2 Recourse Rate Dth (r)	Month 2 Total Dth (s)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	**Total Net Excess Or (Deficiency)**				
38	**DISPOSITION OF EXCESS GAS:**				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
45					
46					
47					
48					
49					
50					
51	**Total Disposition Of Excess Gas**				
52	**GAS ACQUIRED TO MEET DEFICIENCY:**				
53	System gas				
54	Purchased gas				
55	Other (list)				
56					
57					
58					
59					
60					
61					
62					
63					
64					
65	**Total Gas Acquired To Meet Deficiency**				

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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter

1. Report monthly (1) shipper supplied gas for the current quarter and gas consumed in pipeline operations, (2) the disposition of any excess, the accounting recognition given to such disposition and the specific account(s) charged or credited, and (3) the source of gas used to meet any deficiency, the accounting recognition given to the gas used to meet the deficiency, including the accounting basis of the gas and the specific account(s) charged or credited.
2. On lines 7, 14, 22 and 30 report only the dekatherms of gas provided by shippers under tariff terms and conditions for gathering , production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dekatherms must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 24-29. The dekatherms must be reported in column (d) unless the company has discounted or negotiated rates which should be reported in columns (b) and (c).
3. On lines 7, 14, 22 and 30 report only the dollar amounts of gas provided by shippers under tariff terms and conditions for gathering, production/ extraction/processing, transmission, distribution and storage service and the use of that gas for compressor fuel, other operational purposes and lost and unaccounted for. The dollar amounts must be broken out by functional categories on Lines 2-6, 9-13, 16-21 and 23-29. The dollar amounts must be reported in column (h) unless the company has discounted or negotiated rates which should be reported in columns (f) and (g). The accounting should disclose the account(s) debited and credited in columns (m) and (n).
4. Indicate in a footnote the basis for valuing the gas reported in Columns (f), (g) and (h).
5. Report in columns (j), (k) and (l) the amount of fuel waived, discounted or reduced as part of a negotiated rate agreement.
6. On lines 32-37 report the dekatherms and dollar value of the excess or deficiency in shipper supplied gas broken out by functional category and whether recourse rate, discounted or negotiated rate.
7. On lines 39 through 51 report the dekatherms, the dollar amount and the account(s) credited in Column (o) for the dispositions of gas listed in column (a).
8. On lines 53 through 65 report the dekatherms, the dollar amount and the account(s) debited in Column (n) for the sources of gas reported in column (a).
9. On lines 66 and 67, report forwardhaul and backhaul volume in Dths of throughput.
10. Where appropriate, provide a full explanation of the allocation process used in reported numbers in a footnote.

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
1	**SHIPPER SUPPLIED GAS (LINES 13 AND 14 , PAGE 520)**				
2	Gathering				
3	Production/Extraction/Processing				
4	Transmission				
5	Distribution				
6	Storage				
7	**Total Shipper Supplied Gas**				
8	**LESS GAS USED FOR COMPRESSOR STATION FUEL (LINE 28, PAGE 520)**				
9	Gathering				
10	Production/Extraction/Processing				
11	Transmission				
12	Distribution				
13	Storage				
14	**Total gas used in compressors**				
15	**LESS GAS USED FOR OTHER DELIVERIES AND GAS USED FOR OTHER OPERATIONS (LINE 29, PAGE 520) (Footnote)**				
16	Gathering				
17	Production/Extraction/Processing				
18	Transmission				
19	Distribution				
20	Storage				
21	Other Deliveries (specify) (footnote details)				
22	**Total Gas Used For Other Deliveries And Gas Used For Other Operations**				
23	**LESS GAS LOST AND UNACCOUNTED FOR (LINE 32, PAGE 520)**				
24	Gathering				
25	Production/Extraction/Processing				
26	Transmission				
27	Distribution				
28	Storage				
29	Other Losses (specify) (footnote details)				
30	**Total Gas Lost And Unaccounted For**				

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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Item (a)	Month 3 Discounted rate Dth (dd)	Month 3 Negotiated Rate Dth (ee)	Month 3 Recourse Rate Dth (ff)	Month 3 Total Dth (gg)
	NET EXCESS OR (DEFICIENCY)				
31	Other Losses				
32	Gathering				
33	Production/Extraction				
34	Transmission				
35	Distribution				
36	Storage				
37	**Total Net Excess Or (Deficiency)**				
38	**DISPOSITION OF EXCESS GAS:**				
39	Gas sold to others				
40	Gas used to meet imbalances				
41	Gas added to system gas				
42	Gas returned to shippers				
43	Other (list)				
44					
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51	**Total Disposition Of Excess Gas**				
52	**GAS ACQUIRED TO MEET DEFICIENCY:**				
53	System gas				
54	Purchased gas				
55	Other (list)				
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64					
65	**Total Gas Acquired To Meet Deficiency**				

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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

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Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
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Name of Respondent Duke Energy Ohio, Inc.	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 1 Account(s) Debited (n)	Month 1 Account(s) Credited (o)
	Month 1 Discounted Rate Amount (f)	Month 1 Negotiated Rate Amount (g)	Month 1 Recourse rate Amount (h)	Month 1 Total Amount (i)	Month 1 Waived Dth (j)	Month 1 Discounted Dth (k)	Month 1 Negotiated Dth (l)	Month 1 Total Dth (m)		
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Duke Energy Ohio, Inc.	(1) [X] An Original (2) [ ] A Resubmission	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

.

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
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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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 2 Account(s) Debited (bb)	Month 2 Account(s) Credited (cc)
	Month 2 Discounted Rate Amount (t)	Month 2 Negotiated Rate Amount (u)	Month 2 Recourse rate Amount (v)	Month 2 Total Amount (w)	Month 2 Waived Dth (x)	Month 2 Discounted Dth (y)	Month 2 Negotiated Dth (z)	Month 2 Total Dth (aa)		
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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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

.

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
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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	04/13/2016	End of 2015/Q4

Shipper Supplied Gas for the Current Quarter (continued)

Line No.	Amount Collected (Dollars)				Volume (in Dth) Not Collected				Month 3 Account(s) Debited (pp)	Month 3 Account(s) Credited (qq)
	Month 3 Discounted Rate Amount (hh)	Month 3 Negotiated Rate Amount (ii)	Month 3 Recourse rate Amount (jj)	Month 3 Total Amount (kk)	Month 3 Waived Dth (ll)	Month 3 Discounted Dth (mm)	Month 3 Negotiated Dth (nn)	Month 3 Total Dth (oo)		
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Name of Respondent Duke Energy Ohio, Inc.	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) 04/13/2016	Year/Period of Report 2015/Q4

System Maps

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
   (a) Transmission lines.
   (b) Incremental facilities.
   (c) Location of gathering areas.
   (d) Location of zones and rate areas.
   (e) Location of storage fields.
   (f) Location of natural gas fields.
   (g) Location of compressor stations.
   (h) Normal direction of gas flow (indicated by arrows).
   (i) Size of pipe.
   (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
   (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger then this report. Bind the maps to the report.

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