

Duke Energy Ohio, Inc.
Form 10-Q
August 08, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2012 or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from to

**Exact name of registrants as specified in their charters, addresses of principal executive offices, IRS Em
sion telephone numbers and states of incorporation Identifica
nber**

53 DUKE ENERGY CORPORATION 20-277

550 South Tryon Street

Charlotte, NC 28202-1803

704-382-3853

State of Incorporation: Delaware

8 DUKE ENERGY CAROLINAS, LLC 56-020

526 South Church Street

Charlotte, NC 28202-1803

704-382-3853

State of Incorporation: North Carolina

DUKE ENERGY OHIO, INC.

31-024

139 East Fourth Street

Cincinnati, OH 45202

704-382-3853

State of Incorporation: Ohio

DUKE ENERGY INDIANA, INC.

35-059

1000 East Main Street

Plainfield, IN 46168

704-382-3853

State of Incorporation: Indiana

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Duke Energy Corporation (Duke Energy)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Ohio, Inc. (Duke Energy Ohio)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Energy Carolinas, LLC (Duke Energy Carolinas)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Indiana, Inc. (Duke Energy Indiana)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Duke Energy	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Ohio	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Duke Energy Carolinas	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Duke Energy Indiana	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
Duke Energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Duke Energy Carolinas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
	x	..
Duke Energy Ohio	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
	x	..
Duke Energy Indiana	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
	x	..

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Duke Energy	Yes ..	No x	Duke Energy Ohio	Yes ..	No x
Duke Energy Carolinas	Yes ..	No x	Duke Energy Indiana	Yes ..	No x

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date.

Outstanding as of

August 3, 2012

Registrant	Description	Shares
Duke Energy	Common Stock, par value \$0.001	704,125,200
Duke Energy Carolinas	All of the registrant's limited liability company member interests are directly owned by Duke Energy.	
Duke Energy Ohio	All of the registrant's common stock is indirectly owned by Duke Energy.	
Duke Energy Indiana	All of the registrant's common stock is indirectly owned by Duke Energy.	

This combined Form 10-Q is filed separately by four registrants: Duke Energy, Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana (collectively the Duke Energy Registrants). Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other registrants.

Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format specified in General Instructions H(2) of Form 10-Q.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions. These forward-looking statements, which are intended to cover Duke Energy and the applicable Duke Energy Registrants, are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "potential," "forecast," "target," "guidance," "outlook," and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to:

- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, as well as rulings that affect cost and investment recovery or have an impact on rate structures;
- The ability to recover eligible costs and earn an adequate return on investment through the regulatory process;
- The scope of necessary repairs of the delamination of Crystal River Unit 3 Nuclear Plant could prove more extensive than is currently identified, such repairs could prove not to be feasible resulting in early retirement of the unit, the cost of repair and/or replacement power could exceed estimates and insurance coverage or may not be recoverable through the regulatory process;
- The ability to maintain relationships with customers, employees or suppliers post-merger;
- The ability to successfully integrate the Progress Energy businesses and realize cost savings and any other synergies expected from the merger;
- The risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect;
- The impact of compliance with material restrictions of conditions related to the Progress Energy merger imposed by regulators could exceed our expectations;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in the respective Duke Energy Registrants' service territories, customer base or customer usage patterns;
- Additional competition in electric markets and continued industry consolidation;
- Political and regulatory uncertainty in other countries in which Duke Energy conducts business;
- The influence of weather and other natural phenomena on each of the Duke Energy Registrants' operations, including the economic, operational and other effects of storms, hurricanes, droughts and tornadoes;

- The ability to recover, in a timely manner, if at all, costs associated with future significant weather events through the regulatory process;
- The impact on the Duke Energy Registrants' facilities and business from a terrorist attack;
- The inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks;
- The timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates;
- Unscheduled generation outages, unusual maintenance or repairs and electric transmission system constraints;
- The performance of electric generation facilities and of projects undertaken by Duke Energy's non-regulated businesses;
- The results of financing efforts, including the Duke Energy Registrants' ability to obtain financing on favorable terms, which can be affected by various factors, including the respective Duke Energy Registrants' credit ratings and general economic conditions;
- Declines in the market prices of equity securities and resultant cash funding requirements for Duke Energy's defined benefit pension plans and nuclear decommissioning trust funds;
- The level of creditworthiness of counterparties to Duke Energy Registrants' transactions;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- Growth in opportunities for the respective Duke Energy Registrants' business units, including the timing and success of efforts to develop domestic and international power and other projects;
- Construction and development risks associated with the completion of Duke Energy Registrants' capital investment projects in existing and new generation facilities, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules, and satisfying operating and environmental performance standards, as well as the ability to recover costs from ratepayers in a timely manner or at all;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of potential goodwill impairments;
- The ability to successfully complete future merger, acquisition or divestiture plans.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Duke Energy has described. The Duke Energy Registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in millions, except per-share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Operating Revenues				
Regulated electric	\$ 2,628	\$ 2,576	\$ 5,129	\$ 5,149
Non-regulated electric, natural gas, and other	868	864	1,826	1,719
Regulated natural gas	81	94	252	329
Total operating revenues	3,577	3,534	7,207	7,197
Operating Expenses				
Fuel used in electric generation and purchased power - regulated	849	834	1,626	1,646
Fuel used in electric generation and purchased power - non-regulated	396	388	844	764
Cost of natural gas and coal sold	42	63	144	214
Operation, maintenance and other	862	959	1,608	1,839
Depreciation and amortization	475	437	954	891
Property and other taxes	171	169	355	355
Impairment charges		9	402	9
Total operating expenses	2,795	2,859	5,933	5,718
Gains on Sales of Other Assets and Other, net	4	4	7	14
Operating Income	786	679	1,281	1,493
Other Income and Expenses				
Equity in earnings of unconsolidated affiliates	40	48	85	80
Impairments and gains on sales of unconsolidated affiliates	(1)	12	(6)	14
Other income and expenses, net	70	97	159	214
Total other income and expenses	109	157	238	308
Interest Expense	232	203	456	422
Income From Continuing Operations Before Income Taxes	663	633	1,063	1,379
Income Tax Expense from Continuing Operations	214	192	317	425
Income From Continuing Operations (Loss) Income From Discontinued Operations, net of tax	449	441	746	954
Net Income	(1)	1	1	1
	448	441	747	954

Less: Net Income Attributable to Noncontrolling Interests	4	6	8	8
Net Income Attributable to Duke Energy Corporation	\$ 444	\$ 435	\$ 739	\$ 946

Earnings Per Share - Basic and Diluted

Income from continuing operations attributable to Duke Energy Corporation common shareholders				
Basic	\$ 0.99	\$ 0.98	\$ 1.65	\$ 2.13
Diluted	\$ 0.99	\$ 0.98	\$ 1.65	\$ 2.13
Income from discontinued operations attributable to Duke Energy Corporation common shareholders				
Basic	\$	\$	\$	\$
Diluted	\$	\$	\$	\$
Net Income attributable to Duke Energy Corporation common shareholders				
Basic	\$ 0.99	\$ 0.98	\$ 1.65	\$ 2.13
Diluted	\$ 0.99	\$ 0.98	\$ 1.65	\$ 2.13
Dividends declared per share	\$ 1.515	\$ 1.485	\$ 2.265	\$ 2.22
Weighted-average shares outstanding				
Basic	446	444	446	444
Diluted	446	444	446	444

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in millions)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net income	\$ 448	\$ 441	\$ 747	\$ 954
Other comprehensive (loss) income, net of tax				
Foreign currency translation adjustments	(131)	65	(87)	96
Pension and OPEB adjustments ^(a)	2	2	6	(7)
Net unrealized loss on cash flow hedges ^(b)	(30)	(7)	(17)	(5)
Reclassification into earnings from cash flow hedges ^(c)	3	1	2	2
Unrealized gain on investments in auction rate securities ^(d)	6	1	6	4
Unrealized gain on investments in available for sale securities ^(e)	2		3	
Reclassification into earnings from available for sale securities ^(f)	(2)		(3)	
Other comprehensive (loss) income, net of tax	(150)	62	(90)	90
Comprehensive income	298	503	657	1,044
Less: Comprehensive income attributable to Noncontrolling Interests		9	4	11
Comprehensive income attributable to Duke Energy Corporation	\$ 298	\$ 494	\$ 653	\$ 1,033

- (a) Net of \$1 million tax expense and \$3 million tax expense for the three and six months ended June 30, 2012 and insignificant tax expense and \$3 tax benefit for the three and six months ended June 30, 2011.
- (b) Net of \$14 million tax benefit and \$9 million tax benefit for the three and six months ended June 30, 2012 and \$3 million tax benefit and \$2 million tax benefit for the three and six months ended June 30, 2011.
- (c) Net of \$2 million tax benefit and insignificant tax expense for the three and six months ended June 30, 2012 and \$1 million tax expense for the three and six months ended June 30, 2011, respectively.
- (d) Net of \$2 million tax expense and \$3 million tax expense for the three and six months ended June 30, 2012 and \$2 million tax benefit and \$1 million tax expense for the three and six months ended June 30, 2011.
- (e) Net of insignificant tax expense for the three and six months ended June 30, 2012.
- (f) Net of insignificant tax benefit for the three and six months ended June 30, 2012.

See Notes to Unaudited Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	June 30, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,526	\$ 2,110
Short-term investments	234	190
Receivables (net of allowance for doubtful accounts of \$16 at June 30, 2012 and \$35 at December 31, 2011)	610	784
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$43 at June 30, 2012 and \$40 at December 31, 2011)	1,233	1,157
Inventory	1,762	1,588
Other	1,122	1,051
Total current assets	6,487	6,880
Investments and Other Assets		
Investments in equity method unconsolidated affiliates	450	460
Nuclear decommissioning trust funds	2,204	2,060
Goodwill	3,842	3,849
Intangibles, net	357	363
Notes receivable	72	62
Restricted other assets of variable interest entities	133	135
Other	1,894	2,231
Total investments and other assets	8,952	9,160
Property, Plant and Equipment		
Cost	61,458	60,377
Cost, variable interest entities	1,357	913
Accumulated depreciation and amortization	(19,101)	(18,709)
Generation facilities to be retired, net	73	80
Net property, plant and equipment	43,787	42,661
Regulatory Assets and Deferred Debits		
Regulatory assets	3,646	3,672
Other	159	153
Total regulatory assets and deferred debits	3,805	3,825
Total Assets	\$ 63,031	\$ 62,526

See Notes to Unaudited Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS — (Continued)
(Unaudited)

(in millions, except per-share amounts)	June 30, 2012	December 31, 2011
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 1,160	\$ 1,433
Notes payable and commercial paper	793	154
Non-recourse notes payable of variable interest entities	269	273
Taxes accrued	359	431
Interest accrued	254	252
Current maturities of long-term debt	1,870	1,894
Other	1,434	1,091
Total current liabilities	6,139	5,528
Long-term Debt	17,539	17,730
Non-recourse long-term debt of variable interest entities	915	949
Deferred Credits and Other Liabilities		
Deferred income taxes	7,914	7,581
Investment tax credits	379	384
Accrued pension and other post-retirement benefit costs	829	856
Asset retirement obligations	1,999	1,936
Regulatory liabilities	2,981	2,919
Other	1,820	1,778
Total deferred credits and other liabilities	15,922	15,454
Commitments and Contingencies		
Equity		
Common Stock, \$0.001 par value, 2 billion shared authorized; 446 million and 444 million shares outstanding at June 30, 2012 and December 31, 2011, respectively	1	1
Additional paid-in capital	21,140	21,132
Retained earnings	1,598	1,873
Accumulated other comprehensive loss	(320)	(234)
Total Duke Energy Corporation shareholders' equity	22,419	22,772
Noncontrolling interests	97	93
Total equity	22,516	22,865
Total Liabilities and Equity	\$ 63,031	\$ 62,526

See Notes to Unaudited Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Six Months Ended June 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 747	\$ 954
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	1,077	991
Equity component of AFUDC	(116)	(123)
Gains on sales of other assets	(7)	(27)
Impairment of other long-lived assets	408	9
Deferred income taxes	230	461
Equity in earnings of unconsolidated affiliates	(85)	(80)
Voluntary opportunity cost deferral	(101)	
Accrued pension and other post-retirement benefit costs	57	52
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	(10)	13
Receivables	61	166
Inventory	(165)	(85)
Other current assets	105	128
Increase (decrease) in		
Accounts payable	(102)	(338)
Taxes accrued	(67)	(99)
Other current liabilities	34	(179)
Other assets	22	81
Other liabilities	(86)	(207)
Net cash provided by operating activities	2,002	1,717
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(2,252)	(1,938)
Investment expenditures	(9)	(49)
Acquisitions	(36)	(4)
Purchases of available-for-sale securities	(1,240)	(1,266)
Proceeds from sales and maturities of available-for-sale securities	1,155	1,281
Net proceeds from the sales of other assets, and sales of and collections on notes receivable	23	109
Change in restricted cash	(51)	24
Other	19	5
Net cash used in investing activities	(2,391)	(1,838)
CASH FLOWS FROM FINANCING ACTIVITIES		

Proceeds from the:		
Issuance of long-term debt	721	499
Issuance of common stock related to employee benefit plans	14	10
Payments for the redemption of long-term debt	(878)	(82)
Notes payable and commercial paper	631	63
Distributions to noncontrolling interests	(5)	(18)
Dividends paid	(670)	(657)
Other	(8)	(2)
Net cash used in financing activities	(195)	(187)
Net decrease in cash and cash equivalents	(584)	(308)
Cash and cash equivalents at beginning of period	2,110	1,670
Cash and cash equivalents at end of period	\$ 1,526	\$ 1,362
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	\$ 216	\$ 317
Dividends declared but not paid	\$ 344	\$ 337
Extinguishment of debt related to investment in Attiki Gas Supply, S. A.	\$ 66	\$

See Notes to Unaudited Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

Duke Energy Corporation Shareholders Accumulated Other Comprehensive Income (Loss)											
Net Pension Gains and (Losses) OPEB on Cash Flow Adjustments to AOCI											
Common	Additional				Foreign	Net			Pension		
Stock	Common	Paid-in	Retained	Currency	on			Related	Common		
Shares	Stock	Capital	Earnings	Adjustments	Hedges	Other	to	Equity	Non-	controlling	Total
(in millions)	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)	(in millions)
Balance at December 31, 2010	443	\$ 1	\$ 21,023	\$ 1,496	\$ 97	\$ (18)	\$ (17)	\$ (60)	\$ 22,522	\$ 131	\$ 22,653
Net income				946					946	8	954
Other comprehensive income (loss)					93	(3)	4	(7)	87	3	90
Common stock issuances, including dividend reinvestment and employee benefits	1		22							22	22
Common stock dividends				(994)					(994)		(994)
Changes in noncontrolling interest in subsidiaries										(23)	(23)
Balance at June 30,	444	\$ 1	\$ 21,045	\$ 1,448	\$ 190	\$ (21)	\$ (13)	\$ (67)	\$ 22,583	\$ 119	\$ 22,702

2011

**Balance
at
December
31,**

2011	445	\$ 1	\$ 21,132	\$	1,873	\$	(45)	\$	(71)	\$	(9)	\$	(109)	\$	22,772	\$	93	\$	22,865
Net income					739										739		8		747
Other comprehensive (loss) income							(83)	(15)		6	6				(86)		(4)		(90)
Common stock issuances, including dividend reinvestment and employee benefits	1		8												8				8
Common stock dividends					(1,014)										(1,014)				(1,014)

**Balance
at
June
30,**

2012	446	\$ 1	\$ 21,140	\$	1,598	\$	(128)	\$	(86)	\$	(3)	\$	(103)	\$	22,419	\$	97	\$	22,516
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See Notes to Unaudited Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CAROLINAS, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Operating Revenues-Regulated Electric	\$ 1,616	\$ 1,607	\$ 3,117	\$ 3,159
Operating Expenses				
Fuel used in electric generation and purchased power	442	511	822	980
Operation, maintenance and other	476	495	807	930
Depreciation and amortization	226	190	454	391
Property and other taxes	89	81	179	165
Total operating expenses	1,233	1,277	2,262	2,466
Gains on Sales of Other Assets and Other, net	3	1	6	1
Operating Income	386	331	861	694
Other Income and Expenses, net	43	50	82	92
Interest Expense	93	82	190	171
Income Before Income Taxes	336	299	753	615
Income Tax Expense	125	106	276	217
Net Income	211	193	477	398
Other comprehensive income, net of tax				
Reclassification into earnings from cash flow hedges ^(a)	2	1	2	1
Comprehensive Income	\$ 213	\$ 194	\$ 479	\$ 399

(a) Net of \$2 million tax expense for the three and six months ended June 30, 2012 and 2011.

See Notes to Unaudited Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CAROLINAS, LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	June 30, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 18	\$ 289
Receivables (net of allowance for doubtful accounts of \$3 at June 30, 2012 and December 31, 2011)	351	1,187
Restricted receivables of variable interest entities (net of allowance for doubtful accounts of \$6 at June 30, 2012 and December 31, 2011)	680	581
Inventory	1,024	917
Other	327	278
Total current assets	2,400	3,252
Investments and Other Assets		
Nuclear decommissioning trust funds	2,204	2,060
Other	971	968
Total investments and other assets	3,175	3,028
Property, Plant and Equipment		
Cost	33,505	32,840
Accumulated depreciation and amortization	(11,374)	(11,269)
Generation facilities to be retired, net	73	80
Net property, plant and equipment	22,204	21,651
Regulatory Assets and Deferred Debits		
Regulatory assets	1,891	1,894
Other	68	71
Total regulatory assets and deferred debits	1,959	1,965
Total Assets	\$ 29,738	\$ 29,896

See Notes to Unaudited Condensed Consolidated Financial Statements

PART I

DUKE ENERGY CAROLINAS, LLC
CONDENSED CONSOLIDATED BALANCE SHEETS — (Continued)
(Unaudited)

(in millions)	June 30, 2012	December 31, 2011
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accounts payable	\$ 448	\$ 793
Taxes accrued	109	126
Interest accrued	95	115
Current maturities of long-term debt	427	1,178
Other	481	398
Total current liabilities	1,560	2,610
Long-term Debt		
Non-recourse long-term debt of variable interest entities	7,795	7,796
	300	300
Deferred Credits and Other Liabilities		
Deferred income taxes	4,891	4,555
Investment tax credits	230	233
Accrued pension and other post-retirement benefit costs	232	248
Asset retirement obligations	1,904	1,846
Regulatory liabilities	1,993	1,928
Other	900	926