DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Construction Projects
Year 2002

Schedule 13a

| Project No. | Project Title/Description | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Percent of Budget | Total Actual Project Cost | Total Budget Project Cost | Variance in Dollars | Date Original Budget Start | Date Original Budget End | Date Actual Start | Date Actual End |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G7MSCPRD | MISCELLANEOUS PRODUCTION | $ 73,548 | $ 219,763 | $ (146,215) | -67% | 33% | $ 73,548 | $ 219,763 | $ (146,215) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| KYCIBS01* | KY REPLACEMENTS 2001 | 1,340,093 | - | 1,340,093 | | | 1,340,093 | - | 1,340,093 | N/A | N/A | N/A | N/A |
| KYCIBS02 | CI&BS 2002 KY | 10,519,265 | 9,885,738 | 633,527 | 6% | 106% | 10,519,265 | 9,885,738 | 633,527 | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| KYCIBS03* | KY REPLACEMENTS 2003 | 199,512 | - | 199,512 | | | 199,512 | - | 199,512 | N/A | N/A | N/A | N/A |
| AM3RT16 | AM 3 - TAYLOR MILL | 328,691 | 476,020 | (147,329) | -31% | 69% | 328,691 | 476,020 | (147,329) | 5/1/2002 | 11/30/2002 | 5/1/2002 | 12/31/2002 |
| APTAPAM7 | AIRPORT AM7 TAP PI | 1,003 | | 1,003 | | | 1,003 | - | 1,003 | N/A | N/A | 8/1/2002 | 12/31/2002 |
| G7HNDSPK | HANDS PIKE | 268,175 | 121,874 | 146,301 | 120% | 220% | 268,175 | 121,874 | 146,301 | 5/1/2002 | 11/30/2002 | 5/1/2002 | 12/31/2002 |
| G7LGMR | LARGE M&R S | 77,508 | 434,619 | (357,112) | -82% | 18% | 77,508 | 434,619 | (357,112) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| G7MAINS | MAINS | 1,564,445 | 2,063,479 | (499,034) | -24% | 76% | 1,564,445 | 2,063,479 | (499,034) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| G7OVPRPT | OVER PRESSURE PROTECTION | 30,748 | 76,464 | (45,716) | -60% | 40% | 30,748 | 76,464 | (45,716) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| G7PRESIMP | PRESSURE IMPROVEMENTS | 13,349 | 113,723 | (100,374) | -88% | 12% | 13,349 | 113,723 | (100,374) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 11/30/2002 |
| G7PUBIMP | PUBLIC IMPROVEMENTS | 3,070,542 | 1,355,162 | 1,715,380 | 127% | 227% | 3,070,542 | 1,355,162 | 1,715,380 | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| G7REPL | REPLACEMENTS | 1,383,632 | 2,226,148 | (842,516) | -38% | 62% | 1,383,632 | 2,226,148 | (842,516) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| G7SERVMC | SERVICES M-C | 3,458,174 | 3,573,317 | (115,143) | -3% | 97% | 3,458,174 | 3,573,317 | (115,143) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| KYGASG01 | KENTUCKY GAS GROWTH | - | 70,604 | (70,604) | -100% | 0% | - | 70,604 | (70,604) | 1/1/2002 | 12/31/2002 | N/A | N/A |
| ZIMRVCR | LAFARGE | (2,449) | - | (2,449) | | | (2,449) | - | (2,449) | N/A | N/A | 2/1/2002 | 3/31/2002 |
| 55130201 | Sale at 19 & Augustine Station | 3,208 | - | 3,208 | | | 3,208 | - | 3,208 | N/A | N/A | 6/1/2002 | 6/30/2002 |
| G7BUPG | KENTUCKY BUILDING UPGRADE: | 40,770 | 196,484 | (155,715) | -79% | 21% | 40,770 | 196,484 | (155,715) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| G7TOOLS | TOOLS | 42,172 | 98,277 | (56,105) | -57% | 43% | 42,172 | 98,277 | (56,105) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 7/31/2002 |
| G7PUINMR | GAS METERS AND REGULATORS | 886,886 | 1,385,748 | (498,862) | -36% | 64% | 886,886 | 1,385,748 | (498,862) | 1/1/2002 | 12/31/2002 | 1/1/2002 | 12/31/2002 |
| | | $ 23,299,272 | $ 22,297,422 | $1,001,850 | | | | | | | | | |

*Actual Costs added to KYCIBS02 for calculations

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Construction Projects
Year 2003

Schedule 13a

| Project No. | Project Title/Description | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Percent of Budget | Total Actual Project Cost | Total Budget Project Cost | Variance in Dollars | Date Original Budget Start | Date Original Budget End | Date Actual Start | Date Actual End |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G7MSCPRD | MISCELLANEOUS PRODUCTION | $ 492,844 | $ 422,672 | $ 70,172 | 17% | 117% | $ 492,844 | $ 422,672 | $ 70,172 | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| KYCIBS01* | KY REPLACEMENTS 2001 | (18,107) | - | (18,107) | | | (18,107) | - | (18,107) | N/A | N/A | N/A | N/A |
| KYCIBS02* | CI&BS 2002 KY | 2,434,742 | - | 2,434,742 | | | 2,434,742 | - | 2,434,742 | N/A | N/A | N/A | N/A |
| KYCIBS03 | KY REPLACEMENTS 2003 | 8,876,185 | 10,103,352 | (1,227,167) | -12% | 88% | 8,876,185 | 10,103,352 | (1,227,167) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| KYCIBS04* | KY REPLACEMENTS 2004 | 604,442 | - | 604,442 | | | 604,442 | - | 604,442 | N/A | N/A | N/A | N/A |
| AM3RT16 | AM 3 - TAYLOR MILL | (9,645) | - | (9,645) | | | (9,645) | - | (9,645) | N/A | N/A | 1/1/2003 | 3/31/2003 |
| APTAPAM7 | AIRPORT AM7 TAP PI | 577,816 | 430,716 | 147,101 | 34% | 134% | 577,816 | 430,716 | 147,101 | 5/1/2003 | 10/31/2003 | 1/1/2003 | 12/31/2003 |
| G7HNDSPK | HANDS PIKE | (5,338) | - | (5,338) | | | (5,338) | - | (5,338) | N/A | N/A | 1/1/2003 | 2/28/2003 |
| G7LGMR | LARGE M&R S | 186,859 | 314,581 | (127,723) | -41% | 59% | 186,859 | 314,581 | (127,723) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| G7MAINS | MAINS | 1,491,395 | 1,686,569 | (195,174) | -12% | 88% | 1,491,395 | 1,686,569 | (195,174) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| G7OVPRPT | OVER PRESSURE PROTECTION | 297 | 79,933 | (79,636) | -100% | 0% | 297 | 79,933 | (79,636) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 8/31/2003 |
| G7PRESIMP | PRESSURE IMPROVEMENTS | 35,363 | 117,411 | (82,048) | -70% | 30% | 35,363 | 117,411 | (82,048) | 1/1/2003 | 12/31/2003 | 4/1/2003 | 9/30/2003 |
| G7PUBIMP | PUBLIC IMPROVEMENTS | 1,643,293 | 2,834,164 | (1,190,872) | -42% | 58% | 1,643,293 | 2,834,164 | (1,190,872) | 1/1/2003 | 12/31/2003 | 3/1/2003 | 8/31/2003 |
| G7REPL | REPLACEMENTS | 1,437,958 | 1,908,689 | (470,730) | -25% | 75% | 1,437,958 | 1,908,689 | (470,730) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| G7SERVMC | SERVICES M-C | 3,069,831 | 5,196,008 | (2,126,177) | -41% | 59% | 3,069,831 | 5,196,008 | (2,126,177) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| KYGASG01 | KENTUCKY GAS GROWTH | 338 | 70,586 | (70,248) | -100% | 0% | 338 | 70,586 | (70,248) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| TURFWAYI | TURFWAY PI | - | 249,847 | (249,847) | -100% | 0% | - | 249,847 | (249,847) | 5/1/2003 | 10/31/2003 | N/A | N/A |
| G7NOBNDR | NORTH BEND ROAD UNION | - | 232,088 | (232,088) | -100% | 0% | - | 232,088 | (232,088) | 5/1/2003 | 10/31/2003 | N/A | N/A |
| G7BUPG | KENTUCKY BUILDING UPGRADES | 69,540 | 140,700 | (71,160) | -51% | 49% | 69,540 | 140,700 | (71,160) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| G7TOOLS | TOOLS | 18,721 | 57,750 | (39,029) | -68% | 32% | 18,721 | 57,750 | (39,029) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| G7INSTMR | INSTALL M&R S | (759) | - | (759) | | | (759) | - | (759) | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| G7PUINMR | GAS METERS AND REGULATORS | 1,780,370 | 1,222,326 | 558,044 | 46% | 146% | 1,780,370 | 1,222,326 | 558,044 | 1/1/2003 | 12/31/2003 | 1/1/2003 | 12/31/2003 |
| | | $ 22,686,143 | $ 25,067,391 | $ (2,381,248) | | | | | | | | | |

*Actual Costs added to KYCIBS03 for calculations

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Construction Projects
Year 2004

Schedule 13a

| Project No. | Project Title/Description | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Percent of Budget | Total Actual Project Cost | Total Budget Project Cost | Variance in Dollars | Date Original Budget Start | Date Original Budget End | Date Actual Start | Date Actual End |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GITRISER | GAS RISER IT PROJECT | $ - | $ 109,197 | $ (109,197) | -100% | 0% | $ - | $ 109,197 | $ (109,197) | 1/1/2004 | 12/31/2004 | N/A | N/A |
| GPIM | PIPELINE INTEGRITY MGT | 199,949 | 221,501 | (21,552) | -10% | 90% | 199,949 | 221,501 | (21,552) | 1/1/2004 | 12/31/2004 | 8/1/2004 | 12/31/2004 |
| G7MSCPRD | MISCELLANEOUS PRODUCTION | 148,174 | 279,639 | (131,465) | -47% | 53% | 148,174 | 279,639 | (131,465) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| KYCIBS01* | KY REPLACEMENTS 2001 | (120,372) | - | (120,372) | | | (120,372) | - | (120,372) | N/A | N/A | N/A | N/A |
| KYCIBS02* | CI&BS 2002 KY | 2,258,952 | - | 2,258,952 | | | 2,258,952 | - | 2,258,952 | N/A | N/A | N/A | N/A |
| KYCIBS03* | KY REPLACEMENTS 2003 | 774,916 | - | 774,916 | | | 774,916 | - | 774,916 | N/A | N/A | N/A | N/A |
| KYCIBS04 | KY REPLACEMENTS 2004 | 7,738,843 | 8,351,389 | (612,546) | -7% | 93% | 7,738,843 | 8,351,389 | (612,546) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| KYCIBS05* | KY REPLACEMENTS 2005 | 377,477 | - | 377,477 | | | 377,477 | - | 377,477 | N/A | N/A | N/A | N/A |
| AM3RT16 | AM 3 - TAYLOR MILL | (3,461) | - | (3,461) | | | (3,461) | - | (3,461) | N/A | N/A | 4/1/2004 | 4/30/2004 |
| APTAPAM7 | AIRPORT AM7 TAP PI | 1,734 | - | 1,734 | | | 1,734 | - | 1,734 | N/A | N/A | 1/1/2004 | 8/31/2004 |
| G7HNDSPK | HANDS PIKE | (2,936) | - | (2,936) | | | (2,936) | - | (2,936) | N/A | N/A | 1/1/2004 | 1/31/2004 |
| G7LGMR | LARGE M&R S | 183,279 | 250,083 | (66,804) | -27% | 73% | 183,279 | 250,083 | (66,804) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| G7MAINS | MAINS | 1,652,334 | 1,656,622 | (4,288) | 0% | 100% | 1,652,334 | 1,656,622 | (4,288) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| G7PRESIMP | PRESSURE IMPROVEMENTS | 86,204 | 92,942 | (6,738) | -7% | 93% | 86,204 | 92,942 | (6,738) | 1/1/2004 | 12/31/2004 | 4/1/2004 | 11/31/2004 |
| G7PUBIMP | PUBLIC IMPROVEMENTS | 1,119,449 | 2,538,359 | (1,418,910) | -56% | 44% | 1,119,449 | 2,538,359 | (1,418,910) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| G7REPL | REPLACEMENTS | 359,258 | 1,188,594 | (829,337) | -70% | 30% | 359,258 | 1,188,594 | (829,337) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| G7SERVMC | SERVICES M-C | 2,581,767 | 4,597,419 | (2,015,652) | -44% | 56% | 2,581,767 | 4,597,419 | (2,015,652) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| KYGASG01 | KENTUCKY GAS GROWTH | - | 66,148 | (66,148) | -100% | 0% | - | 66,148 | (66,148) | 4/1/2004 | 9/30/2004 | N/A | N/A |
| G7NOBNDR | NORTH BEND ROAD UNION | - | 228,750 | (228,750) | -100% | 0% | - | 228,750 | (228,750) | 4/1/2004 | 12/31/2004 | N/A | N/A |
| G7IMPRPL | INTEGRITY MANAGEMENT PROGRAM | - | 40,358 | (40,358) | -100% | 0% | - | 40,358 | (40,358) | 5/1/2004 | 9/30/2004 | N/A | N/A |
| 55130201 | Sale at 19 & Augustine Station | 1,925 | | 1,925 | | | 1,925 | - | 1,925 | N/A | N/A | 12/1/2004 | 12/31/2004 |
| G7BUPG | KENTUCKY BUILDING UPGRADES | 16,103 | 26,750 | (10,647) | -40% | 60% | 16,103 | 26,750 | (10,647) | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| G7TOOLS | TOOLS | 22,653 | 45,475 | (22,822) | -50% | 50% | 22,653 | 45,475 | (22,822) | 1/1/2004 | 12/31/2004 | 4/1/2004 | 10/31/2004 |
| U16ZMTRG | TOOLS GAS MTR OPS ULHP | - | 10,633 | (10,633) | -100% | 0% | - | 10,633 | (10,633) | 1/1/2004 | 12/31/2004 | N/A | N/A |
| G7PUINMR | GAS METERS AND REGULATORS | 1,608,792 | 1,280,353 | 328,440 | 26% | 126% | 1,608,792 | 1,280,353 | 328,440 | 1/1/2004 | 12/31/2004 | 1/1/2004 | 12/31/2004 |
| | | $ 19,005,039 | $ 20,984,209 | $ (1,979,171) | | | | | | | | | |

*Actual Costs added to KYCIBS04 for calculations

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Construction Projects
Year 2005

Schedule 13a

| Project No. | Project Title/Description | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Percent of Budget | Total Actual Project Cost | Total Budget Project Cost | Variance in Dollars | Date Original Budget Start | Date Original Budget End | Date Actual Start | Date Actual End |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G7RISER | GAS RISER PROGRAM | $ 459,013 | $ 1,066,007 | $ (606,994) | -57% | 43% | $ 459,013 | $ 1,066,007 | $ (606,994) | 5/1/2005 | 10/31/2005 | 4/1/2005 | 12/31/2005 |
| GPIM | PIPELINE INTEGRITY MGT | 186,506 | - | 186,506 | | | 186,506 | - | 186,506 | N/A | N/A | 1/1/2005 | 12/31/2005 |
| G7MSCPRD | MISCELLANEOUS PRODUCTION | 293,911 | 276,073 | 17,838 | 6% | 106% | 293,911 | 276,073 | 17,838 | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| KYCIBS01* | KY REPLACEMENTS 2001 | 21,728 | - | 21,728 | | | 21,728 | - | 21,728 | N/A | N/A | N/A | N/A |
| KYCIBS02* | KY REPLACEMENTS 2002 | 1,632,108 | - | 1,632,108 | | | 1,632,108 | - | 1,632,108 | N/A | N/A | N/A | N/A |
| KYCIBS03* | KY REPLACEMENTS 2003 | 3,506 | - | 3,506 | | | 3,506 | - | 3,506 | N/A | N/A | N/A | N/A |
| KYCIBS04* | KY REPLACEMENTS 2004 | 1,127,397 | - | 1,127,397 | | | 1,127,397 | - | 1,127,397 | N/A | N/A | N/A | N/A |
| KYCIBS05 | CI&BS 2005 KY | 9,625,758 | 10,385,723 | (759,965) | -7% | 93% | 9,625,758 | 10,385,723 | (759,965) | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| KYCIBS06* | CI&BS 2006 KY | 19,895 | - | 19,895 | | | 19,895 | - | 19,895 | N/A | N/A | N/A | N/A |
| ELIJAHCR | ELIJAH CREEK | 789,727 | - | 789,727 | | | 789,727 | - | 789,727 | N/A | N/A | 6/1/2005 | 12/31/2005 |
| G7LGMR | LARGE M&R S | 412,227 | 246,146 | 166,081 | 67% | 167% | 412,227 | 246,146 | 166,081 | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| G7MAINS | MAINS | 2,207,848 | 1,792,765 | 415,083 | 23% | 123% | 2,207,848 | 1,792,765 | 415,083 | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| G7PRESIMP | PRESSURE IMPROVEMENTS | 49,648 | 622,695 | (573,047) | -92% | 8% | 49,648 | 622,695 | (573,047) | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| G7PUBIMP | PUBLIC IMPROVEMENTS | 1,382,904 | 2,351,648 | (968,744) | -41% | 59% | 1,382,904 | 2,351,648 | (968,744) | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| G7REPL | REPLACEMENTS | 1,844,143 | 731,686 | 1,112,457 | 152% | 252% | 1,844,143 | 731,686 | 1,112,457 | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| G7SERVMC | SERVICES M-C | 2,885,111 | 4,821,632 | (1,936,521) | -40% | 60% | 2,885,111 | 4,821,632 | (1,936,521) | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| KYGASG01 | KENTUCKY GAS GROWTH | - | 69,543 | (69,543) | -100% | 0% | - | 69,543 | (69,543) | 5/1/2005 | 12/31/2005 | N/A | N/A |
| TURFWAY1 | TURFWAY RD | 109,969 | 183,544 | (73,575) | -40% | 60% | 109,969 | 183,544 | (73,575) | 5/1/2005 | 12/31/2005 | 8/1/2005 | 12/31/2005 |
| G7IMPRPL | INTEGRITY MANAGEMENT PROGRAM | 178,453 | 38,378 | 140,075 | 365% | 465% | 178,453 | 38,378 | 140,075 | 1/1/2005 | 12/31/2005 | 11/1/2005 | 12/31/2005 |
| G7BUPG | KENTUCKY BUILDING UPGRADES | 30,451 | 48,891 | (18,440) | -38% | 62% | 30,451 | 48,891 | (18,440) | 1/1/2005 | 12/31/2005 | 9/1/2005 | 10/31/2005 |
| G7TOOLS | TOOLS | 49,441 | 190,546 | (141,105) | -74% | 26% | 49,441 | 190,546 | (141,105) | 1/1/2005 | 12/31/2005 | 4/1/2005 | 12/31/2005 |
| U16ZMTRG | TOOLS GAS MTR OPS ULHP | 16,319 | 10,660 | 5,659 | 53% | 153% | 16,319 | 10,660 | 5,659 | 1/1/2005 | 12/31/2005 | 2/1/2005 | 2/1/2005 |
| G7PUINMR | GAS METERS AND REGULATORS | 1,854,358 | 1,352,962 | 501,396 | 37% | 137% | 1,854,358 | 1,352,962 | 501,396 | 1/1/2005 | 12/31/2005 | 1/1/2005 | 12/31/2005 |
| | | $ 25,180,421 | $ 24,188,899 | $ 991,522 | | | | | | | | | |

*Actual Costs added to KYCIBS05 for calculations

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Construction Projects
Year 2006

Schedule 13a

| Project No. | Project Title/Description | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Percent of Budget | Total Actual Project Cost | Total Budget Project Cost | Variance in Dollars | Date Original Budget Start | Date Original Budget End | Date Actual Start | Date Actual End |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G7RISER | GAS RISER PROGRAM | $ 520,428 | $ 502,358 | $ 18,070 | 4% | 104% | $ 520,428 | $ 502,358 | $ 18,070 | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| G7MSCPRD | MISCELLANEOUS PRODUCTION | 147,488 | 179,833 | (32,345) | -18% | 82% | 147,488 | 179,833 | (32,345) | N/A | N/A | N/A | N/A |
| KYCIBS01* | KY REPLACEMENTS 2001 | (16,500) | - | (16,500) | | | (16,500) | - | (16,500) | N/A | N/A | N/A | N/A |
| KYCIBS02* | KY REPLACEMENTS 2002 | 7,174,307 | - | 7,174,307 | | | 7,174,307 | - | 7,174,307 | N/A | N/A | N/A | N/A |
| KYCIBS03* | KY REPLACEMENTS 2003 | (3,895,366) | - | (3,895,366) | | | (3,895,366) | - | (3,895,366) | N/A | N/A | N/A | N/A |
| KYCIBS04* | KY REPLACEMENTS 2004 | 42,198 | - | 42,198 | | | 42,198 | - | 42,198 | N/A | N/A | N/A | N/A |
| KYCIBS05* | CI&BS 2005 KY | 7,393,031 | - | 7,393,031 | | | 7,393,031 | - | 7,393,031 | N/A | N/A | N/A | N/A |
| KYCIBS06 | CI&BS 2006 KY | 1,171,443 | 10,542,739 | (9,371,296) | -89% | 11% | 1,171,443 | 10,542,739 | (9,371,296) | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| KYCIBS07* | CI&BS 2007 KY | 610,144 | - | 610,144 | | | 610,144 | - | 610,144 | N/A | N/A | N/A | N/A |
| ELIJAHCR | ELIJAH CREEK | 26,766 | 456,023 | (429,257) | -94% | 6% | 26,766 | 456,023 | (429,257) | 5/1/2006 | 12/31/2006 | 1/1/2006 | 2/28/2006 |
| G7LGMR | LARGE M&R S | 388,835 | 258,961 | 129,874 | 50% | 150% | 388,835 | 258,961 | 129,874 | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| G7MAINS | MAINS | 2,883,150 | 1,935,816 | 947,334 | 49% | 149% | 2,883,150 | 1,935,816 | 947,334 | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| G7PRESIMP | PRESSURE IMPROVEMENTS | 98,615 | 412,027 | (313,412) | -76% | 24% | 98,615 | 412,027 | (313,412) | 1/1/2006 | 12/31/2006 | 1/1/2006 | 10/31/2006 |
| G7PUBIMP | PUBLIC IMPROVEMENTS | 1,533,826 | 1,663,546 | (129,720) | -8% | 92% | 1,533,826 | 1,663,546 | (129,720) | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| G7REPL | REPLACEMENTS | 635,212 | 401,687 | 233,525 | 58% | 158% | 635,212 | 401,687 | 233,525 | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| G7SERVMC | SERVICES M-C | 2,488,212 | 5,504,891 | (3,016,679) | -55% | 45% | 2,488,212 | 5,504,891 | (3,016,679) | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| KYGASG01 | KENTUCKY GAS GROWTH | 517 | 72,954 | (72,437) | -99% | 1% | 517 | 72,954 | (72,437) | 1/1/2006 | 12/31/2006 | 12/1/2006 | 12/31/2006 |
| TURFWAY1 | TURFWAY RD | 6,177 | 237,025 | (230,848) | -97% | 3% | 6,177 | 237,025 | (230,848) | 5/1/2006 | 12/31/2006 | 1/1/2006 | 11/30/2006 |
| PEACHTRE | PEACHTREE | 4,126 | - | 4,126 | | | 4,126 | - | 4,126 | N/A | N/A | 8/1/2006 | 12/31/2006 |
| UL47AM4 | | 57,358 | - | 57,358 | | | 57,358 | - | 57,358 | N/A | N/A | 8/1/2006 | 11/30/2006 |
| G16G8660 | COX RD ERLANGER OPS CENTER | 2,055,996 | - | 2,055,996 | | | 2,055,996 | - | 2,055,996 | N/A | N/A | 2/1/2006 | 11/30/2006 |
| G7IMPRPL | INTEGRITY MANAGEMENT PROGRAM | (656) | 43,677 | (44,333) | -102% | -2% | (656) | 43,677 | (44,333) | 1/1/2006 | 12/31/2006 | 1/1/2006 | 6/30/2006 |
| G7BUPG | KENTUCKY BUILDING UPGRADES | 86,139 | 87,720 | (1,581) | -2% | 98% | 86,139 | 87,720 | (1,581) | 1/1/2006 | 12/31/2006 | 10/1/2006 | 12/31/2006 |
| G7TOOLS | TOOLS | 33,730 | 66,096 | (32,366) | -49% | 51% | 33,730 | 66,096 | (32,366) | 1/1/2006 | 12/31/2006 | 1/1/2006 | 3/31/2006 |
| U16ZMTRG | TOOLS GAS MTR OPS ULHP | 6,973 | 10,253 | (3,280) | -32% | 68% | 6,973 | 10,253 | (3,280) | 1/1/2006 | 12/31/2006 | 2/1/2006 | 12/31/2006 |
| G7PUINMR | GAS METERS AND REGULATORS | 1,834,494 | 1,696,230 | 138,264 | 8% | 108% | 1,834,494 | 1,696,230 | 138,264 | 1/1/2006 | 12/31/2006 | 1/1/2006 | 12/31/2006 |
| | | $ 25,286,643 | $ 24,071,836 | $ 1,214,807 | | | | | | | | | |

*Actual Costs added to KYCIBS06 for calculations

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Construction Projects
Year 2007

Schedule 13a

| Project No. | Project Title/Description | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Percent of Budget | Total Actual Project Cost | Total Budget Project Cost | Variance in Dollars | Date Original Budget Start | Date Original Budget End | Date Actual Start | Date Actual End |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G7RISER | GAS RISER PROGRAM | $ 193,150 | $ 35,561 | $ 157,589 | 443% | 543% | $ 193,150 | $ 35,561 | $ 157,589 | 1/1/2007 | 12/31/2007 | 3/1/2007 | 12/31/2007 |
| G7MSCPRD | MISCELLANEOUS PRODUCTION | 64,260 | 239,898 | (175,638) | -73% | 27% | 64,260 | 239,898 | (175,638) | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| KYCIBS02* | KY REPLACEMENTS 2002 | 20,088 | - | 20,088 | | | 20,088 | - | 20,088 | N/A | N/A | N/A | N/A |
| KYCIBS05* | CI&BS 2005 KY | 4,771,905 | - | 4,771,905 | | | 4,771,905 | - | 4,771,905 | N/A | N/A | N/A | N/A |
| KYCIBS06* | CI&BS 2006 KY | 1,819,427 | - | 1,819,427 | | | 1,819,427 | - | 1,819,427 | N/A | N/A | N/A | N/A |
| KYCIBS07 | CI&BS 2007 KY | 5,154,802 | 11,969,255 | (6,814,453) | -57% | 43% | 5,154,802 | 11,969,255 | (6,814,453) | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| KYCIBS08* | CI&BS 2008 KY | 142,372 | - | 142,372 | | | 142,372 | - | 142,372 | N/A | N/A | N/A | N/A |
| KYCIBS09* | CI&BS 2009KY | 45,235 | - | 45,235 | | | 45,235 | - | 45,235 | N/A | N/A | N/A | N/A |
| G7NOBNDR | NORTH BEND RD | - | 395,158 | (395,158) | -100% | 0% | - | 395,158 | (395,158) | 1/1/2007 | 12/31/2007 | N/A | N/A |
| G7LGMR | LARGE M&R S | 499,016 | 305,282 | 193,734 | 63% | 163% | 499,016 | 305,282 | 193,734 | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| G7MAINS | MAINS | 2,046,449 | 2,057,293 | (10,844) | -1% | 99% | 2,046,449 | 2,057,293 | (10,844) | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| G7PRESIMP | PRESSURE IMPROVEMENTS | 6,366 | 138,200 | (131,834) | -95% | 5% | 6,366 | 138,200 | (131,834) | 1/1/2007 | 12/31/2007 | 2/1/2007 | 12/31/2007 |
| G7PUBIMP | PUBLIC IMPROVEMENTS | 1,180,113 | 1,379,474 | (199,361) | -14% | 86% | 1,180,113 | 1,379,474 | (199,361) | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| G7REPL | REPLACEMENTS | 699,161 | 519,306 | 179,855 | 35% | 135% | 699,161 | 519,306 | 179,855 | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| G7SERVMC | SERVICES M-C | 3,469,198 | 5,593,037 | (2,123,839) | -38% | 62% | 3,469,198 | 5,593,037 | (2,123,839) | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| KYGASG01 | KENTUCKY GAS GROWTH | - | 66,454 | (66,454) | -100% | 0% | - | 66,454 | (66,454) | 1/1/2007 | 12/31/2007 | N/A | N/A |
| TURFWAY1 | TURFWAY RD | 51,043 | - | 51,043 | | | 51,043 | - | 51,043 | N/A | N/A | 1/1/2007 | 1/31/2007 |
| PEACHTRE | PEACHTREE | 939,261 | 532,357 | 406,904 | 76% | 176% | 939,261 | 532,357 | 406,904 | 5/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| WALTONBP | WALTON BYPASS | 249,042 | 249,143 | (101) | 0% | 100% | 249,042 | 249,143 | (101) | 5/1/2007 | 12/31/2007 | 6/1/2007 | 12/31/2007 |
| G16G8660 | COX RD ERLANGER OPS CENTER | 84,517 | - | 84,517 | | | 84,517 | - | 84,517 | N/A | N/A | 1/1/2007 | 9/30/2007 |
| G7IMPRPL | INTEGRITY MANAGEMENT PROGRAM | - | 43,394 | (43,394) | -100% | 0% | - | 43,394 | (43,394) | 1/1/2007 | 12/31/2007 | N/A | N/A |
| G7BUPG | KENTUCKY BUILDING UPGRADES | 23,198 | 83,430 | (60,232) | -72% | 28% | 23,198 | 83,430 | (60,232) | 1/1/2007 | 12/31/2007 | 1/1/2007 | 8/31/2007 |
| G7TOOLS | TOOLS | 6,657 | 65,261 | (58,604) | -90% | 10% | 6,657 | 65,261 | (58,604) | 1/1/2007 | 12/31/2007 | 6/1/2007 | 11/30/2007 |
| U16ZMTRG | TOOLS GAS MTR OPS ULHP | 459 | 7,342 | (6,883) | -94% | 6% | 459 | 7,342 | (6,883) | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| G7PUINMR | GAS METERS AND REGULATORS | 2,362,812 | 1,565,903 | 796,909 | 51% | 151% | 2,362,812 | 1,565,903 | 796,909 | 1/1/2007 | 12/31/2007 | 1/1/2007 | 12/31/2007 |
| | | $ 23,828,531 | $ 25,245,748 | $ (1,417,217) | | | | | | | | | |

*Actual Costs added to KYCIBS07 for calculations

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Construction Projects
Year 2008

Schedule 13a

| Project No. | Project Title/Description | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Percent of Budget | Total Actual Project Cost | Total Budget Project Cost | Variance in Dollars | Date Original Budget Start | Date Original Budget End | Date Actual Start | Date Actual End |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| G7RISER | GAS RISER PROGRAM | $ 491,481 | $ 79,326 | $ 412,155 | 520% | 620% | $ 491,481 | $ 79,326 | $ 412,155 | 1/1/2008 | 12/31/2008 | 2/1/2008 | 12/31/2008 |
| G7MSCPRD | MISCELLANEOUS PRODUCTION | 74,296 | 130,238 | (55,942) | -43% | 57% | 74,296 | 130,238 | (55,942) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| KYCIBS02* | KY REPLACEMENTS 2002 | 32,635 | - | 32,635 | | | 32,635 | - | 32,635 | N/A | N/A | N/A | N/A |
| KYCIBS05* | CI&BS 2005 KY | 3,377,144 | - | 3,377,144 | | | 3,377,144 | - | 3,377,144 | N/A | N/A | N/A | N/A |
| KYCIBS06* | CI&BS 2006 KY | 1,180,025 | - | 1,180,025 | | | 1,180,025 | - | 1,180,025 | N/A | N/A | N/A | N/A |
| KYCIBS07* | CI&BS 2007 KY | 9,992,535 | - | 9,992,535 | | | 9,992,535 | - | 9,992,535 | N/A | N/A | N/A | N/A |
| KYCIBS08 | CI&BS 2008 KY | 5,686,533 | 18,901,742 | (13,215,209) | -70% | 30% | 5,686,533 | 18,901,742 | (13,215,209) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| KYCIBS09* | CI&BS 2009KY | 457,789 | - | 457,789 | | | 457,789 | - | 457,789 | N/A | N/A | N/A | N/A |
| KYCIBS10* | CI&BS 2010KY | 35,991 | - | 35,991 | | | 35,991 | - | 35,991 | N/A | N/A | N/A | N/A |
| G7NOBNDR | NORTH BEND RD | 468,418 | 539,931 | (71,513) | -13% | 87% | 468,418 | 539,931 | (71,513) | 3/1/2008 | 12/31/2008 | 3/1/2008 | 12/31/2008 |
| G7LGMR | LARGE M&R S | 207,292 | 269,488 | (62,196) | -23% | 77% | 207,292 | 269,488 | (62,196) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| G7MAINS | MAINS | 387,108 | 2,549,481 | (2,162,373) | -85% | 15% | 387,108 | 2,549,481 | (2,162,373) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| G7PRESIMP | PRESSURE IMPROVEMENTS | 32,928 | 188,297 | (155,369) | -83% | 17% | 32,928 | 188,297 | (155,369) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| G7PUBIMP | PUBLIC IMPROVEMENTS | 2,038,214 | 1,607,925 | 430,289 | 27% | 127% | 2,038,214 | 1,607,925 | 430,289 | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| G7REPL | REPLACEMENTS | 499,625 | 505,989 | (6,364) | -1% | 99% | 499,625 | 505,989 | (6,364) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| G7SERVMC | SERVICES M-C | 2,614,831 | 4,749,024 | (2,134,193) | -45% | 55% | 2,614,831 | 4,749,024 | (2,134,193) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| KYGASG01 | KENTUCKY GAS GROWTH | 34,848 | 68,143 | (33,295) | -49% | 51% | 34,848 | 68,143 | (33,295) | 1/1/2008 | 12/31/2008 | 1/1/2008 | 5/31/2008 |
| LONGBRAN | LONGBRANCH RD | 67,474 | - | 67,474 | | | 67,474 | - | 67,474 | N/A | N/A | 11/1/2008 | 12/31/2008 |
| PEACHTRE | PEACHTREE | (3,536) | - | (3,536) | | | (3,536) | - | (3,536) | N/A | N/A | 1/1/2008 | 6/30/2008 |
| WALTONBP | WALTON BYPASS | 1,580,194 | 1,442,640 | 137,554 | 10% | 110% | 1,580,194 | 1,442,640 | 137,554 | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| G12THST | 12TH STREET | - | 256,809 | (256,809) | -100% | 0% | - | 256,809 | (256,809) | 5/1/2008 | 12/31/2008 | N/A | N/A |
| UL47AM4 | | 24,210 | - | 24,210 | | | 24,210 | - | 24,210 | N/A | N/A | 2/1/2008 | 2/29/2008 |
| G7IMPRPL | INTEGRITY MANAGEMENT PROGRAM | - | 41,774 | (41,774) | -100% | 0% | - | 41,774 | (41,774) | 1/1/2008 | 12/31/2008 | N/A | N/A |
| G7BUPG | KENTUCKY BUILDING UPGRADES | - | 141,233 | (141,233) | -100% | 0% | - | 141,233 | (141,233) | 1/1/2008 | 12/31/2008 | N/A | N/A |
| G7TOOLS | TOOLS | 11,700 | 21,037 | (9,337) | -44% | 56% | 11,700 | 21,037 | (9,337) | 1/1/2008 | 3/31/2008 | 1/1/2008 | 1/31/2008 |
| U16ZMTRG | TOOLS GAS MTR OPS ULHP | (844) | 7,694 | (8,538) | -111% | -11% | (844) | 7,694 | (8,538) | 2/1/2008 | 12/31/2008 | 11/1/2008 | 11/30/2008 |
| G7PUINMR | GAS METERS AND REGULATORS | 3,012,541 | 1,712,711 | 1,299,830 | 76% | 176% | 3,012,541 | 1,712,711 | 1,299,830 | 1/1/2008 | 12/31/2008 | 1/1/2008 | 12/31/2008 |
| | | $ 32,303,432 | $ 33,213,482 | $ (910,050) | | | | | | | | | |

*Actual Costs added to KYCIBS08 for calculations

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
Calculation of Capital Construction Project Slippage Factor - Gas Operations

Schedule 13b

Source: Schedule 13a - Construction Projects - Gas Operations

| Years | Annual Actual Cost | Annual Original Budget | Variance in Dollars | Variance as Percent | Slippage Factor |
|---|---|---|---|---|---|
| 2008 | $ 32,303,432 | $ 33,213,482 | $ (910,050) | -2.740% | 97.260% |
| 2007 | $ 23,828,531 | $ 25,245,748 | $ (1,417,217) | -5.614% | 94.386% |
| 2006 | $ 25,286,643 | $ 24,071,836 | $ 1,214,807 | 5.047% | 105.047% |
| 2005 | $ 25,180,421 | $ 24,188,899 | $ 991,522 | 4.099% | 104.099% |
| 2004 | $ 19,005,039 | $ 20,984,209 | $ (1,979,170) | -9.432% | 90.568% |
| 2003 | $ 22,686,143 | $ 25,067,391 | $ (2,381,248) | -9.499% | 90.501% |
| 2002 | $ 23,299,272 | $ 22,297,422 | $ 1,001,850 | 4.493% | 104.493% |
| 2001 | $ 16,801,986 | $ 16,456,962 | $ 345,024 | 2.097% | 102.097% |
| 2000 | $ 11,509,574 | $ 11,929,132 | $ (419,558) | -3.517% | 96.483% |
| 1999 | $ 11,382,232 | $ 16,383,221 | $ (5,000,989) | -30.525% | 69.475% |
| Total | $ 211,283,273 | $ 219,838,302 | $ (8,555,029) | -3.892% | 96.108% |
| 10 Year Average Slippage Factor (Mathematic Average of the Yearly Slippage Factors / 10 years) | | | | | 95.441% |

The Annual Actual Cost, Annual Original Budget, Variance in Dollars, and Variance as Percent are to be taken from Schedule 13a. Total all projects for a given year.

The Slippage Factor is calculated by dividing the Annual Actual Cost by the Annual Original Budget. Calculate a Slippage Factor for each year and the Totals line. Carry Slippage Factor percentages to 3 decimal places.

**STAFF-DR-01-014**

**REQUEST:**

Provide the following monthly account balances and a calculation of the average (13-month) account balances for calendar year 2008:

a. Plant in service (Account No. 101);

b. Plant purchased or sold (Account No. 102);

c. Property held for future use (Account No. 105);

d. Construction work in progress (Account No. 107);

e. Completed construction not classified (Account No. 106);

f. Depreciation reserve (Account No. 108);

g. Materials and supplies (include all accounts and subaccounts);

h. Computation and development of minimum cash requirements;

i. Balance in accounts payable applicable to amounts included in utility plant plant in service (if actual is indeterminable, give reasonable estimate);

j. Balance in accounts payable applicable to amounts included in plant under construction (if actual is undeterminable, give reasonable estimate); and

k. Balance in accounts payable applicable to prepayments by major category or subaccount.

**RESPONSE:**

See Attachment STAFF-DR-01-014.

**PERSON RESPONSIBLE:** a. – g. and i. – k. – Brenda R. Melendez

h. – Robert M. Parsons

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
MONTHLY AND AVERAGE 13-MONTH ACCOUNT BALANCES
CALENDAR YEAR 2008



| Line No. | Month | Plant in Service [1] (a) | Plant Purchased or Sold (b) | Property Held for Future Use (c) | CWIP (d) | Completed Construction Not Classified [2] (e) | Accumulated Depreciation & Amortization (f) | Materials & Supplies (g) | Cash Working Capital (h) | Balance in A/P Applicable to Utility Plant (i) | Balance in A/P Applicable to CWIP (j) | Balance in A/P Applicable to Prepayments (k) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Total Company** | | | | | | | | | | | |
| 2 | December 2007 | 1,450,696,556 | 0 | 0 | 24,571,781 | 0 | 641,505,019 | 9,240,905 | 16,458,775 | 0 | 2,885,221 | 0 |
| 3 | January 2008 | 1,449,229,745 | 0 | 0 | 25,671,988 | 0 | 640,955,334 | 9,229,880 | 16,569,213 | 0 | 1,137,221 | 0 |
| 4 | February | 1,451,541,157 | 0 | 0 | 27,643,565 | 0 | 643,366,304 | 9,240,046 | 16,400,755 | 0 | 2,503,636 | 0 |
| 5 | March | 1,452,158,184 | 0 | 0 | 30,575,514 | 0 | 645,058,960 | 9,442,338 | 16,236,200 | 0 | 1,617,438 | 0 |
| 6 | April | 1,453,248,317 | 0 | 0 | 34,546,546 | 0 | 647,484,795 | 9,632,918 | 16,033,047 | 0 | 2,105,732 | 0 |
| 7 | May | 1,459,953,647 | 0 | 0 | 32,980,169 | 0 | 649,923,014 | 9,535,187 | 15,883,106 | 0 | 1,739,666 | 0 |
| 8 | June | 1,463,467,123 | 0 | 0 | 34,051,070 | 0 | 652,794,027 | 9,597,672 | 15,842,310 | 0 | 303,769 | 0 |
| 9 | July | 1,467,643,764 | 0 | 0 | 34,793,983 | 0 | 655,755,697 | 9,656,925 | 15,875,216 | 0 | 2,116,082 | 0 |
| 10 | August | 1,473,553,639 | 0 | 0 | 34,188,736 | 0 | 658,672,668 | 9,932,672 | 15,703,954 | 0 | 491,647 | 0 |
| 11 | September | 1,477,815,425 | 0 | 0 | 34,083,893 | 0 | 661,397,039 | 10,285,848 | 15,660,043 | 0 | 4,096,030 | 0 |
| 12 | October | 1,484,477,205 | 0 | 0 | 35,825,521 | 0 | 664,363,433 | 10,076,460 | 15,589,135 | 0 | 6,666,986 | 0 |
| 13 | November | 1,476,510,195 | 0 | 0 | 36,341,220 | 0 | 655,139,360 | 10,335,592 | 15,497,745 | 0 | 3,743,767 | 0 |
| 14 | December | 1,476,192,847 | 0 | 0 | 36,504,269 | 0 | 650,100,350 | 10,273,971 | 15,051,445 | 0 | 5,789,434 | 0 |
| 15 | Total | 19,036,487,803 | 0 | 0 | 421,778,254 | 0 | 8,466,516,001 | 126,480,414 | 206,800,944 | 0 | 35,196,629 | 0 |
| 16 | | | | | | | | | | | | |
| 17 | 13-Month Average Balance | 1,464,345,216 | 0 | 0 | 32,444,481 | 0 | 651,270,462 | 9,729,263 | 15,907,765 | 0 | 2,707,433 | 0 |
| 18 | | | | | | | | | | | | |
| 19 | **Gas Operations** [3] | | | | | | | | | | | |
| 20 | December 2007 | 326,488,503 | 0 | 0 | 5,352,531 | 0 | 97,205,293 | 366,689 | 3,219,342 | 0 | 224,349 | 0 |
| 21 | January 2008 | 327,054,742 | 0 | 0 | 6,648,478 | 0 | 97,621,479 | 369,969 | 3,098,589 | 0 | 745,871 | 0 |
| 22 | February | 328,122,120 | 0 | 0 | 7,724,132 | 0 | 97,950,119 | 377,583 | 2,994,607 | 0 | 1,709,585 | 0 |
| 23 | March | 329,222,013 | 0 | 0 | 8,835,554 | 0 | 98,318,869 | 390,618 | 2,878,999 | 0 | 1,022,327 | 0 |
| 24 | April | 329,542,057 | 0 | 0 | 11,767,881 | 0 | 98,938,987 | 401,758 | 2,757,038 | 0 | 1,543,134 | 0 |
| 25 | May | 333,922,385 | 0 | 0 | 10,119,195 | 0 | 99,506,088 | 408,845 | 2,740,493 | 0 | 1,379,357 | 0 |
| 26 | June | 335,283,647 | 0 | 0 | 11,298,004 | 0 | 100,182,915 | 419,231 | 2,727,190 | 0 | 3,115 | 0 |
| 27 | July | 335,705,826 | 0 | 0 | 13,959,712 | 0 | 100,836,508 | 131,803 | 2,728,783 | 0 | 1,653,588 | 0 |
| 28 | August | 341,165,508 | 0 | 0 | 11,083,740 | 0 | 101,507,585 | 98,390 | 2,691,982 | 0 | 78,638 | 0 |
| 29 | September | 342,963,249 | 0 | 0 | 11,710,304 | 0 | 102,091,163 | 79,059 | 2,400,889 | 0 | 1,213,551 | 0 |
| 30 | October | 349,401,303 | 0 | 0 | 8,425,633 | 0 | 102,739,702 | 62,825 | 2,357,663 | 0 | 1,827,091 | 0 |
| 31 | November | 351,499,490 | 0 | 0 | 8,159,485 | 0 | 103,422,925 | 67,932 | 2,299,625 | 0 | 1,536,222 | 0 |
| 32 | December | 352,454,503 | 0 | 0 | 8,605,122 | 0 | 102,114,136 | 55,853 | 2,340,545 | 0 | 1,906,746 | 0 |
| 33 | Total | 4,382,825,346 | 0 | 0 | 123,689,771 | 0 | 1,302,435,769 | 3,230,555 | 35,235,745 | 0 | 14,843,574 | 0 |
| 34 | | | | | | | | | | | | |
| 35 | 13-Month Average Balance | 337,140,411 | 0 | 0 | 9,514,598 | 0 | 100,187,367 | 248,504 | 2,710,442 | 0 | 1,141,813 | 0 |

[1] Includes Completed Construction Not Classified and ARO.
[2] Included with Plant in Service.
[3] Includes Gas portion of Common allocated at 25.74%.

**STAFF-DR-01-015**

**REQUEST:**

Provide a reconciliation and detailed explanation of each difference, if any, in the capitalization and net investment rate base of Duke Kentucky for the base period.

**RESPONSE:**

See Attachment STAFF-DR-01-015.

Capitalization exceeds rate base by $1,055,294 for the base period, which is a difference of 0.43%. The difference between the rate base and capitalization is due to the fact that rate base is financed with certain balance sheet accounts, in addition to the sources of financing for capitalization, which consist of long-term debt, common equity, and capital made available in the form of accumulated deferred income taxes. This difference in sources of financing cannot be attributed to any one particular item.

To the extent that balance sheet accounts such as cash, accounts payable, taxes payable, etc., have balances greater than zero, these items would finance a portion of rate base but would not be included in capitalization. The $1,055,294 difference between rate base and capitalization is primarily attributable to these sources of capital which finance rate base (e.g., cash, accounts payable, etc.) but which are not included in capitalization.

**PERSON RESPONSIBLE:** Robert M. Parsons

DUKE ENERGY KENTUCKY, INC
CASE NO 2009-00202
RECONCILIATION OF CAPITALIZATION AND RATE BASE
AS OF SEPTEMBER 30, 2009

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S) :

| Line No. | ASSETS | Gas Rate Base (Schedule B-1) | Gas Capitalization (Schedule J-1) | Other | Total DE-Kentucky |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| 1 | UTILITY PLANT: | | | | |
| 2 | UTILITY PLANT IN SERVICE | 374,412,528 | | 1,178,852,323 | 1,553,264,851 |
| 3 | LESS: ACCUMULATED PROVISION FOR DEPRECIATION | 99,218,845 | | 568,298,180 | 667,517,025 |
| 4 | NET UTILITY PLANT | 275,193,683 | 0 | 610,554,143 | 885,747,826 |
| 5 | | | | | |
| 6 | OTHER PROPERTY AND INVESTMENTS | | | | |
| 7 | NONUTILITY PROPERTY - NET | | | 24,088,348 | 24,088,348 |
| 8 | LESS: ACCUMULATED PROVISION FOR DEPR & AMORT | | | (6,966,755) | (6,966,755) |
| 9 | OTHER INVESTMENTS | 0 | 0 | 1,500 | 1,500 |
| 10 | SPECIAL FUNDS | | | 0 | 0 |
| 11 | TOTAL OTHER PROPERTY AND INVESTMENTS | 0 | 0 | 17,123,093 | 17,123,093 |
| 12 | | | | | |
| 13 | CURRENT AND ACCRUED ASSETS: | | | | |
| 14 | CASH | 2,612,875 | | 13,211,253 | 15,824,128 |
| 15 | SPECIAL DEPOSITS | | | 0 | 0 |
| 16 | WORKING FUNDS | | | 2,500 | 2,500 |
| 17 | TEMPORARY CASH INVESTMENTS | | | 0 | 0 |
| 18 | CUSTOMER ACCOUNTS RECEIVABLE | | (11,579,600) | 16,628,604 | 5,049,004 |
| 19 | OTHER ACCOUNTS RECEIVABLE | | | 5,026,021 | 5,026,021 |
| 20 | (LESS) ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CREDIT | | | (466,486) | (466,486) |
| 21 | NOTES RECEIVABLE FROM ASSOCIATED COMPANIES | | | 24,853,360 | 24,853,360 |
| 22 | RECEIVABLES FROM ASSOCIATED COMPANIES | | | 0 | 0 |
| 23 | MATERIALS, SUPPLIES AND FUEL | 260,110 | | 35,194,899 | 35,455,009 |
| 24 | EMISSION ALLOWANCES | | | 4,252,584 | 4,252,584 |
| 25 | GAS STORED - CURRENT | 0 | | 2,308,330 | 2,308,330 |
| 26 | PREPAYMENTS | 0 | | 2,331,160 | 2,331,160 |
| 27 | MISCELLANEOUS CURRENT AND ACCRUED ASSETS | | | 1,558,117 | 1,558,117 |
| 28 | RENTS RECEIVABLE | | | 0 | 0 |
| 29 | TOTAL CURRENT AND ACCRUED ASSETS | 2,872,985 | (11,579,600) | 104,900,342 | 96,193,727 |
| 30 | | | | | |
| 31 | DEFERRED DEBITS: | | | | |
| 32 | UNAMORTIZED DEBT EXPENSE | | | 1,533,986 | 1,533,986 |
| 33 | OTHER REGULATORY ASSETS | 0 | | 20,200,464 | 20,200,464 |
| 34 | PRELIM. SURVEY AND INVESTIGATION CHARGES (ELECTRIC) | | | 987,066 | 987,066 |
| 35 | CLEARING ACCOUNTS | | | 0 | 0 |
| 36 | TEMPORARY FACILITIES | | | (28,193) | (28,193) |
| 37 | MISCELLANEOUS DEFERRED DEBITS | | | 32,858,559 | 32,858,559 |
| 38 | UNAMORTIZED LOSS ON REACQUIRED DEBT | | | 3,488,453 | 3,488,453 |
| 39 | ACCUMULATED DEFERRED INCOME TAXES | | | 9,922,566 | 9,922,566 |
| 40 | UNRECOVERED PURCHASED GAS COSTS | | | 0 | 0 |
| 41 | TOTAL DEFERRED DEBITS | 0 | 0 | 68,962,901 | 68,962,901 |
| 42 | TOTAL ASSETS AND OTHER DEBITS | 278,066,668 | (11,579,600) | 801,540,479 | 1,068,027,547 |
| 43 | | | | | |
| 44 | LIABILITIES | | | | |
| 45 | | | | | |
| 46 | PROPRIETARY CAPITAL | 0 | 123,562,860 | 288,660,367 | 412,223,227 |
| 47 | | | | | |
| 48 | LONG TERM DEBT | 0 | 96,205,273 | 209,312,249 | 305,517,522 |
| 49 | | | | | |
| 50 | OTHER NONCURRENT LIABILITIES | 0 | | 38,727,177 | 38,727,177 |
| 51 | | | | | |
| 52 | CURRENT AND ACCRUED LIABILITIES: | | | | |
| 53 | NOTES PAYABLE | | 10,637,140 | (10,637,140) | 0 |
| 54 | CURRENT PORTION OF LONG TERM DEBT | | | 0 | 0 |
| 55 | ACCOUNTS PAYABLE | | | 19,400,285 | 19,400,285 |
| 56 | NOTES PAYABLE TO ASSOCIATED COMPANIES | | | 29,547,597 | 29,547,597 |
| 57 | ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES | | | 19,025,056 | 19,025,056 |
| 58 | CUSTOMER DEPOSITS | | | 6,653,180 | 6,653,180 |
| 59 | TAXES ACCRUED | | | 12,293,383 | 12,293,383 |
| 60 | INTEREST ACCRUED | | | 2,345,379 | 2,345,379 |
| 61 | TAX COLLECTIONS PAYABLE | | | 1,608,520 | 1,608,520 |
| 62 | MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES | | | 4,904,914 | 4,904,914 |
| 63 | | | | 2,431,116 | 2,431,116 |
| 64 | | | | 34,758 | 34,758 |
| 65 | | | | 0 | 0 |
| 66 | TOTAL CURRENT AND ACCRUED LIABILITIES | 0 | 10,637,140 | 87,607,048 | 98,244,188 |
| 67 | | | | | |
| 68 | DEFERRED CREDITS: | | | | |
| 69 | CUSTOMER ADVANCES FOR CONSTRUCTION | 1,638,646 | | 0 | 1,638,646 |
| 70 | ACCUMULATED DEFERRED INVESTMENT TAX CREDITS | 11,690 | 1,140,524 | 2,617,582 | 3,769,796 |
| 71 | OTHER DEFERRED CREDITS | | | 25,809,668 | 25,809,668 |
| 72 | OTHER REGULATORY LIABILITIES | | | 1,061,671 | 1,061,671 |
| 73 | ACCUMULATED DEFERRED INCOME TAXES | 34,346,229 | | 146,689,423 | 181,035,652 |
| 74 | TOTAL DEFERRED CREDITS | 35,996,565 | 1,140,524 | 176,178,344 | 213,315,433 |
| 75 | TOTAL LIABILITIES AND OTHER CREDITS | 35,996,565 | 231,545,797 | 800,485,185 | 1,068,027,547 |
| 76 | | | | | |
| 77 | Total | 242,070,103 | (243,125,397) | 1,055,294 | 0 |

**STAFF-DR-01-016**

**REQUEST:**

Provide a rate base, capital structure, and statement of income for Duke Kentucky's gas operations for the most recent 12-month period for which information is available at the time it files its application and for the base period used in the application. Provide detailed explanations necessary to reconcile the data for the 12-month period with the filed base period information.

**RESPONSE:**

See Attachment STAFF-DR-01-016.

**PERSON RESPONSIBLE:** Robert M. Parsons

DUKE ENERGY KENTUCKY, INC.
GAS JURISDICTIONAL RATE BASE

CASE NO. 2009-00202
ATTACHMENT STAFF-DR-01-016


| LINE NO. | RATE BASE COMPONENT | SUPPORTING SCHEDULE REFERENCE | AS OF 5/31/2009 | BASE PERIOD | VARIANCE | |
|---|---|---|---|---|---|---|
| 1 | Total Utility Plant in Service (Accts 101 & 106) | Sch B-2 | 362,849,995 | 352,763,604 | (10,086,391) | |
| 2 | | | | | | |
| 3 | *Additions:* | | | | | |
| 4 | Construction Work in Progress (Account 107) | Sch B-4 | 9,897,152 | 21,648,924 | 11,751,772 | (1) |
| 5 | | | | | | |
| 6 | Fuel Inventory | Sch B-5 | 0 | 0 | 0 | |
| 7 | | | | | | |
| 8 | Materials & Supplies - | | | | | |
| 9 | Propane Inventory (Account 151) (A) | WPB-5.1b | 355,804 | 355,804 | 0 | |
| 10 | Other Material and Supplies (Accts. 154 & 163) (A) | Sch B-5 | (149,201) | (95,694) | 53,507 | (2) |
| 11 | Total Materials & Supplies | | 206,603 | 260,110 | 53,507 | |
| 12 | | | | | | |
| 13 | Gas Stored Underground (Account 164) (A) | WPB-5.1g | 0 | 0 | 0 | |
| 14 | | | | | | |
| 15 | Prepayments (Account 165) (A) | Sch B-5.1 | 0 | 0 | 0 | |
| 16 | | | | | | |
| 17 | Emission Allowances (Account 158) (A) | Sch B-5.1 | 0 | 0 | 0 | |
| 18 | | | | | | |
| 19 | Cash Working Capital Allowance | WPB-5 1a | 2,477,785 | 2,612,875 | 135,090 | (3) |
| 20 | | | | | | |
| 21 | Other Rate Base Items | Sch B-6 | 0 | 0 | 0 | |
| 22 | Total Additions | | 12,581,540 | 24,521,909 | 11,940,369 | |
| 23 | | | | | | |
| 24 | Deductions: | | | | | |
| 25 | Reserve for Accumulated Depreciation (Acct 108) | Sch B-3 | 100,000,506 | 99,218,845 | (781,661) | |
| 26 | | | | | | |
| 27 | Accum. Deferred Income Taxes (Accts 190, 282, & 283) | Sch B-6 | 31,809,947 | 34,346,229 | 2,536,282 | (4) |
| 28 | | | | | | |
| 29 | Customer Advances for Construction (Account 252) | Sch B-6 | 0 | 1,638,646 | 1,638,646 | |
| 30 | | | | | | |
| 31 | Investment Tax Credits (Account 255) | Sch B-6 | 13,498 | 11,690 | (1,808) | (5) |
| 32 | Total Deductions | | 131,823,951 | 135,215,410 | 3,391,459 | |
| 33 | | | | | | |
| 34 | Gas Jurisdictional Rate Base | | 243,607,584 | 242,070,103 | (1,537,481) | |

(1) The variance is related to the negative variance in Plant in Service on line 1. This is due to the timing of transferring projects from Construction to Plant in Service.
(2) The variance is due to the fluctuation in stores handling expense
(3) The variance is due to a slight increase in operation and maintenance expense.
(4) The variance is due to the additional deferred taxes that will be booked from June through September.
(5) The variance is due to the additional monthly amortization of the 3% investment tax credit from June through September.

| LINE NO. | CLASS OF CAPITAL | REFERENCE | AS OF 5/31/2009 | BASE PERIOD | VARIANCE | |
|---|---|---|---|---|---|---|
| 1 | **Total Company** | | | | | |
| 2 | Common Equity | | $395,098,005 | $402,061,142 | $6,963,137 | |
| 3 | Long-Term Debt | J-3 | 341,344,471 | 313,042,086 | ($28,302,385) | (1) |
| 4 | Short-Term Debt | J-2 | 40,000,000 | 72,291,045 | $32,291,045 | (2) |
| 5 | | | | | | |
| 6 | Total Capital | | $776,442,476 | $787,394,273 | $10,951,797 | |
| 7 | | | | | | |
| 8 | **Gas Jurisdictional** | | | | | |
| 9 | Common Equity | | $122,501,906 | $124,325,676 | $1,823,770 | |
| 10 | Long-Term Debt | | $105,835,398 | $96,799,204 | ($9,036,194) | (1) |
| 11 | Short-Term Debt | | $12,402,222 | $22,353,895 | $9,951,673 | (2) |
| 12 | | | | | | |
| 13 | Total Jurisdictional Gas Capital | | $240,739,526 | $243,478,775 | $2,739,249 | |

(1) The primary reason for the variance in the maturity of a long-term debt issuance on 9-15-09.
(2) The variance in short-term debt is due to maturity of long-term debt and the seasonal nature of cash requirements.

**DUKE ENERGY KENTUCKY, INC.**
**GAS INCOME STATEMENT**



| LINE NO. | DESCRIPTION | ENDING 5/31/2009 | BASE PERIOD | VARIANCE | |
|---|---|---|---|---|---|
| 1 | OPERATING REVENUE | 122,945,756 | 119,955,197 | (2,990,559) | |
| 2 | | | | | |
| 3 | OPERATING EXPENSES | | | | |
| 4 | Operation and Maintenance Expenses | | | | |
| 5 | Production Expenses | | | | |
| 6 | Liquefied Petroleum Gas | 117,937 | 100,086 | (17,851) | (1) |
| 7 | Other | 183,623 | 227,559 | 43,936 | (2) |
| 8 | Total Production Expense | 301,560 | 327,645 | 26,085 | |
| 9 | | | | | |
| 10 | Other Gas Supply Expenses | | | | |
| 11 | Purchased Gas | 84,655,743 | 81,058,949 | (3,596,794) | |
| 12 | Other | 485,593 | 443,391 | (42,202) | (3) |
| 13 | Total Other Gas Supply Expenses | 85,141,336 | 81,502,340 | (3,638,996) | |
| 14 | Transmission Expense | 0 | 0 | 0 | |
| 15 | Distribution Expense | 5,460,877 | 5,626,174 | 165,297 | |
| 16 | Customer Accounts Expense | 3,739,670 | 3,811,654 | 71,984 | |
| 17 | Customer Service & Information Expense | 587,516 | 542,651 | (44,865) | (4) |
| 18 | Sales Expense | 0 | 0 | 0 | |
| 19 | Administrative & General Expense | 9,574,739 | 10,514,160 | 939,421 | (5) |
| 20 | Other | (327,676) | (362,672) | (34,996) | (6) |
| 21 | Total Operation and Maintenance Expense | 104,478,022 | 101,961,952 | (2,516,070) | |
| 22 | | | | | |
| 23 | Depreciation Expense | 8,815,755 | 8,838,161 | 22,406 | |
| 24 | | | | | |
| 25 | Taxes Other Than Income Taxes | | | | |
| 26 | Other Federal Taxes | 452,055 | 530,251 | 78,196 | (7) |
| 27 | State and Other Taxes | 1,559,285 | 1,736,433 | 177,148 | (8) |
| 28 | Total Taxes Other Than Income Taxes | 2,011,340 | 2,266,684 | 255,344 | |
| 29 | | | | | |
| 30 | State Income Taxes | | | | |
| 31 | State Income Tax - Current | 144,267 | 415,004 | 270,737 | |
| 32 | Provision for Deferred Income Taxes - Net | 327,760 | (130,836) | (458,596) | |
| 33 | Total State Income Tax Expense | 472,027 | 284,168 | (187,859) | (9) |
| 34 | | | | | |
| 35 | Federal Income Taxes | | | | |
| 36 | Federal Income Tax - Current | (775,366) | 464,651 | 1,240,017 | |
| 37 | Provision for Deferred Income Taxes - Net | 1,950,933 | 29,337 | (1,921,596) | |
| 38 | Amortization of Investment Tax Credit | (75,042) | (62,003) | 13,039 | |
| 39 | Total Federal Income Tax Expense | 1,100,525 | 431,985 | (668,540) | (9) |
| 40 | | | | | |
| 41 | Total Operating Expenses and Taxes | 116,877,669 | 113,782,950 | (3,094,719) | |
| 42 | | | | | |
| 43 | AFUDC Offset | 0 | 0 | 0 | |
| 44 | | | | | |
| 45 | Net Operating Income | 6,068,087 | 6,172,247 | 104,160 | |

(1) The variance is due to a budget adjustment related to declining sales.
(2) The variance is due to timing of expenses. The budget assumes straight-line.
(3) The variance is due to the fact that intercompany expense was not budgeted.
(4) The variance is due to a decrease advertising expenses.
(5) The variance is due to employee benefits, outside service, and rent costs.
(6) The variance is due to a true-up of DSM amortization in May 2009.
(7) The variance in Other Federal Taxes is a result of the Employer FICA tax budgeted.
(8) The variance in State and Other Taxes is primarily attributable to the budget vs. actual property tax expense.
(9) The variance in state and federal income tax expense is due to the inclusion of prior year tax adjustments in the 12 months ended 5-31-09.

**STAFF-DR-01-017**

**REQUEST:**

Provide the information shown in Schedule 17 for each gas construction project in progress, or planned to be in progress, during the 12 months preceding the base period, the base period, and the forecasted test period.

**RESPONSE:**

See Attachment STAFF-DR-01-017.

**PERSON RESPONSIBLE:** Brenda R. Melendez / Gary J. Hebbeler

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
CONSTRUCTION PROJECTS
AS OF DATE INDICATED

| Line No (A) | Project No (B) | Description of Project (C) | Accumulated Costs: Construction Amount (D) | AFUDC Capitalized (E) | Indirect Costs Other (F) | Total cost (G+D+E+F) | Estimated Physical Percent Complete (H) |
|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | |
| 1 | *Sep 08* | | | | | | |
| 2 | BETMEAIN | BETHEL INLET PIPING | 13,276 | 50 | | 13,326 | VARIOUS |
| 3 | G7LGMR | LARGE M&R S | 45,617 | 2,010 | | 47,627 | VARIOUS |
| 4 | G7MAINS | MAINS | 118,658 | 6,211 | | 124,869 | VARIOUS |
| 5 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 159,416 | 14,630 | | 174,047 | VARIOUS |
| 6 | G7NOBNDR | NORTH BEND RD | 413,680 | 13,218 | | 426,897 | VARIOUS |
| 7 | G7PUBIMP | PUBLIC IMPROVEMENTS | 1,399,699 | 41,712 | | 1,441,411 | VARIOUS |
| 8 | G7REPL | REPLACEMENTS | 131,165 | 1,856 | | 133,021 | VARIOUS |
| 9 | G7SERVMC | SERVICES M-C | 301,381 | 3,003 | | 304,384 | VARIOUS |
| 10 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 11 | KYCIBS02 | CAST IRON BARE STEEL | 20,088 | 763 | | 20,851 | VARIOUS |
| 12 | KYCIBS05 | CAST IRON BARE STEEL | 1,732,444 | 60,849 | | 1,793,293 | VARIOUS |
| 13 | KYCIBS06 | CAST IRON BARE STEEL | 337,777 | 12,822 | | 350,599 | VARIOUS |
| 14 | KYCIBS07 | CAST IRON BARE STEEL | 1,228,156 | 30,080 | | 1,258,237 | VARIOUS |
| 15 | KYCIBS08 | CAST IRON BARE STEEL | 291,070 | 4,177 | | 295,247 | VARIOUS |
| 16 | KYCIBS09 | CAST IRON BARE STEEL | 244,545 | 7,247 | | 251,792 | VARIOUS |
| 17 | KYCIBS10 | CAST IRON BARE STEEL | 33,110 | 347 | | 33,457 | VARIOUS |
| 18 | U16ZMTRG | TOOLS GAS MTR OPS | 6,587 | | | 6,587 | VARIOUS |
| 19 | WALTONBP | WALTON BYPASS | 1,691,680 | 49,197 | | 1,740,877 | VARIOUS |
| 20 | Total Sep 08 | | 8,160,350 | 248,172 | | 8,408,522 | |
| 21 | **Oct 08** | | | | | | |
| 22 | BETMEAIN | BETHEL INLET PIPING | 13,055 | 308 | | 13,363 | VARIOUS |
| 23 | G7BUPG | KENTUCKY BUILDING UPGRADES | 5,909 | 13 | | 5,922 | VARIOUS |
| 24 | G7LGMR | LARGE M&R S | 113,694 | 2,451 | | 116,145 | VARIOUS |
| 25 | G7MAINS | MAINS | 192,206 | 5,464 | | 197,670 | VARIOUS |
| 26 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 136,222 | 14,256 | | 150,478 | VARIOUS |
| 27 | G7NOBNDR | NORTH BEND RD | 439,003 | 16,125 | | 455,128 | VARIOUS |
| 28 | G7PUBIMP | PUBLIC IMPROVEMENTS | 441,323 | 25,503 | | 466,827 | VARIOUS |
| 29 | G7REPL | REPLACEMENTS | 16,286 | 1,388 | | 17,674 | VARIOUS |
| 30 | G7SERVMC | SERVICES M-C | 315,191 | 8,295 | | 323,487 | VARIOUS |
| 31 | GITKYCAP | KY IT | 109 | 0 | | 109 | VARIOUS |
| 32 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 33 | KYCIBS02 | CAST IRON BARE STEEL | 20,088 | 763 | | 20,851 | VARIOUS |
| 34 | KYCIBS05 | CAST IRON BARE STEEL | 1,458,859 | 53,180 | | 1,512,039 | VARIOUS |
| 35 | KYCIBS06 | CAST IRON BARE STEEL | 337,777 | 12,822 | | 350,599 | VARIOUS |
| 36 | KYCIBS07 | CAST IRON BARE STEEL | 416,547 | 4,019 | | 420,566 | VARIOUS |
| 37 | KYCIBS08 | CAST IRON BARE STEEL | 240,830 | 2,861 | | 243,691 | VARIOUS |
| 38 | KYCIBS09 | CAST IRON BARE STEEL | 244,545 | 8,761 | | 253,306 | VARIOUS |
| 39 | KYCIBS10 | CAST IRON BARE STEEL | 33,110 | 566 | | 33,676 | VARIOUS |
| 40 | U16ZMTRG | TOOLS GAS MTR OPS | 6,587 | 0 | | 6,587 | VARIOUS |
| 41 | WALTONBP | WALTON BYPASS | 142,738 | 8,971 | | 151,709 | VARIOUS |
| 42 | Total Oct 08 | | 4,566,081 | 165,747 | | 4,731,828 | |
| 43 | *Nov 08* | | | | | | |
| 44 | BETMEAIN | BETHEL INLET PIPING | 13,055 | 395 | | 13,450 | VARIOUS |
| 45 | G7BUPG | KENTUCKY BUILDING UPGRADES | 6,684 | 42 | | 6,726 | VARIOUS |
| 46 | G7LGMR | LARGE M&R S | 194,821 | 3,139 | | 197,960 | VARIOUS |
| 47 | G7MAINS | MAINS | 250,056 | 6,780 | | 256,836 | VARIOUS |
| 48 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 140,724 | 14,456 | | 155,180 | VARIOUS |
| 49 | G7NOBNDR | NORTH BEND RD | 445,996 | 19,157 | | 465,153 | VARIOUS |
| 50 | G7PUBIMP | PUBLIC IMPROVEMENTS | 454,567 | 27,053 | | 481,620 | VARIOUS |
| 51 | G7REPL | REPLACEMENTS | 16,286 | 1,388 | | 17,674 | VARIOUS |
| 52 | G7SERVMC | SERVICES M-C | 368,990 | 4,082 | | 373,072 | VARIOUS |
| 53 | GITKYCAP | KY IT | 1,156 | 5 | | 1,161 | VARIOUS |
| 54 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 55 | KYCIBS02 | CAST IRON BARE STEEL | 20,088 | 763 | | 20,851 | VARIOUS |
| 56 | KYCIBS05 | CAST IRON BARE STEEL | 1,555,587 | 55,250 | | 1,610,837 | VARIOUS |
| 57 | KYCIBS06 | CAST IRON BARE STEEL | 337,777 | 12,822 | | 350,599 | VARIOUS |
| 58 | KYCIBS08 | CAST IRON BARE STEEL | 171,759 | 1,886 | | 173,646 | VARIOUS |
| 59 | KYCIBS09 | CAST IRON BARE STEEL | 327,778 | 10,558 | | 338,336 | VARIOUS |
| 60 | KYCIBS10 | CAST IRON BARE STEEL | 34,950 | 793 | | 35,743 | VARIOUS |
| 61 | LONGBRAN | CAST IRON BARE STEEL | 15,972 | 52 | | 16,025 | VARIOUS |
| 62 | U16ZMTRG | TOOLS GAS MTR OPS | 6,587 | 0 | | 6,587 | VARIOUS |
| 63 | WALTONBP | WALTON BYPASS | 85,479 | 6,708 | | 92,187 | VARIOUS |
| 64 | Total Nov 08 | | 4,440,312 | 165,329 | | 4,605,641 | |
| 65 | **Dec 08** | | | | | | |
| 66 | 310ZNB | NEW BUSINESS SOUTH AREA | 214 | 8 | | 222 | VARIOUS |
| 67 | G7BUPG | KENTUCKY BUILDING UPGRADES | 81,907 | 261 | | 82,168 | VARIOUS |
| 68 | G7LGMR | LARGE M&R S | 256,970 | 4,633 | | 261,603 | VARIOUS |
| 69 | G7MAINS | MAINS | 284,277 | 8,175 | | 292,452 | VARIOUS |
| 70 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 143,318 | 14,694 | | 158,011 | VARIOUS |
| 71 | G7NOBNDR | NORTH BEND RD | 445,996 | 22,421 | | 468,417 | VARIOUS |
| 72 | G7PUBIMP | PUBLIC IMPROVEMENTS | 459,517 | 28,891 | | 488,408 | VARIOUS |

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
CONSTRUCTION PROJECTS
AS OF DATE INDICATED

| Line No (A) | Project No (B) | Description of Project (C) | Accumulated Costs: Construction Amount (D) | AFUDC Capitalized (E) | Indirect Costs Other (F) | Total cost (G+D+E+F) | Estimated Physical Percent Complete (H) |
|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | |
| 73 | G7REPL | REPLACEMENTS | 16,286 | 1,388 | | 17,674 | VARIOUS |
| 74 | GITKYCAP | KY IT | 7,068 | 33 | | 7,101 | VARIOUS |
| 75 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 76 | KYCIBS02 | CAST IRON BARE STEEL | 20,088 | 763 | | 20,851 | VARIOUS |
| 77 | KYCIBS05 | CAST IRON BARE STEEL | 1,640,478 | 55,450 | | 1,695,929 | VARIOUS |
| 78 | KYCIBS06 | CAST IRON BARE STEEL | 337,777 | 12,822 | | 350,599 | VARIOUS |
| 79 | KYCIBS08 | CAST IRON BARE STEEL | 511,814 | 2,977 | | 514,791 | VARIOUS |
| 80 | KYCIBS09 | CAST IRON BARE STEEL | 488,600 | 13,327 | | 501,927 | VARIOUS |
| 81 | KYCIBS10 | CAST IRON BARE STEEL | 34,950 | 1,042 | | 35,992 | VARIOUS |
| 82 | LONGBRAN | CAST IRON BARE STEEL | 67,131 | 342 | | 67,473 | VARIOUS |
| 83 | U16ZMTRG | TOOLS GAS MTR OPS | 6,587 | 0 | | 6,587 | VARIOUS |
| 84 | WALTONBP | WALTON BYPASS | 85,861 | 7,367 | | 93,228 | VARIOUS |
| 85 | Total Dec 08 | | 4,880,838 | 174,595 | | 5,055,432 | |
| 86 | **Jan 09** | | | | | | |
| 87 | G7BUPG | KENTUCKY BUILDING UPGRADES | 81,777 | 616 | | 82,393 | VARIOUS |
| 88 | G7LGMR | LARGE M&R S | 136,717 | 4,318 | | 141,035 | VARIOUS |
| 89 | G7MAINS | MAINS | 209,500 | 8,131 | | 217,631 | VARIOUS |
| 90 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 143,318 | 14,921 | | 158,238 | VARIOUS |
| 91 | G7NOBNDR | NORTH BEND RD | 445,996 | 25,422 | | 471,418 | VARIOUS |
| 92 | G7PUBIMP | PUBLIC IMPROVEMENTS | 420,645 | 29,945 | | 450,590 | VARIOUS |
| 93 | G7REPL | REPLACEMENTS | 16,286 | 1,388 | | 17,674 | VARIOUS |
| 94 | G7SERVMC | SERVICES M-C | 1,717 | 0 | | 1,717 | VARIOUS |
| 95 | GITKYCAP | KY IT | 13,444 | 99 | | 13,543 | VARIOUS |
| 96 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 97 | KYCIBS02 | CAST IRON BARE STEEL | 20,088 | 763 | | 20,851 | VARIOUS |
| 98 | KYCIBS05 | CAST IRON BARE STEEL | 1,226,510 | 47,409 | | 1,273,919 | VARIOUS |
| 99 | KYCIBS06 | CAST IRON BARE STEEL | 337,777 | 12,822 | | 350,599 | VARIOUS |
| 100 | KYCIBS08 | CAST IRON BARE STEEL | 37,964 | 1,376 | | 39,339 | VARIOUS |
| 101 | KYCIBS09 | CAST IRON BARE STEEL | 841,257 | 17,639 | | 858,896 | VARIOUS |
| 102 | KYCIBS10 | CAST IRON BARE STEEL | 34,950 | 1,270 | | 36,220 | VARIOUS |
| 103 | LONGBRAN | LONGBRANCH RD | 84,430 | 826 | | 85,256 | VARIOUS |
| 104 | WALTONBP | WALTON BYPASS | 85,861 | 7,974 | | 93,835 | VARIOUS |
| 105 | Total Jan 09 | | 4,130,238 | 174,917 | | 4,305,155 | |
| 106 | **Feb 09** | | | | | | |
| 107 | G7BUPG | KENTUCKY BUILDING UPGRADES | 82,175 | 957 | | 83,132 | VARIOUS |
| 108 | G7LGMR | LARGE M&R S | 34,378 | 2,500 | | 36,878 | VARIOUS |
| 109 | G7MAINS | MAINS | 109,688 | 5,683 | | 115,370 | VARIOUS |
| 110 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 148,364 | 10,540 | | 158,904 | VARIOUS |
| 111 | G7NOBNDR | NORTH BEND RD | 446,048 | 28,347 | | 474,395 | VARIOUS |
| 112 | G7PUBIMP | PUBLIC IMPROVEMENTS | 374,601 | 27,822 | | 402,424 | VARIOUS |
| 113 | G7REPL | REPLACEMENTS | 16,286 | 1,388 | | 17,674 | VARIOUS |
| 114 | G7SERVMC | SERVICES M-C | 1,717 | 0 | | 1,717 | VARIOUS |
| 115 | GITKYCAP | KY IT | 20,073 | 202 | | 20,275 | VARIOUS |
| 116 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 117 | KYCIBS02 | CAST IRON BARE STEEL | 20,088 | 763 | | 20,851 | VARIOUS |
| 118 | KYCIBS05 | CAST IRON BARE STEEL | 1,226,510 | 47,409 | | 1,273,919 | VARIOUS |
| 119 | KYCIBS06 | CAST IRON BARE STEEL | 337,777 | 12,822 | | 350,599 | VARIOUS |
| 120 | KYCIBS08 | CAST IRON BARE STEEL | 37,964 | 1,618 | | 39,581 | VARIOUS |
| 121 | KYCIBS09 | CAST IRON BARE STEEL | 1,415,125 | 24,691 | | 1,439,816 | VARIOUS |
| 122 | KYCIBS10 | CAST IRON BARE STEEL | 34,950 | 1,395 | | 36,345 | VARIOUS |
| 123 | LONGBRAN | LONGBRANCH RD | 89,798 | 1,367 | | 91,165 | VARIOUS |
| 124 | WALTONBP | WALTON BYPASS | 85,861 | 8,565 | | 94,426 | VARIOUS |
| 125 | Total Feb 09 | | 4,473,403 | 176,068 | | 4,649,471 | |
| 126 | **Mar 09** | | | | | | |
| 127 | G7BUPG | KENTUCKY BUILDING UPGRADES | 82,175 | 1,300 | | 83,475 | VARIOUS |
| 128 | G7LGMR | LARGE M&R S | 34,993 | 2,640 | | 37,633 | VARIOUS |
| 129 | G7MAINS | MAINS | 105,662 | 6,057 | | 111,719 | VARIOUS |
| 130 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 31,257 | 5,721 | | 36,978 | VARIOUS |
| 131 | G7NOBNDR | NORTH BEND RD | 450,459 | 31,303 | | 481,762 | VARIOUS |
| 132 | G7PUBIMP | PUBLIC IMPROVEMENTS | 229,697 | 7,338 | | 237,035 | VARIOUS |
| 133 | G7REPL | REPLACEMENTS | 6,316 | 0 | | 6,316 | VARIOUS |
| 134 | G7SERVMC | SERVICES M-C | 2,423 | 0 | | 2,423 | VARIOUS |
| 135 | GITKYCAP | KY IT | 23,758 | 338 | | 24,097 | VARIOUS |
| 136 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 137 | KYCIBS02 | CAST IRON BARE STEEL | 20,088 | 0 | | 20,088 | VARIOUS |
| 138 | KYCIBS05 | CAST IRON BARE STEEL | 1,226,510 | 383 | | 1,226,893 | VARIOUS |
| 139 | KYCIBS06 | CAST IRON BARE STEEL | 337,777 | 0 | | 337,777 | VARIOUS |
| 140 | KYCIBS08 | CAST IRON BARE STEEL | 37,964 | 1,861 | | 39,825 | VARIOUS |
| 141 | KYCIBS09 | CAST IRON BARE STEEL | 3,543,721 | 40,102 | | 3,583,823 | VARIOUS |
| 142 | KYCIBS10 | CAST IRON BARE STEEL | 34,950 | 1,520 | | 36,470 | VARIOUS |
| 143 | LONGBRAN | LONGBRANCH RD | 93,975 | 1,941 | | 95,916 | VARIOUS |
| 144 | WALTONBP | WALTON BYPASS | 85,861 | 9,160 | | 95,021 | VARIOUS |

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
CONSTRUCTION PROJECTS
AS OF DATE INDICATED

| Line No. (A) | Project No. (B) | Description of Project (C) | Accumulated Costs: Construction Amount (D) | AFUDC Capitalized (E) | Indirect Costs Other (F) | Total cost (G+D+E+F) | Estimated Physical Percent Complete (H) |
|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | |
| 145 | Total Mar 09 | | 6,339,587 | 109,665 | | 6,449,251 | |
| 146 | **Apr 09** | | | | | | |
| 147 | G7BUPG | KENTUCKY BUILDING UPGRADES | 82,175 | 261 | | 82,436 | VARIOUS |
| 148 | G7LGMR | LARGE M&R S | 53,484 | 2,840 | | 56,324 | VARIOUS |
| 149 | G7MAINS | MAINS | 110,691 | 2,696 | | 113,386 | VARIOUS |
| 150 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 31,257 | 5,949 | | 37,206 | VARIOUS |
| 151 | G7NOBNDR | NORTH BEND RD | 447,719 | 34,283 | | 482,001 | VARIOUS |
| 152 | G7PUBIMP | PUBLIC IMPROVEMENTS | 170,607 | 8,072 | | 178,679 | VARIOUS |
| 153 | G7REPL | REPLACEMENTS | 6,316 | 0 | | 6,316 | VARIOUS |
| 154 | G7SERVMC | SERVICES M-C | (1,082) | 0 | | (1,082) | VARIOUS |
| 155 | GITKYCAP | KY IT | 28,287 | 501 | | 28,788 | VARIOUS |
| 156 | KYCIBS01 | CAST IRON BARE STEEL | (8,000) | 0 | | (8,000) | VARIOUS |
| 157 | KYCIBS08 | CAST IRON BARE STEEL | 37,964 | 2,106 | | 40,070 | VARIOUS |
| 158 | KYCIBS09 | CAST IRON BARE STEEL | 5,561,851 | 66,630 | | 5,628,481 | VARIOUS |
| 159 | KYCIBS10 | CAST IRON BARE STEEL | 34,950 | 1,646 | | 36,596 | VARIOUS |
| 160 | LONGBRAN | LONGBRANCH RD | 98,543 | 2,545 | | 101,088 | VARIOUS |
| 161 | Total Apr 09 | | 6,654,762 | 127,529 | | 6,782,291 | |
| 162 | **May 09** | | | | | | |
| 163 | G7BUPG | KENTUCKY BUILDING UPGRADES | (1,755) | 261 | | (1,494) | VARIOUS |
| 164 | G7LGMR | LARGE M&R S | 61,926 | 3,020 | | 64,947 | VARIOUS |
| 165 | G7MAINS | MAINS | 128,536 | 1,972 | | 130,508 | VARIOUS |
| 166 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 32,285 | 6,188 | | 38,474 | VARIOUS |
| 167 | G7NOBNDR | NORTH BEND RD | 494,494 | 37,498 | | 531,992 | VARIOUS |
| 168 | G7PRESIM | PRESSURE IMPROVEMENTS | 4,737 | 15 | | 4,752 | VARIOUS |
| 169 | G7PUBIMP | PUBLIC IMPROVEMENTS | 290,054 | 9,202 | | 299,256 | VARIOUS |
| 170 | G7REPL | REPLACEMENTS | 7,811 | 5 | | 7,816 | VARIOUS |
| 171 | GITKYCAP | KY IT | 32,702 | 696 | | 33,398 | VARIOUS |
| 172 | KYCIBS08 | CAST IRON BARE STEEL | 37,964 | 2,360 | | 40,323 | VARIOUS |
| 173 | KYCIBS09 | CAST IRON BARE STEEL | 5,518,154 | 90,787 | | 5,608,941 | VARIOUS |
| 174 | KYCIBS10 | CAST IRON BARE STEEL | 63,816 | 1,737 | | 65,552 | VARIOUS |
| 175 | LONGBRAN | LONGBRANCH RD | 124,623 | 3,266 | | 127,889 | VARIOUS |
| 176 | Total May 09 | | 6,795,346 | 157,007 | | 6,952,353 | |
| 177 | **Jun 09** | | | | | | |
| 178 | CPERNST1 | CAMP ERNST RD | 123,990 | 666 | | 124,656 | VARIOUS |
| 179 | G712THST | 12 TH STREET | 43,913 | 236 | | 44,149 | VARIOUS |
| 180 | G7LGMR | LARGE M&R S | 49,522 | | | 49,522 | VARIOUS |
| 181 | G7MAINS | MAINS | 149,374 | | | 149,374 | VARIOUS |
| 182 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 23,622 | | | 23,622 | VARIOUS |
| 183 | G7NOBNDR | NORTH BEND RD | 45,782 | 2,480 | | 48,262 | VARIOUS |
| 184 | G7PRESIM | PRESSURE IMPROVEMENTS | 4,242 | | | 4,242 | VARIOUS |
| 185 | G7PUBIMP | PUBLIC IMPROVEMENTS | 167,104 | | | 167,104 | VARIOUS |
| 186 | G7PUINMR | GAS METERS AND REGULATORS | 247,103 | | | 247,103 | VARIOUS |
| 187 | G7REPL | REPLACEMENTS | 86,313 | | | 86,313 | VARIOUS |
| 188 | G7RISER | RISERS | 210,562 | | | 210,562 | VARIOUS |
| 189 | G7SERVMC | SERVICES M-C | 412,615 | | | 412,615 | VARIOUS |
| 190 | GITKYCAP | KY IT | 33,762 | 908 | | 34,670 | VARIOUS |
| 191 | KYCIBS09 | CAST IRON BARE STEEL | 2,406,826 | 46,084 | | 2,452,910 | VARIOUS |
| 192 | KYGASG01 | KENTUCKY GAS GROWTH | 7,798 | 40 | | 7,838 | VARIOUS |
| 193 | LONGBRAN | LONGBRANCH RD | 100,780 | 863 | | 101,643 | VARIOUS |
| 194 | U16ZMTRG | TOOLS GAS MTR OPS | 1,400 | | | 1,400 | VARIOUS |
| 195 | UFGASCAP | UTILITY OF FUTURE GAS | 25,000 | | | 25,000 | VARIOUS |
| 196 | Total Jun 09 | | 4,139,709 | 51,277 | | 4,190,986 | |
| 197 | **Jul 09** | | | | | | |
| 198 | CPERNST1 | CAMP ERNST RD | 133,991 | 1,271 | | 135,262 | VARIOUS |
| 199 | G712THST | 12 TH STREET | 47,455 | 450 | | 47,905 | VARIOUS |
| 200 | G7LGMR | LARGE M&R S | 51,003 | | | 51,003 | VARIOUS |
| 201 | G7MAINS | MAINS | 143,147 | | | 143,147 | VARIOUS |
| 202 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 1,607 | | | 1,607 | VARIOUS |
| 203 | G7NOBNDR | NORTH BEND RD | 49,476 | 2,713 | | 52,189 | VARIOUS |
| 204 | G7PRESIM | PRESSURE IMPROVEMENTS | 1,239 | | | 1,239 | VARIOUS |
| 205 | G7PUBIMP | PUBLIC IMPROVEMENTS | 230,664 | | | 230,664 | VARIOUS |
| 206 | G7PUINMR | GAS METERS AND REGULATORS | 159,434 | | | 159,434 | VARIOUS |
| 207 | G7REPL | REPLACEMENTS | 53,533 | | | 53,533 | VARIOUS |
| 208 | G7RISER | RISERS | 230,447 | | | 230,447 | VARIOUS |
| 209 | G7SERVMC | SERVICES M-C | 257,425 | | | 257,425 | VARIOUS |
| 210 | GITKYCAP | KY IT | 33,761 | 1,070 | | 34,831 | VARIOUS |
| 211 | KYCIBS09 | CAST IRON BARE STEEL | 3,008,532 | 58,758 | | 3,067,290 | VARIOUS |
| 212 | KYGASG01 | KENTUCKY GAS GROWTH | 8,384 | 78 | | 8,462 | VARIOUS |
| 213 | LONGBRAN | LONGBRANCH RD | 108,909 | 1,356 | | 110,265 | VARIOUS |
| 214 | U16ZMTRG | TOOLS GAS MTR OPS | 1,400 | | | 1,400 | VARIOUS |

DUKE ENERGY KENTUCKY
CASE NO. 2009-00202
CONSTRUCTION PROJECTS
AS OF DATE INDICATED

| Line No (A) | Project No (B) | Description of Project (C) | Accumulated Costs: Construction Amount (D) | AFUDC Capitalized (E) | Indirect Costs Other (F) | Total cost (G+D+E+F) | Estimated Physical Percent Complete (H) |
|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | |
| 215 | UFGASCAP | UTILITY OF FUTURE GAS | 25,000 | | | 25,000 | VARIOUS |
| 216 | Total Jul 09 | | 4,545,406 | 65,696 | | 4,611,102 | |
| 217 | **Aug 09** | | | | | | |
| 218 | CPERNST1 | CAMP ERNST RD | 131,497 | 1,895 | | 133,392 | VARIOUS |
| 219 | G712THST | 12 TH STREET | 46,572 | 671 | | 47,243 | VARIOUS |
| 220 | G7IMPRPL | INTEGRITY MANAGEMENT RPL | 6,973 | | | 6,973 | VARIOUS |
| 221 | G7LGMR | LARGE M&R S | 29,782 | | | 29,782 | VARIOUS |
| 222 | G7MAINS | MAINS | 95,503 | | | 95,503 | VARIOUS |
| 223 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 23,977 | | | 23,977 | VARIOUS |
| 224 | G7NOBNDR | NORTH BEND RD | 48,555 | 2,954 | | 51,509 | VARIOUS |
| 225 | G7PRESIM | PRESSURE IMPROVEMENTS | 1,822 | | | 1,822 | VARIOUS |
| 226 | G7PUBIMP | PUBLIC IMPROVEMENTS | 387,737 | | | 387,737 | VARIOUS |
| 227 | G7PUINMR | GAS METERS AND REGULATORS | 247,103 | | | 247,103 | VARIOUS |
| 228 | G7REPL | REPLACEMENTS | 45,923 | | | 45,923 | VARIOUS |
| 229 | G7RISER | RISERS | 225,488 | | | 225,488 | VARIOUS |
| 230 | G7SERVMC | SERVICES M-C | 326,310 | | | 326,310 | VARIOUS |
| 231 | GITKYCAP | KY IT | 33,762 | 1,232 | | 34,994 | VARIOUS |
| 232 | KYCIBS09 | CAST IRON BARE STEEL | 2,406,826 | 71,492 | | 2,478,318 | VARIOUS |
| 233 | KYGASG01 | KENTUCKY GAS GROWTH | 8,238 | 117 | | 8,355 | VARIOUS |
| 234 | LONGBRAN | LONGBRANCH RD | 106,882 | 1,865 | | 108,747 | VARIOUS |
| 235 | U16ZMTRG | TOOLS GAS MTR OPS | 1,400 | | | 1,400 | VARIOUS |
| 236 | UFGASCAP | UTILITY OF FUTURE GAS | 25,000 | | | 25,000 | VARIOUS |
| 237 | Total Aug 09 | | 4,199,347 | 80,226 | | 4,279,573 | |
| 238 | **Sep 09** | | | | | | |
| 239 | CPERNST1 | CAMP ERNST RD | 135,513 | 2,526 | | 138,039 | VARIOUS |
| 240 | G712THST | 12 TH STREET | 47,994 | 895 | | 48,889 | VARIOUS |
| 241 | G7IMPRPL | INTEGRITY MANAGEMENT RPL | 7,649 | | | 7,649 | VARIOUS |
| 242 | G7LGMR | LARGE M&R S | 27,137 | | | 27,137 | VARIOUS |
| 243 | G7MAINS | MAINS | 141,025 | | | 141,025 | VARIOUS |
| 244 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 38,666 | | | 38,666 | VARIOUS |
| 245 | G7NOBNDR | NORTH BEND RD | 50,037 | 3,198 | | 53,235 | VARIOUS |
| 246 | G7PRESIM | PRESSURE IMPROVEMENTS | 1,881 | | | 1,881 | VARIOUS |
| 247 | G7PUBIMP | PUBLIC IMPROVEMENTS | 200,061 | | | 200,061 | VARIOUS |
| 248 | G7PUINMR | GAS METERS AND REGULATORS | 120,623 | | | 120,623 | VARIOUS |
| 249 | G7REPL | REPLACEMENTS | 20,316 | | | 20,316 | VARIOUS |
| 250 | G7RISER | RISERS | 136,193 | | | 136,193 | VARIOUS |
| 251 | G7SERVMC | SERVICES M-C | 259,637 | | | 259,637 | VARIOUS |
| 252 | GITKYCAP | KY IT | 33,762 | 1,395 | | 35,157 | VARIOUS |
| 253 | KYCIBS09 | CAST IRON BARE STEEL | 1,604,547 | 81,054 | | 1,685,601 | VARIOUS |
| 254 | KYGASG01 | KENTUCKY GAS GROWTH | 8,473 | 156 | | 8,629 | VARIOUS |
| 255 | LONGBRAN | LONGBRANCH RD | 110,147 | 2,379 | | 112,526 | VARIOUS |
| 256 | UFGASCAP | UTILITY OF FUTURE GAS | 25,000 | | | 25,000 | VARIOUS |
| 257 | Total Sep 09 | | 2,968,661 | 91,603 | | 3,060,264 | |
| 258 | **Jan 11** | | | | | | |
| 259 | G7BUPG | INTEGRITY MANAGEMENT RPL | 10,772 | | | 10,772 | VARIOUS |
| 260 | G7LGMR | LARGE M&R S | 12,142 | | | 12,142 | VARIOUS |
| 261 | G7MAINS | MAINS | 204,804 | | | 204,804 | VARIOUS |
| 262 | G7MSCPRD | MISCELLANEOUS PRODUCTION | 1,634 | | | 1,634 | VARIOUS |
| 263 | G7PRESIM | PRESSURE IMPROVEMENTS | 2,971 | | | 2,971 | VARIOUS |
| 264 | G7PUBIMP | PUBLIC IMPROVEMENTS | 31,005 | | | 31,005 | VARIOUS |
| 265 | G7PUINMR | GAS METERS AND REGULATORS | 15,700 | | | 15,700 | VARIOUS |
| 266 | G7REPL | REPLACEMENTS | 88,635 | | | 88,635 | VARIOUS |
| 267 | G7RISER | RISERS | 54,664 | | | 54,664 | VARIOUS |
| 268 | G7SERVMC | SERVICES M-C | 327,464 | | | 327,464 | VARIOUS |
| 269 | UFGASCAP | UTILITY OF FUTURE GAS | 68,795 | | | 68,795 | VARIOUS |
| 270 | Total Jan 11 | | 818,586 | 0 | | 818,586 | |

**STAFF-DR-01-018**

**REQUEST:**

Provide, in the format provided in Schedule 18, an analysis of Duke Kentucky's Construction Work in Progress ("CWIP") for gas operations as defined in the Uniform Systems of Accounts for each of the projects identified in Schedule 17.

**RESPONSE:**

Refer to Schedule B-4.1 of Duke Energy Kentucky's Application in this proceeding.

**PERSON RESPONSIBLE:** Gary J. Hebbeler

**STAFF-DR-01-019**

**REQUEST:**

Provide a calculation of the rate or rates used to capitalize interest during construction for the three most recent calendar years. Explain each component entering ino the calculation of the rate(s).

**RESPONSE:**

Rates are calculated in compliance with FERC Order No. 561. Please refer to Attachment STAFF-DR-01-019 for calculation of rates used to capitalize interest for the three most recent calendar years.

**PERSON RESPONSIBLE:** Brenda R. Melendez

ULH&P-Gas & Common
Computation of AFUDC Rate
By Order No. 561 Method
For the Month of January, 2006

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 5,039,000 | | | 4.309 | x | 39.08% | = | 0.01684 | | |
| Long-Term Debt Sch. B | 168,019,338 | 32.96% | x | 5.871 | x | 60.92% | = | 0.01179 | 2.86 | 40.86 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 60.92% | = | 0.00000 | | |
| Common Equity Sch. D | 341,741,299 | 67.04% | x | 10.20 | x | 60.92% | = | 0.04165 | 4.14 | 59.14 |
| Total Capitalization | 509,760,637 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.07028 | 7.00 | 100.00 |
| CWIP (W) Sch. E | 12,892,865 | | | | | | | 28.112<br>0.112 | | |

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of February, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 15,288,000 | | | 4.476 | x | 80.79% | = | 0.03616 | | |
| Long-Term Debt Sch. B | 168,045,830 | 33.15% | x | 5.880 | x | 19.22% | = | 0.00375 | 3.99 | 76.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 19.22% | = | 0.00000 | | |
| Common Equity Sch. D | 338,846,546 | 66.85% | x | 10.20 | x | 19.22% | = | 0.01310 | 1.26 | 24.00 |
| Total Capitalization | 506,892,376 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05301 | 5.25 | 100.00 |
| CWIP (W) Sch. E | 18,924,212 | | | | | | | 21.204<br>0.204 | | |

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of March, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 100,086,000 | | | 4.579 | x | 100.00% | = | 0.04579 | | |
| Long-Term Debt Sch. B | 168,072,322 | 32.84% | x | 5.881 | x | 0.00% | = | 0.00000 | 4.50 | 100.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 0.00% | = | 0.00000 | | |
| Common Equity Sch. D | 343,716,503 | 67.16% | x | 10.20 | x | 0.00% | = | 0.00000 | 0.00 | 0.00 |
| Total Capitalization | 511,788,825 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.04579 | 4.50 | 100.00 |
| CWIP (W) Sch. E | 24,920,960 | | | | | | | 18.316<br>0.316 | | |

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of April, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 19,076,000 | | | 4.608 | x | 72.83% | = | 0.03356 | | |
| Long-Term Debt Sch. B | 281,661,600 | 44.83% | x | 5.936 | x | 27.17% | = | 0.00723 | 4.08 | 74.18 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 27.17% | = | 0.00000 | | |
| Common Equity Sch. D | 346,672,259 | 55.17% | x | 10.20 | x | 27.17% | = | 0.01529 | 1.42 | 25.82 |
| Total Capitalization | 628,333,859 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05608 | 5.50 | 100.00 |
| CWIP (W) Sch. E | 26,193,827 | | | | | | | 22.432<br>0.432 | | |

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of May, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | 0.000 x | 0.00% = | 0.00000 | | |
| Long-Term Debt Sch. B | 266,239,083 | 43.53% x | 5.845 x | 100.00% = | 0.02544 | 2.54 | 30.79 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 100.00% = | 0.00000 | | |
| Common Equity Sch. D | 345,374,631 | 56.47% x | 10.20 x | 100.00% = | 0.05760 | 5.71 | 69.21 |
| Total Capitalization | 611,613,714 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.08304 | 8.25 | 100.00 |
| CWIP (W) Sch. E | 33,224,397 | | | | 33.216<br>0.216 | | |

KH
6/5/06

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of June, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 2,824,000 | | 5.031 x | 8.06% = | 0.00406 | | |
| Long-Term Debt Sch. B | 266,273,889 | 43.61% x | 5.845 x | 91.94% = | 0.02343 | 2.75 | 34.38 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 91.94% = | 0.00000 | | |
| Common Equity Sch. D | 344,361,055 | 56.39% x | 10.20 x | 91.94% = | 0.05288 | 5.25 | 65.62 |
| Total Capitalization | 610,634,944 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.08037 | 8.00 | 100.00 |
| CWIP (W) Sch. E | 35,028,298 | | | | 32.148<br>0.148 | | |

KH
7/5/06

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of July, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 3,149,000 | | 5.174 x | 9.98% = | 0.00516 | | |
| Long-Term Debt Sch. B | 266,308,695 | 43.62% x | 5.868 x | 90.02% = | 0.02304 | 2.82 | 36.39 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 90.02% = | 0.00000 | | |
| Common Equity Sch. D | 344,225,938 | 56.38% x | 10.20 x | 90.02% = | 0.05177 | 4.93 | 63.61 |
| Total Capitalization | 610,534,633 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.07997 | 7.75 | 100.00 |
| CWIP (W) Sch. E | 31,564,418 | | | | 31.988<br>-0.012 | | |

KH
8-2-06

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of August, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 3,883,000 | | | 5.367 | x | 13.61% | = | 0.00730 | | |
| Long-Term Debt Sch. B | 266,343,502 | 43.56% | x | 5.850 | x | 86.39% | = | 0.02201 | 2.93 | 37.81 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 86.39% | = | 0.00000 | | |
| Common Equity Sch. D | 345,041,391 | 56.44% | x | 10.20 | x | 86.39% | = | 0.04973 | 4.82 | 62.19 |
| Total Capitalization | 611,384,893 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.07904 | 7.75 | 100.00 |
| CWIP (W) Sch. E | 28,533,959 | | | | | | | 31.616<br>-0.384 | | |

KH
8-29-06

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of September, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 14,747,000 | | | 5.380 | x | 59.42% | = | 0.03197 | | |
| Long-Term Debt Sch. B | 342,570,257 | 49.79% | x | 4.576 | x | 40.58% | = | 0.00925 | 4.12 | 68.67 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 40.58% | = | 0.00000 | | |
| Common Equity Sch. D | 345,414,012 | 50.21% | x | 10.20 | x | 40.58% | = | 0.02078 | 1.88 | 31.33 |
| Total Capitalization | 687,984,269 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.06200 | 6.00 | 100.00 |
| CWIP (W) Sch. E | 24,820,067 | | | | | | | 24.8<br>-0.2 | | |

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of October, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 13,177,000 | | 5.365 x | 52.41% = | 0.02812 | | |
| Long-Term Debt Sch. B | 263,919,222 | 43.41% x | 5.482 x | 47.59% = | 0.01133 | 3.95 | 60.77 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 47.59% = | 0.00000 | | |
| Common Equity Sch. D | 344,073,031 | 56.59% x | 10.20 x | 47.59% = | 0.02747 | 2.55 | 39.23 |
| Total Capitalization | 607,992,253 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.06692 | 6.50 | 100.00 |
| CWIP (W) Sch. E | 25,142,965 | | | | 26.768<br>-0.232 | | |

KA 11/1/06

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of November, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 19,679,867 | | | 5.372 | x | 74.23% | = | 0.03988 | | |
| Long-Term Debt Sch. B | 262,920,965 | 43.27% | x | 5.478 | x | 25.77% | = | 0.00611 | 4.60 | 76.67 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 25.77% | = | 0.00000 | | |
| Common Equity Sch. D | 344,739,077 | 56.73% | x | 10.20 | x | 25.77% | = | 0.01491 | 1.40 | 23.33 |
| Total Capitalization | 607,660,042 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.06090 | 6.00 | 100.00 |
| CWIP (W) Sch. E | 26,510,620 | | | | | | | 24.36<br>0.36 | | |

12/4

**ULH&P-Gas & Common**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of December, 2006**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 16,793,000 | | 5.340 x | 58.55% = | 0.03127 | | |
| Long-Term Debt Sch. B | 262,961,489 | 43.22% x | 5.470 x | 41.45% = | 0.00980 | 4.11 | 63.23 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 41.45% = | 0.00000 | | |
| Common Equity Sch. D | 345,394,599 | 56.78% x | 10.20 x | 41.45% = | 0.02401 | 2.39 | 36.77 |
| Total Capitalization | 608,356,088 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.06508 | 6.50 | 100.00 |
| CWIP (W) Sch. E | 28,681,121 | | | | 26.032<br>0.032 | | |

Kelly Hanson
12/27/06

**ULH&P-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of January, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 16,595,803 | | 5.335 x | 58.47% = | 0.03119 | | |
| Long-Term Debt Sch. B | 263,031,971 | 43.09% x | 5.491 x | 41.53% = | 0.00983 | 4.10 | 63.08 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 41.53% = | 0.00000 | | |
| Common Equity Sch. D | 347,455,488 | 56.91% x | 10.20 x | 41.53% = | 0.02411 | 2.40 | 36.92 |
| Total Capitalization | 610,487,459 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.06513 | 6.50 | 100.00 |
| CWIP (W) Sch. E | 28,383,755 | | | | 26.052<br>0.052 | | |

Kelly Stevens
2-2-07

**ULH&P-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of February, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 26,059,000 | | | 5.320 | x | 100.00% | = | 0.05320 | | |
| Long-Term Debt Sch. B | 263,082,480 | 42.79% | x | 5.508 | x | 0.00% | = | 0.00000 | 5.25 | 100.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 0.00% | = | 0.00000 | | |
| Common Equity Sch. D | 351,731,089 | 57.21% | x | 10.20 | x | 0.00% | = | 0.00000 | 0.00 | 0.00 |
| Total Capitalization | 614,813,569 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05320 | 5.25 | 100.00 |
| CWIP (W) Sch. E | 24,248,958 | | | | | | | 21.28<br>0.28 | | |

RH 3/2/07

**ULH&P-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of March, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 19,953,000 | | 5.306 x | 88.26% = | 0.04683 | | |
| Long-Term Debt Sch. B | 263,132,990 | 42.28% x | 4.335 x | 11.74% = | 0.00215 | 4.90 | 89.09 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 11.74% = | 0.00000 | | |
| Common Equity Sch. D | 359,276,578 | 57.72% x | 10.20 x | 11.74% = | 0.00691 | 0.60 | 10.91 |
| Total Capitalization | 622,409,568 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.05589 | 5.50 | 100.00 |
| CWIP (W) Sch. E | 22,607,297 | | | | 22.356<br>0.356 | | |

Kelly Horan
4/3/07

**ULH&P-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of April, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | COST RATES (3) | S/W (4) | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 6,603,000 | | 5.288 x | 25.92% = | 0.01371 | | |
| Long-Term Debt Sch. B | 263,183,500 | 42.09% x | 5.473 x | 74.08% = | 0.01706 | 3.08 | 42.48 |
| Preferred Stock Sch. C | 0 | 0.00% x | 0.00 x | 74.08% = | 0.00000 | | |
| Common Equity Sch. D | 362,117,060 | 57.91% x | 10.20 x | 74.08% = | 0.04376 | 4.17 | 57.52 |
| Total Capitalization | 625,300,560 | 100.00% | | | | | |
| AFUDC Rates | | | | | 0.07453 | 7.25 | 100.00 |
| CWIP (W) Sch. E | 25,472,826 | | | | 29.812<br>-0.188 | | |

Kelly Hixson
5/1/07

**ULH&P-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of May, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 263,234,009 | 41.88% | x | 5.468 | x | 100.00% | = | 0.02290 | 2.29 | 28.63 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 365,317,984 | 58.12% | x | 10.20 | x | 100.00% | = | 0.05928 | 5.71 | 71.37 |
| Total Capitalization | 628,551,993 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08218 | 8.00 | 100.00 |
| CWIP (W) Sch. E | 24,651,416 | | | | | | | 32.872<br>-0.128 | | |

Roger Ach
5/17/07

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of June, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 263,284,519 | 41.73% | x | 5.497 | x | 100.00% | = | 0.02294 | 2.29 | 28.63 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 367,669,634 | 58.27% | x | 10.20 | x | 100.00% | = | 0.05944 | 5.71 | 71.37 |
| Total Capitalization | 630,954,153 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08238 | 8.00 | 100.00 |
| CWIP (W) Sch. E | 20,396,970 | | | | | | | 32.952<br>-0.048 | | |

Roger [illegible] 7/1/07

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of July, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 263,305,342 | 41.59% | x | 5.548 | x | 100.00% | = | 0.02307 | 2.31 | 28.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 369,841,609 | 58.41% | x | 10.20 | x | 100.00% | = | 0.05958 | 5.94 | 72.00 |
| Total Capitalization | 633,146,951 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08265 | 8.25 | 100.00 |
| CWIP (W) Sch. E | 19,207,793 | | | | | | | 33.06<br>0.06 | | |

Roger [illegible] 7/30/09

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of August, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 28,318,000 | | | 5.376 | x | 100.00% | = | 0.05376 | | |
| Long-Term Debt Sch. B | 263,356,346 | 41.40% | x | 5.530 | x | 0.00% | = | 0.00000 | 5.25 | 100.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 0.00% | = | 0.00000 | | |
| Common Equity Sch. D | 372,736,565 | 58.60% | x | 10.20 | x | 0.00% | = | 0.00000 | 0.00 | 0.00 |
| Total Capitalization | 636,092,911 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05376 | 5.25 | 100.00 |
| CWIP (W) Sch. E | 20,593,737 | | | | | | | 21.504<br>-0.496 | | |

Roger [illegible]
9/4/07

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of September, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 22,394,000 | | | 5.393 | x | 100.00% | = | 0.05393 | | |
| Long-Term Debt Sch. B | 263,407,350 | 41.22% | x | 5.515 | x | 0.00% | = | 0.00000 | 5.25 | 100.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 0.00% | = | 0.00000 | | |
| Common Equity Sch. D | 375,639,354 | 58.78% | x | 10.20 | x | 0.00% | = | 0.00000 | 0.00 | 0.00 |
| Total Capitalization | 639,046,704 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05393 | 5.25 | 100.00 |
| CWIP (W) Sch. E | 22,324,945 | | | | | | | 21.572<br>-0.428 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of October, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 263,458,355 | 41.14% | x | 5.605 | x | 100.00% | = | 0.02306 | 2.31 | 28.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 376,935,900 | 58.86% | x | 10.20 | x | 100.00% | = | 0.06004 | 5.94 | 72.00 |
| Total Capitalization | 640,394,255 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08310 | 8.25 | 100.00 |
| CWIP (W) Sch. E | 23,523,270 | | | | | | | 33.24<br>0.24 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of November, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 35,497,000 | | | 5.368 | x | 100.00% | = | 0.05368 | | |
| Long-Term Debt Sch. B | 263,509,359 | 40.98% | x | 4.335 | x | 0.00% | = | 0.00000 | 5.25 | 100.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 0.00% | = | 0.00000 | | |
| Common Equity Sch. D | 379,550,349 | 59.02% | x | 10.20 | x | 0.00% | = | 0.00000 | 0.00 | 0.00 |
| Total Capitalization | 643,059,708 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05368 | 5.25 | 100.00 |
| CWIP (W) Sch. E | 24,575,343 | | | | | | | 21.472<br>0.472 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of December, 2007**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 24,275,000 | | | 5.226 | x | 100.00% | = | 0.05226 | | |
| Long-Term Debt Sch. B | 263,560,363 | 41.05% | x | 5.572 | x | 0.00% | = | 0.00000 | 5.00 | 100.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 0.00% | = | 0.00000 | | |
| Common Equity Sch. D | 378,506,938 | 58.95% | x | 10.20 | x | 0.00% | = | 0.00000 | 0.00 | 0.00 |
| Total Capitalization | 642,067,301 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05226 | 5.00 | 100.00 |
| CWIP (W) Sch. E | 22,690,303 | | | | | | | 20.904<br>-0.096 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of January, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 28,291,000 | | | 5.160 | x | 100.00% | = | 0.05160 | | |
| Long-Term Debt Sch. B | 263,607,990 | 40.61% | x | 5.458 | x | 0.00% | = | 0.00000 | 5.00 | 100.00 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 0.00% | = | 0.00000 | | |
| Common Equity Sch. D | 385,545,431 | 59.39% | x | 10.20 | x | 0.00% | = | 0.00000 | 0.00 | 0.00 |
| Total Capitalization | 649,153,421 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.05160 | 5.00 | 100.00 |
| CWIP (W) Sch. E | 22,505,283 | | | | | | | 20.64<br>-0.36 | | |

# DEK-Gas
## Computation of AFUDC Rate
## By Order No. 561 Method
## For the Month of February, 2008

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 12,929,000 | | | 4.925 | x | 51.47% | = | 0.02535 | | |
| Long-Term Debt Sch. B | 263,659,056 | 40.32% | x | 5.708 | x | 48.54% | = | 0.01117 | 3.65 | 56.15 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 48.54% | = | 0.00000 | | |
| Common Equity Sch. D | 390,187,883 | 59.68% | x | 10.20 | x | 48.54% | = | 0.02955 | 2.85 | 43.85 |
| Total Capitalization | 653,846,939 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.06607 | 6.50 | 100.00 |
| CWIP (W) Sch. E | 25,121,885 | | | | | | | 26.428<br>0.428 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of March, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 263,710,123 | 40.07% | x | 5.616 | x | 100.00% | = | 0.02250 | 2.25 | 27.27 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 394,470,872 | 59.93% | x | 10.20 | x | 100.00% | = | 0.06113 | 6.00 | 72.73 |
| Total Capitalization | 658,180,995 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08363 | 8.25 | 100.00 |
| CWIP (W) Sch. E | 26,657,776 | | | | | | | 33.452<br>0.452 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of April, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 263,761,190 | 39.79% | x | 6.007 | x | 100.00% | = | 0.02390 | 2.39 | 28.12 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 399,057,714 | 60.21% | x | 10.20 | x | 100.00% | = | 0.06141 | 6.11 | 71.88 |
| Total Capitalization | 662,818,904 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08531 | 8.50 | 100.00 |
| CWIP (W) Sch. E | 29,109,539 | | | | | | | 34.124<br>0.124 | | |

# DEK-Gas
## Computation of AFUDC Rate
## By Order No. 561 Method
## For the Month of May, 2008

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 243,812,271 | 37.82% | x | 5.697 | x | 100.00% | = | 0.02155 | 2.16 | 26.18 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 400,891,000 | 62.18% | x | 10.20 | x | 100.00% | = | 0.06342 | 6.09 | 73.82 |
| Total Capitalization | 644,703,271 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08497 | 8.25 | 100.00 |
| CWIP (W) Sch. E | 32,561,030 | | | | | | | 33.988<br>-0.012 | | |

# DEK-Gas
## Computation of AFUDC Rate
## By Order No. 561 Method
## For the Month of June, 2008

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | | |
| Long-Term Debt Sch. B | 243,862,339 | 37.71% | x | 5.844 | x | 100.00% | = | 0.02204 | 2.20 | - | 25.88 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | | |
| Common Equity Sch. D | 402,889,131 | 62.29% | x | 10.20 | x | 100.00% | = | 0.06354 | 6.30 | | 74.12 |
| Total Capitalization | 646,751,470 | 100.00% | | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08558 | 8.50 | | 100.00 |
| CWIP (W) Sch. E | 33,763,357 | | | | | | | 34.232<br>0.232 | | | |

# DEK-Gas
## Computation of AFUDC Rate
## By Order No. 561 Method
## For the Month of July, 2008

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 245,867,541 | 37.83% | x | 4.163 | x | 100.00% | = | 0.01575 | 1.58 | 20.39 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 404,079,409 | 62.17% | x | 10.20 | x | 100.00% | = | 0.06341 | 6.17 | 79.61 |
| Total Capitalization | 649,946,950 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.07916 | 7.75 | 100.00 |
| CWIP (W) Sch. E | 33,515,619 | | | | | | | 31.664<br>-0.336 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of August, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 681,000 | | | 2.840 | x | 1.98% | = | 0.00056 | | |
| Long-Term Debt Sch. B | 245,891,694 | 29.75% | x | 5.612 | x | 98.02% | = | 0.01637 | 1.69 | 19.88 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 98.02% | = | 0.00000 | | |
| Common Equity Sch. D | 580,753,346 | 70.25% | x | 10.20 | x | 98.02% | = | 0.07024 | 6.81 | 80.12 |
| Total Capitalization | 826,645,040 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08717 | 8.50 | 100.00 |
| CWIP (W) Sch. E | 34,449,995 | | | | | | | 34.868<br>-0.132 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of September, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 245,935,527 | 37.41% | x | 5.737 | x | 100.00% | = | 0.02146 | 2.15 | 25.29 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 411,387,887 | 62.59% | x | 10.20 | x | 100.00% | = | 0.06384 | 6.35 | 74.71 |
| Total Capitalization | 657,323,414 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08530 | 8.50 | 100.00 |
| CWIP (W) Sch. E | 34,548,852 | | | | | | | 34.12<br>0.12 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of October, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 318,635,609 | 43.54% | x | 5.577 | x | 100.00% | = | 0.02428 | 2.43 | 30.38 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 413,214,269 | 56.46% | x | 10.20 | x | 100.00% | = | 0.05759 | 5.57 | 69.62 |
| Total Capitalization | 731,849,878 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08187 | 8.00 | 100.00 |
| CWIP (W) Sch. E | 34,190,375 | | | | | | | 32.748<br>-0.252 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of November, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 318,679,441 | 43.46% | x | 5.635 | x | 100.00% | = | 0.02449 | 2.45 | 30.63 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 414,673,164 | 56.54% | x | 10.20 | x | 100.00% | = | 0.05767 | 5.55 | 69.37 |
| Total Capitalization | 733,352,605 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08216 | 8.00 | 100.00 |
| CWIP (W) Sch. E | 35,005,299 | | | | | | | 32.864<br>-0.136 | | |

**DEK-Gas**
**Computation of AFUDC Rate**
**By Order No. 561 Method**
**For the Month of December, 2008**

| | AMOUNT (1) | CAPITALIZATION RATIO (2) | | COST RATES (3) | | S/W (4) | | WEIGHTED COST RATES FOR GROSS AFUDC RATE (5) | RATE TO BE USED GROSS % | RATE TO BE USED GROSS RATIO |
|---|---|---|---|---|---|---|---|---|---|---|
| Short-Term Debt(S) Sch. A | 0 | | | 0.000 | x | 0.00% | = | 0.00000 | | |
| Long-Term Debt Sch. B | 319,584,069 | 43.35% | x | 6.470 | x | 100.00% | = | 0.02805 | 2.81 | 33.06 |
| Preferred Stock Sch. C | 0 | 0.00% | x | 0.00 | x | 100.00% | = | 0.00000 | | |
| Common Equity Sch. D | 417,635,141 | 56.65% | x | 10.20 | x | 100.00% | = | 0.05778 | 5.69 | 66.94 |
| Total Capitalization | 737,219,210 | 100.00% | | | | | | | | |
| AFUDC Rates | | | | | | | | 0.08583 | 8.50 | 100.00 |
| CWIP (W) Sch. E | 36,138,231 | | | | | | | 34.332<br>0.332 | | |

**STAFF-DR-01-020**

**REQUEST:**

Provide, in the format provided in Schedule 20, an analysis of the gross additions, retirements, and transfers for each major functional gas plant property group or account for Duke Kentucky occurring in the base period and forecasted test period. For any account in which transfers regularly occur in the normal course of business, include a general description of the nature of the transfers.

**RESPONSE:**

Refer to Schedule B-2.3 of Duke Energy Kentucky's Application in this proceeding.

**PERSON RESPONSIBLE:** Brenda R. Melendez

**STAFF-DR-01-021**

**REQUEST:**

Provide the following information for each item of property or plant held for future use at the begininning of the base period:

a. Description of property;

b. Location;

c. Date purchased;

d. Cost;

e. Estimated date to be placed in service;

f. Brief description of intended use; and

g. Current status of each project.

**RESPONSE:**

Refer to Schedule B-2.6 of Duke Energy Kentucky's Application in this proceeding.

**PERSON RESPONSIBLE:** Brenda R. Melendez

**STAFF-DR-01-022**

**REQUEST:**

List all gas and gas-related properties leased to the utility and all improvements to leased properties, together with annual lease payments which are capitalized, in the format provided in Schedule 22.

**RESPONSE:**

Refer to Schedule B-2.5 of Duke Energy Kentucky's Application in this proceeding.

**PERSON RESPONSIBLE:** Brenda R. Melendez

**STAFF-DR-01-023**

**REQUEST:**

Provide a listing of all non-utility property and accounts where amounts are recorded. Include a description of the property, the date purchased, and the cost.

**RESPONSE:**

Please refer to Attachment STAFF-DR-01-023 which includes a list of non-utility assets providing the accounting, description of property, the date of purchase and the cost. The primary asset held in non-utility is the Florence Service / Trading Operations building located in Florence KY.

**PERSON RESPONSIBLE:** Brenda R. Melendez

Staff First Set Data Requests
Attachment Staff-DR-01-023

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Non-utility Property at March 31, 2009

| FERC Account | FERC Utility Account | Utility Account Description | Cost | Description of Property | Date Purchased (In service) |
|---|---|---|---|---|---|
| 121000 | 78900 | Land | 2,206.20 | Erlanger - Gas Supply to CG&E Distribution - Telemetering - Eagle Creek Aquafer - Measuring & Regulating Stations | 1982 |
| 121000 | 78900 | Land | 1,035,615.31 | Florence Service Building | 1991 |
| 121000 | 79000 | Structures and Improvements | 3,508,439.32 | Florence Service Building | 1991 |
| 121000 | 79000 | Structures and Improvements | 105,739.41 | Florence Service Building | 1993 |
| 121000 | 79000 | Structures and Improvements | 6,168.50 | Florence Service Building | 1994 |
| 121000 | 79000 | Structures and Improvements | 295,842.18 | Florence Service Building | 1995 |
| 121000 | 79000 | Structures and Improvements | 30,893.08 | Florence Service Building | 1996 |
| 121000 | 79000 | Structures and Improvements | 96,803.46 | Florence Service Building | 1998 |
| 121000 | 79000 | Structures and Improvements | 122,651.10 | Florence Service Building | 1999 |
| 121000 | 79000 | Structures and Improvements | 108,846.77 | Florence Service Building | 2000 |
| 121000 | 79000 | Structures and Improvements | 122,581.16 | Florence Service Building | 2001 |
| 121000 | 79000 | Structures and Improvements | 29,118.86 | Florence Service Building | 2002 |
| 121000 | 79000 | Structures and Improvements | 10,980.13 | Florence Service Building | 2004 |
| 121000 | 79000 | Structures and Improvements | 18,374,209.83 | Florence Trading Operation Building | 1999 |
| 121000 | 79000 | Structures and Improvements | 238,252.75 | Florence Trading Operation Building | 2001 |
| | | | 24,088,348.06 | | |

**STAFF-DR-01-024**

**REQUEST:**

Provide the journal entries relating to the purchase of gas utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since Duke Kentucky's inception. Also, provide a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

**RESPONSE:**

See Attachment STAFF-DR-01-024, which includes the response filed in Case No. 2001-092 (Commission request Item #16). There has been no purchase of gas utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation since this prior filing through the present date.

**PERSON RESPONSIBLE:** Brenda R. Melendez

KPSC
Commission Request
April 25, 2001
Case No. 2001-092
Response to Item 16

Item 16. Provide the journal entries relating to the purchase of gas utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since ULH&P's inception. Also, provide a schedule showing the calculation of the acquisition adjustment at the date of purchase or each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

Response: The journal entries relating to the purchase of Line AM-7 from Columbia Gas Transmission Corp. in 1986 are presented in Item 14(a) Sheets 1 through 3. The journal entries relating to the purchase of the Pendleton County Water District - Gas Division in 1987 are presented in Item 14(b) Sheets 1 through 6. There were no acquisition adjustments associated with these purchases. The accumulation of the requested historical data for earlier acquisitions from the inception of ULH&P are available in ULH&P's prior rate case filings on file with the Commission. The last acquisition designated as an operating unit or system prior to the above two purchases occurred in August 1950. ULH&P had no activity during the test year pertaining to unamortized acquisition adjustments.

Witness Responsible: R. N. Kirch

The Union Light, Heat & Power Company
Cost of Acquisition

| | | |
|---|---|---|
| 102 - Gas Plant Purchased or Sold | $568,700.00 | |
| 131 - Cash | | $568,700.00 |

To record the purchase price of Line "AM-7" from Columbia Gas Transmission Company on August 15, 1986 pursuant to FERC Docket No. CP86-447-000 dated July 24, 1986.

The Union Light, Heat & Power Company
Original Cost of Plant

| | | |
|---|---|---|
| 101 - Gas Plant In Service | $1,979,591.84 | |
| 102 - Gas Plant Purchased or Sold | | $1,979,591.84 |

To record in Gas Plant in Service Accounts the Original Cost of line "AM-7" purchased from Columbia Gas Transmission Company on August 15, 1986, pursuant to FERC Docket No. CP86-447-000 dated July 24, 1986.

The original cost charged to primary plant accounts is as follows:

101 - Gas Plant In Service

Distribution Plant

| | |
|---|---|
| 374 - Land and Land Rights | $ 59,012.86 |
| 376 - Mains | 1,920,578.98 |
| Total Gas Plant In Service - Distribution Plant | $1,979,591.84 |

The Union Light, Heat & Power Company
Accumulated Provision for Depreciation

| | | |
|---|---|---|
| 102 - Gas Plant Purchased or Sold | $1,410,891.84 | |
| 108 - Accumulated Provision for Depreciation of Gas Utility Plant | | $1,410,891.84 |

To record the Accumulated Provision for Depreciation applicable to the Original Cost of Line AM-7 purchased from Columbia Gas Transmission Company on August 15, 1986, pursuant to FERC Docket No. CP86-447-000 dated July 24, 1986.

The Accumulated Provision for Depreciation applicable to the Original Cost of Gas Distribution facilities is as follows:

| Distribution Plant | |
|---|---|
| 374 - Land and Land Rights | $ 45,306.03 |
| 376 - Mains | 1,365,585.81 |
| Total Accumulated Provision for Depreciation Applicable to the Gas Distribution Facilities | $1,410,891.84 |

The Union Light, Heat & Power Company
Cost of Acquisition

| | | |
|---|---|---|
| 102 - Gas Plant Purchased or Sold | $662,628.51 | |
| 131 - Cash | | $662,628.51 |

To record the purchase of the property of The Pendleton County Water District - Gas Division on October 1, 1987 pursuant to The Public Service Commission of Kentucky Order in Case No. 9951 dated September 3, 1987.

The Union Light, Heat & Power Company
Original Cost of Plant

| | | |
|---|---|---|
| 101 - Gas Plant in Service | $1,166,813.93 | |
| 102 - Gas Plant Purchased or Sold | | $1,166,813.93 |

To record in Gas Plant in Service Accounts the Original Cost of property acquired from The Pendleton County Water District - Gas Division on October 1, 1987 pursuant to The Public Service Commission of Kentucky Order in Case No. 9951 dated September 3, 1987.

The Union Light, Heat & Power Company
Original Cost of Plant

The original cost charged to primary plant accounts is as follows:

101 - Gas Plant in Service

| | |
|---|---|
| **Intangible Plant** | |
| 301 - Organization | $ 18,750.00 |
| Total Gas Plant in Service - Intangible Plant | $ 18,750.00 |
| **Distribution Plant** | |
| 374 - Land and land rights | $ 525.00 |
| 375 - Structures and improvements | 369.00 |
| 376 - Mains | 690,976.42 |
| 378 - Measuring and regulating station equipment - General | 28,292.18 |
| 380 - Services | 228,197.90 |
| 381 - Meters | 109,469.68 |
| 382 - Meter installations | 13,517.90 |
| 383 - House regulators | 27,522.50 |
| 384 - House regulator installations | 2,114.96 |
| Total Gas Plant in Service - Distribution Plant | $1,100,985.54 |

The Union Light, Heat & Power Company
Original Cost of Plant

General Plant

| | |
|---|---|
| 391 - Office furniture and equipment | $ 11,519.97 |
| 392 - Transportation equipment | 21,169.72 |
| 393 - Stores equipment | 174.07 |
| 394 - Tools, shop and garage equipment | 5,384.03 |
| 397 - Communication equipment | 5,575.68 |
| 398 - Miscellaneous equipment | 3,254.92 |
| Total Plant in Service - General Plant | $ 47,078.39 |
| Total Gas Plant in Service | $1,166,813.93 |

The Union Light, Heat & Power Company
Accumulated Provision for Depreciation

| | | |
|---|---|---|
| 102 - Gas Plant Purchased or Sold | $504,185.42 | |
| 108 - Accumulated Provision for Depreciation of Gas Utility Plant | | $504,185.42 |

To record the Accumulated Provision for Depreciation applicable to the Original Cost of property acquired from The Pendleton County Water District - Gas Division pursuant to The Public Utility Commission of Kentucky Order in Case No. 9951 dated September 3, 1987.

The Union Light, Heat & Power Company
Accumulated Provision for Depreciation

The Accumulated Provision for Depreciation applicable to the Original Cost of Gas Distribution facilities is as follows:

| | |
|---|---|
| Distribution Plant | |
| 374 - Land and land rights | $ 217.07 |
| 375 - Structures and improvements | 152.41 |
| 376 - Mains | 288,613.19 |
| 378 - Measuring and regulating station equipment - General | 11,814.25 |
| 380 - Services | 95,317.63 |
| 381 - Meters | 45,723.65 |
| 382 - Meter installations | 5,648.49 |
| 383 - House regulators | 11,495.57 |
| 384 - House regulator installations | 882.14 |
| Total Accumulated Provision for Depreciation Applicable to Gas Distribution Plant | $459,864.40 |
| General Plant | |
| 391 - Office furniture and equipment | $ 11,519.97 |
| 392 - Transportation equipment | 21,169.72 |
| 393 - Stores Equipment | 174.07 |
| 394 - Tools, shop and garage equipment | 3,757.49 |
| 397 - Communication equipment | 5,575.68 |
| 398 - Miscellaneous equipment | 2,124.09 |
| Total Accumulated Provision for Depreciation Applicable to - Gas General Plant | $ 44,321.02 |
| Total Accumulated Provision for Depreciation Applicable to Gas Plant in Service | $504,185.42 |

**STAFF-DR-01-025**

**REQUEST:**

Provide a copy of Duke Kentucky's most recent gas depreciation study. If no such study exists, provide a copy of Duke Kentucky's most recent gas depreciation schedule. The schedule should include a list of all facilities by account number, service life and accrual rate for each plant item, the methodology that supports the schedule and the date the schedule was last updated.

**RESPONSE:**

Refer to FR 10(9)(s) of Duke Energy Kentucky's Application in this proceeding supported by direct testimony of John J. Spanos.

**PERSON RESPONSIBLE:** Robert M. Parsons

**STAFF-DR-01-026 PUBLIC**

**REQUEST:**

Provide Duke Kentucky's cash account balances at the beginning of calendar year 2008 and at the end of each month since then.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET**

This response has been filed with the Commission under a Petition for Confidential Treatment.

**PERSON RESPONSIBLE:** N/A

Duke Energy Kentucky, Inc.
Cash Account
Jan 2008 to May 2009

| Account | January 1, 2008 | January 2008 | February 2008 | March 2008 | April 2008 | May 2008 | June 2008 | July 2008 | August 2008 | September 2008 | October 2008 | November 2008 | December 2008 | January 2009 | February 2009 | March 2009 | April 2009 | May 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| [redacted] | $ 6,117,735 | $ 11,219,551 | $ 11,171,898 | $ 12,204,695 | $ 11,799,581 | $ 4,930,581 | $ 9,834,467 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| | 276,783 | 281,316 | 347,433 | 379,799 | 284,764 | 237,425 | 280,362 | - | - | - | - | - | - | - | - | - | - | - |
| | 2,444,599 | 1,036,993 | 1,627,752 | 2,354,357 | 1,647,905 | 1,434,640 | 1,905,423 | - | - | - | - | - | - | - | - | - | - | - |
| | 459,894 | 502,195 | 428,865 | 513,703 | 275,148 | 352,571 | 311,013 | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | (5,208,999) | (8,420,784) | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | 14,199,938 | 20,594,500 | 81,249,176 | 8,903,258 | 5,017,446 | 9,642,929 | 9,988,616 | 10,778,308 | 12,026,755 | 10,824,528 | 7,192,225 |
| | - | - | - | - | - | - | - | (116,304) | (710,043) | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | (105,948) | - | - | - | - | - | - | - | (31,837) | - |
| | - | - | - | - | - | - | - | 222,013 | 212,450 | 278,666 | 233,681 | 148,530 | 360,205 | 254,375 | 522,917 | 469,808 | 358,691 | 315,105 |
| | - | - | - | - | - | - | - | 1,236,013 | 1,859,599 | 932,125 | 536,115 | 906,744 | 1,459,472 | 170,124 | 1,601,965 | 1,728,333 | 622,564 | 948,181 |
| | - | - | - | - | - | - | - | 291,964 | 266,767 | 344,948 | 235,509 | 77,623 | 303,209 | 149,125 | 419,337 | 343,692 | 259,848 | 417,304 |
| | 9,299,011 | 13,040,055 | 13,575,948 | 15,452,554 | 14,007,398 | 6,955,217 | 12,331,265 | 10,624,625 | 13,696,541 | 82,804,915 | 9,908,563 | 6,150,343 | 11,765,815 | 10,562,240 | 13,322,527 | 14,568,588 | 12,033,794 | 8,872,815 |
| 135000 - Working Funds - Miscellaneous | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | - | - | - | - | - | - | - | - | - | - | - |
| 0135101 - Oth Dep - Petty Cash Fund | - | - | - | - | - | - | - | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Working Funds | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Total Cash | $ 9,301,511 | $ 13,042,555 | $ 13,578,448 | $ 15,455,054 | $ 14,009,898 | $ 6,957,717 | $ 12,333,765 | $ 10,627,125 | $ 13,699,041 | $ 82,807,415 | $ 9,911,063 | $ 6,152,843 | $ 11,768,315 | $ 10,564,740 | $ 13,325,027 | $ 14,571,088 | $ 12,036,294 | $ 8,875,315 |

**STAFF-DR-01-027**

**REQUEST:**

Provide the average number of natural gas customers on Duke Kentucky's system (actual and projected), by rate schedule, for the base period and the three most recent calendar years.

**RESPONSE:**

| | Average Number of Customers | | | |
|---|---|---|---|---|
| Rate | Base Period [1] | Jan - Dec 2008 | Jan - Dec 2007 | Jan - Dec 2006 |
| RS | 88,504 | 88,348 | 87,772 | 86,673 |
| GS | 6,980 | 6,949 | 6,926 | 6,869 |
| FT-L | 81 | 67 | 62 | 60 |
| IT | 24 | 23 | 22 | 21 |

[1] Twelve Months Ended September 30, 2009. Six months actual, six months forecasted.

**PERSON RESPONSIBLE:** James E. Ziolkowski

**STAFF-DR-01-028**

**REQUEST:**

Provide for Duke Kentucky's gas operations separate schedules showing a comparison of the balance in the total company and Kentucky revenue accounts for each of the 12 most recent months available at the time this response is prepared to the same month of the immediately preceding 12-month period for each revenue account or subaccount included in Duke Kentucky's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Schedule 28.

**RESPONSE:**

See Attachment STAFF-DR-01-028.

**PERSON RESPONSIBLE:** Brenda R. Melendez

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| | | Total | | | | June | | |
|---|---|---|---|---|---|---|---|---|
| Account | Description | 12 Months Ended May 2009 | 12 Months Ended May 2008 | Variance | % Change | 2008 | 2007 | Variance |
| 480 | Residential Sales | 82,017,882 | 90,107,371 | (8,089,489) | (8.98)% | 2,409,391 | 2,787,978 | (378,587) |
| 481 | Commercial and Industrial Sales | 38,156,613 | 45,504,199 | (7,347,586) | (16.15)% | 1,080,409 | 1,321,604 | (241,195) |
| 482 | Public Street and Highway Lighting \ OPA | 4,748,670 | 6,088,181 | (1,339,511) | (22.00)% | 113,695 | 144,779 | (31,084) |
| 484 | Interdepartmental Sales | 48,999 | 52,312 | (3,313) | (6.33)% | 14 | 1,713 | (1,699) |
| 487 | Forfeited Discounts | 0 | 0 | 0 | - | 0 | 0 | 0 |
| 488 | Miscellaneous Service Revenues | 560,705 | 502,024 | 58,681 | 11.69% | 46,725 | 44,065 | 2,660 |
| 489 | Transportation | 4,895,759 | 4,884,815 | 10,944 | 0.22% | 311,496 | 285,058 | 26,438 |
| 493 | Rent Land & Buildings - Assoc. | 34,176 | 34,176 | 0 | - | 2,848 | 2,848 | 0 |
| 495 | Sales Use Tax Collection Fee | 17,101 | 12,514 | 4,587 | 36.65% | 601 | 601 | 0 |
| 496 | Provision for Rate Refunds | (7,517,628) | 0 | (7,517,628) | - | 0 | 0 | 0 |

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| | | July | | |
|---|---|---|---|---|
| Account | Description | 2008 | 2007 | Variance |
| 480 | Residential Sales | 3,322,605 | 2,380,119 | 942,486 |
| 481 | Commercial and Industrial Sales | 1,481,573 | 1,421,327 | 60,246 |
| 482 | Public Street and Highway Lighting \ OPA | 257,083 | 177,780 | 79,303 |
| 484 | Interdepartmental Sales | 1,006 | 182 | 824 |
| 487 | Forfeited Discounts | 0 | 0 | 0 |
| 488 | Miscellaneous Service Revenues | 46,324 | 43,976 | 2,348 |
| 489 | Transportation | 287,491 | 327,853 | (40,362) |
| 493 | Rent Land & Buildings - Assoc. | 2,848 | 2,848 | 0 |
| 495 | Sales Use Tax Collection Fee | 1,500 | 601 | 899 |
| 496 | Provision for Rate Refunds | 0 | 0 | 0 |

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| | | August | | | September | | | October | |
|---|---|---|---|---|---|---|---|---|---|
| Account | Description | 2008 | 2007 | Variance | 2008 | 2007 | Variance | 2008 | 2007 |
| 480 | Residential Sales | 2,536,896 | 2,265,467 | 271,429 | 2,555,997 | 2,153,996 | 402,001 | 4,943,898 | 3,892,919 |
| 481 | Commercial and Industrial Sales | 1,283,595 | 1,307,556 | (23,961) | 1,342,671 | 1,225,442 | 117,229 | 1,875,852 | 1,881,637 |
| 482 | Public Street and Highway Lighting \ OPA | 105,961 | 98,546 | 7,415 | 185,660 | 153,817 | 31,843 | 299,097 | 155,036 |
| 484 | Interdepartmental Sales | 181 | 22 | 159 | 228 | 221 | 7 | 710 | 100 |
| 487 | Forfeited Discounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 488 | Miscellaneous Service Revenues | 46,084 | 43,826 | 2,258 | 45,035 | 44,796 | 239 | 48,871 | 46,307 |
| 489 | Transportation | 322,604 | 341,287 | (18,683) | 343,255 | 254,904 | 88,351 | 491,192 | 418,510 |
| 493 | Rent Land & Buildings - Assoc. | 2,848 | 2,848 | 0 | 2,848 | 2,848 | 0 | 2,848 | 2,848 |
| 495 | Sales Use Tax Collection Fee | 1,500 | (899) | 2,399 | 1,500 | 601 | 899 | 1,500 | 601 |
| 496 | Provision for Rate Refunds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| Account | Description | Variance |
|---|---|---|
| 480 | Residential Sales | 1,050,979 |
| 481 | Commercial and Industrial Sales | (5,785) |
| 482 | Public Street and Highway Lighting \ OPA | 144,061 |
| 484 | Interdepartmental Sales | 610 |
| 487 | Forfeited Discounts | 0 |
| 488 | Miscellaneous Service Revenues | 2,564 |
| 489 | Transportation | 72,682 |
| 493 | Rent Land & Buildings - Assoc. | 0 |
| 495 | Sales Use Tax Collection Fee | 899 |
| 496 | Provision for Rate Refunds | 0 |

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| | | November | | | December | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2008 | 2007 | Variance | 2008 | 2007 | Variance |
| 480 | Residential Sales | 7,309,197 | 6,950,526 | 358,671 | 15,095,599 | 14,056,366 | 1,039,233 |
| 481 | Commercial and Industrial Sales | 3,577,566 | 3,226,948 | 350,618 | 7,553,773 | 7,091,864 | 461,909 |
| 482 | Public Street and Highway Lighting \ OPA | 460,529 | 573,665 | (113,136) | 775,431 | 817,717 | (42,286) |
| 484 | Interdepartmental Sales | 4,045 | 4,034 | 11 | 10,330 | 8,710 | 1,620 |
| 487 | Forfeited Discounts | 0 | 0 | 0 | 0 | 0 | 0 |
| 488 | Miscellaneous Service Revenues | 48,201 | 47,924 | 277 | 46,243 | 3,285 | 42,958 |
| 489 | Transportation | 561,544 | 458,112 | 103,432 | 429,424 | 585,811 | (156,387) |
| 493 | Rent Land & Buildings - Assoc. | 2,848 | 2,848 | 0 | 2,848 | 2,848 | 0 |
| 495 | Sales Use Tax Collection Fee | 1,500 | 601 | 899 | 1,500 | 601 | 899 |
| 496 | Provision for Rate Refunds | 0 | 0 | 0 | (7,517,628) | 0 | (7,517,628) |

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| | | January | | | February | | | March | |
|---|---|---|---|---|---|---|---|---|---|
| Account | Description | 2009 | 2008 | Variance | 2009 | 2008 | Variance | 2009 | 2008 |
| 480 | Residential Sales | 17,238,058 | 16,271,040 | 967,018 | 12,156,396 | 16,010,684 | (3,854,288) | 7,343,707 | 12,908,132 |
| 481 | Commercial and Industrial Sales | 7,964,034 | 8,039,491 | (75,457) | 5,825,209 | 8,085,805 | (2,260,596) | 3,348,040 | 6,530,862 |
| 482 | Public Street and Highway Lighting \ OPA | 952,964 | 1,234,043 | (281,079) | 855,523 | 1,082,789 | (227,266) | 411,360 | 915,902 |
| 484 | Interdepartmental Sales | 11,721 | 10,756 | 965 | 10,640 | 10,795 | (155) | 5,102 | 9,390 |
| 487 | Forfeited Discounts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 488 | Miscellaneous Service Revenues | 45,388 | 45,635 | (247) | 46,008 | 44,767 | 1,241 | 46,253 | 45,890 |
| 489 | Transportation | 609,483 | 563,176 | 46,307 | 437,412 | 535,582 | (98,170) | 365,153 | 392,870 |
| 493 | Rent Land & Buildings - Assoc. | 2,848 | 2,848 | 0 | 2,848 | 2,848 | 0 | 2,848 | 2,848 |
| 495 | Sales Use Tax Collection Fee | 1,500 | 7,403 | (5,903) | 1,500 | 601 | 899 | 1,500 | 601 |
| 496 | Provision for Rate Refunds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| Account | Description | Variance |
|---|---|---|
| 480 | Residential Sales | (5,564,425) |
| 481 | Commercial and Industrial Sales | (3,182,822) |
| 482 | Public Street and Highway Lighting \ OPA | (504,542) |
| 484 | Interdepartmental Sales | (4,288) |
| 487 | Forfeited Discounts | 0 |
| 488 | Miscellaneous Service Revenues | 363 |
| 489 | Transportation | (27,717) |
| 493 | Rent Land & Buildings - Assoc. | 0 |
| 495 | Sales Use Tax Collection Fee | 899 |
| 496 | Provision for Rate Refunds | 0 |

DUKE ENERGY KENTUCKY, INC.
REVENUE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008



| | | April | | | May | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2009 | 2008 | Variance | 2009 | 2008 | Variance |
| 480 | Residential Sales | 4,318,390 | 6,859,866 | (2,541,476) | 2,787,748 | 3,570,278 | (782,530) |
| 481 | Commercial and Industrial Sales | 1,751,650 | 3,566,703 | (1,815,053) | 1,072,241 | 1,804,960 | (732,719) |
| 482 | Public Street and Highway Lighting \ OPA | 220,240 | 442,376 | (222,136) | 111,127 | 291,731 | (180,604) |
| 484 | Interdepartmental Sales | 2,485 | 3,501 | (1,016) | 2,537 | 2,888 | (351) |
| 487 | Forfeited Discounts | 0 | 0 | 0 | 0 | 0 | 0 |
| 488 | Miscellaneous Service Revenues | 47,299 | 45,417 | 1,882 | 48,274 | 46,136 | 2,138 |
| 489 | Transportation | 322,012 | 409,133 | (87,121) | 414,693 | 312,519 | 102,174 |
| 493 | Rent Land & Buildings - Assoc. | 2,848 | 2,848 | 0 | 2,848 | 2,848 | 0 |
| 495 | Sales Use Tax Collection Fee | 1,500 | 601 | 899 | 1,500 | 601 | 899 |
| 496 | Provision for Rate Refunds | 0 | 0 | 0 | 0 | 0 | 0 |

**STAFF-DR-01-029**

**REQUEST:**

Provide the following expense account data:

a. A schedule showing a comparison of the balance in Duke Kentucky's operating expense accounts for each month of the most recent 12 months for which information is available at the time the application is filed to the same month of the preceding 12-month period for each account or subaccount included in Duke Kentucky's chart of accounts. See Schedule 29.

b. A schedule, in comparative form, showing the operating expense account balance for the base period and each of the three most recent calendar years for each account or subaccount included in Duke Kentucky's annual report. Show the percentage of increase or decrease of each year over the prior year.

**RESPONSE:**

See Attachments STAFF-DR-01-029 (a) and STAFF-DR-01-029 (b).

**PERSON RESPONSIBLE:** Brenda R. Melendez

**COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008**

| | | Total | | | |
|---|---|---|---|---|---|
| Account | Description | 12 Months Ended May 2009 | 12 Months Ended May 2008 | Variance | % Change |
| 403 | Depreciation Expenses | 8,180,239 | 7,313,190 | 867,049 | 11.86% |
| 404 | Amort Exp - Limited Term | 633,879 | 602,338 | 31,541 | 5.24% |
| 407 | Amortization Expenses | (257,551) | (3,083,684) | 2,826,133 | 91.65% |
| 408 | Taxes Other Than Income Taxes | (328,837) | 3,297,333 | (3,626,170) | (109.97)% |
| 711 | Gas Boiler Labor | 9,362 | 6,445 | 2,917 | 45.26% |
| 712 | Gas Production - Other Expense | 4,985 | 4,948 | 37 | 0.75% |
| 717 | Liquid Petroleum Gas Expense | 6,001 | 10,656 | (4,655) | (43.68)% |
| 728 | Liquid Petroleum Gas | 45,848 | 533,888 | (488,040) | (91.41)% |
| 735 | Miscellaneous Prod Expense | 17,320 | 19,254 | (1,934) | (10.04)% |
| 736 | Rents | 66,996 | 55,831 | 11,165 | 20.00% |
| 742 | Production Equipment | 66,626 | 98,305 | (31,679) | (32.23)% |
| 801 | Natural Gas Field Line Purchase | 87,045,515 | 93,391,295 | (6,345,780) | (6.79)% |
| 805 | Unrecovered Purch Gas Adjustment | (3,696,256) | 7,461,155 | (11,157,411) | (149.54)% |
| 807 | Gas Purchased Expenses | 502,535 | 416,594 | 85,941 | 20.63% |
| 813 | Other Gas Supply Expenses | 81 | 0 | 81 | - |
| 856 | Mains Expense | 0 | 1,337 | (1,337) | (100.00)% |
| 859 | Other Expenses | 0 | 881 | (881) | (100.00)% |
| 870 | Dist Supervision & Engineering | 94,928 | 130,349 | (35,421) | (27.17)% |
| 871 | Distribution Load Dispatching | 149,326 | 100,236 | 49,090 | 48.97% |
| 874 | Mains And Services | 1,661,084 | 1,780,283 | (119,199) | (6.70)% |
| 875 | Measuring & Reg Stations - Gen | 33,470 | 6,286 | 27,184 | 432.45% |
| 876 | Measuring & Reg Stations - Ind | 24,415 | 23,962 | 453 | 1.89% |
| 878 | Meter And House Regulators | (85,824) | (329,512) | 243,688 | 73.95% |
| 879 | Customer Installations | 911,919 | 760,883 | 151,036 | 19.85% |
| 880 | Gas Distribution Other Expense | 302,163 | 844,881 | (542,718) | (64.24)% |
| 881 | Rents Interco | 387,624 | 387,624 | 0 | - |
| 885 | Maint- Supervision & Engineeri | 12,302 | 43,649 | (31,347) | (71.82)% |
| 887 | Maintenance Of Mains | 538,604 | 732,750 | (194,146) | (26.50)% |
| 889 | Maint- Measuring & Reg Stat - | 46,122 | 67,577 | (21,455) | (31.75)% |
| 890 | Maint- Measuring & Reg Stat - | 3,132 | 0 | 3,132 | - |
| 892 | Maintenance Of Services | 627,376 | 690,142 | (62,766) | (9.09)% |
| 893 | Maintenance Of Meters & House | 394,643 | 269,117 | 125,526 | 46.64% |
| 894 | Maint - Other Distribution Equipment | (1) | 31,757 | (31,758) | (100.00)% |
| 901 | Supervision | 5,304 | 14,563 | (9,259) | (63.58)% |
| 902 | Meter Reading Expenses | 694,454 | 585,297 | 109,157 | 18.65% |
| 903 | Customer Record and Collection Expenses | 1,934,652 | 1,915,410 | 19,242 | 1.00% |
| 904 | Uncollectible Accounts | 1,164,739 | 1,282,903 | (118,164) | (9.21)% |
| 905 | Miscellaneous Customer Accounts Expense | (15,000) | 135,102 | (150,102) | (111.10)% |
| 908 | Customer Assistance Expense | 133,080 | 267,578 | (134,498) | (50.26)% |
| 909 | Informational and Instructional Expenses | 3,574 | 67,671 | (64,097) | (94.72)% |
| 910 | Misc. Customer Service and Information Exp. | 476,873 | 429,094 | 47,779 | 11.13% |
| 911 | Supervision | 0 | 55 | (55) | (100.00)% |
| 916 | Miscellaneous Sales Expenses | 0 | (639,389) | 639,389 | 100.00% |
| 920 | Administrative and General Salaries | 2,862,475 | 5,104,797 | (2,242,322) | (43.93)% |
| 921 | Office Supplies and Expenses | 1,791,835 | 2,094,676 | (302,841) | (14.46)% |
| 922 | Administrative Expenses Transferred - Credit | 154,079 | (28,775) | 182,854 | 635.46% |
| 923 | Outside Services Employed | 1,757,058 | 2,206,549 | (449,491) | (20.37)% |
| 924 | Property Insurance | 178,427 | 292,055 | (113,628) | (38.91)% |
| 925 | Injuries and Damages | 112,820 | 13,897 | 98,923 | 711.83% |
| 926 | Employee Pension and Benefits | 2,084,940 | 3,003,373 | (918,433) | (30.58)% |
| 927 | General & Administration | 221 | 0 | 221 | - |
| 928 | Regulatory Commission Expenses | 554,774 | 533,828 | 20,946 | 3.92% |
| 929 | Duplicate Charges - Credit | (657,091) | (186) | (656,905) | (353174.73)% |
| 930 | Miscellaneous General Expenses | 135,542 | 277,487 | (141,945) | (51.15)% |
| 931 | Rents | 834,500 | 1,482,750 | (648,250) | (43.72)% |
| 932 | Maintenance of General Plant | 209,775 | 138,667 | 71,108 | 51.28% |

**COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008**

| | | June | | | July | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2008 | 2007 | Variance | 2008 | 2007 | Variance |
| 403 | Depreciation Expenses | 635,773 | 576,837 | 58,936 | 628,537 | 582,213 | 46,324 |
| 404 | Amort Exp - Limited Term | 50,936 | 49,385 | 1,551 | 50,939 | 49,226 | 1,713 |
| 407 | Amortization Expenses | (9,679) | 0 | (9,679) | (8,294) | 0 | (8,294) |
| 408 | Taxes Other Than Income Taxes | 327,991 | 361,699 | (33,708) | 50,116 | 368,254 | (318,138) |
| 711 | Gas Boiler Labor | 29 | 0 | 29 | 19 | 0 | 19 |
| 712 | Gas Production - Other Expense | 0 | 121 | (121) | 209 | 195 | 14 |
| 717 | Liquid Petroleum Gas Expense | 510 | 1,086 | (576) | 137 | 2,469 | (2,332) |
| 728 | Liquid Petroleum Gas | 0 | 0 | 0 | 0 | 0 | 0 |
| 735 | Miscellaneous Prod Expense | 1,330 | 715 | 615 | 805 | 1,163 | (358) |
| 736 | Rents | 5,583 | 0 | 5,583 | 5,583 | 0 | 5,583 |
| 742 | Production Equipment | 3,904 | 4,411 | (507) | 4,705 | 5,973 | (1,268) |
| 801 | Natural Gas Field Line Purchase | 2,783,730 | 2,424,356 | 359,374 | 2,564,785 | 2,168,856 | 395,929 |
| 805 | Unrecovered Purch Gas Adjustment | (779,032) | (145,851) | (633,181) | 410,802 | (52,120) | 462,922 |
| 807 | Gas Purchased Expenses | 25,369 | 29,645 | (4,276) | 69,817 | 27,561 | 42,256 |
| 813 | Other Gas Supply Expenses | 0 | 0 | 0 | 111 | 0 | 111 |
| 856 | Mains Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 859 | Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 870 | Dist Supervision & Engineering | 8,361 | 13,591 | (5,230) | 2,546 | 8,478 | (5,932) |
| 871 | Distribution Load Dispatching | 7,824 | 1,758 | 6,066 | 25,466 | 7,439 | 18,027 |
| 874 | Mains And Services | 118,308 | 126,114 | (7,806) | 147,412 | 94,939 | 52,473 |
| 875 | Measuring & Reg Stations - Gen | 365 | 169 | 196 | 472 | 387 | 85 |
| 876 | Measuring & Reg Stations - Ind | 1,908 | 1,564 | 344 | 1,073 | 2,180 | (1,107) |
| 878 | Meter And House Regulators | 65,847 | (96,723) | 162,570 | 78,104 | 9,777 | 68,327 |
| 879 | Customer Installations | 71,145 | 51,009 | 20,136 | 87,486 | 50,953 | 36,533 |
| 880 | Gas Distribution Other Expense | (50,941) | 62,201 | (113,142) | 26,409 | 67,588 | (41,179) |
| 881 | Rents Interco | 32,302 | 32,302 | 0 | 32,302 | 32,302 | 0 |
| 885 | Maint- Supervision & Engineeri | 3,600 | 3,652 | (52) | 906 | 2,567 | (1,661) |
| 887 | Maintenance Of Mains | 40,198 | 94,262 | (54,064) | 52,193 | 83,560 | (31,367) |
| 889 | Maint- Measuring & Reg Stat - | 3,796 | 1,774 | 2,022 | 4,173 | 3,281 | 892 |
| 890 | Maint- Measuring & Reg Stat - | 0 | 0 | 0 | 0 | 0 | 0 |
| 892 | Maintenance Of Services | 30,031 | 76,053 | (46,022) | 171,667 | 51,589 | 120,078 |
| 893 | Maintenance Of Meters & House | 15,595 | 31,116 | (15,521) | 42,795 | 35,227 | 7,568 |
| 894 | Maint - Other Distribution Equipment | (863) | (3,746) | 2,883 | 5,247 | (202) | 5,449 |
| 901 | Supervision | 1,748 | 1,672 | 76 | 577 | 1,040 | (463) |
| 902 | Meter Reading Expenses | 45,769 | 47,755 | (1,986) | 53,803 | 50,216 | 3,587 |
| 903 | Customer Record and Collection Expenses | 162,773 | 42,492 | 120,281 | 159,533 | 154,061 | 5,472 |
| 904 | Uncollectible Accounts | 71,932 | 111,243 | (39,311) | 95,881 | 127,728 | (31,847) |
| 905 | Miscellaneous Customer Accounts Expense | (15,003) | 9 | (15,012) | 0 | 5 | (5) |
| 908 | Customer Assistance Expense | 9,945 | 15,568 | (5,623) | 21,078 | 32,368 | (11,290) |
| 909 | Informational and Instructional Expenses | 0 | 2,755 | (2,755) | 0 | 10,373 | (10,373) |
| 910 | Misc. Customer Service and Information Exp | 32,505 | 21,205 | 11,300 | 45,337 | 17,395 | 27,942 |
| 911 | Supervision | 0 | 5 | (5) | 0 | 5 | (5) |
| 916 | Miscellaneous Sales Expenses | 0 | (89,243) | 89,243 | 0 | (72,342) | 72,342 |
| 920 | Administrative and General Salaries | 534,403 | 256,735 | 277,668 | 248,082 | 264,905 | (16,823) |
| 921 | Office Supplies and Expenses | 122,437 | 702,927 | (580,490) | 149,020 | 92,007 | 57,013 |
| 922 | Administrative Expenses Transferred - Credit | (19,332) | (11) | (19,321) | (37,146) | (7) | (37,139) |
| 923 | Outside Services Employed | 190,999 | 94,710 | 96,289 | 104,878 | 12,092 | 92,786 |
| 924 | Property Insurance | 8,819 | 143,143 | (134,324) | 8,855 | 38,607 | (29,752) |
| 925 | Injuries and Damages | 49,373 | 252 | 49,121 | 2,086 | 1,204 | 882 |
| 926 | Employee Pension and Benefits | 215,981 | 114,214 | 101,767 | 40,669 | 254,966 | (214,297) |
| 927 | General & Administration | 0 | 0 | 0 | 65 | 0 | 65 |
| 928 | Regulatory Commission Expenses | 51,611 | 98,962 | (47,351) | 32,581 | 84,599 | (52,018) |
| 929 | Duplicate Charges - Credit | 0 | (21) | 21 | 0 | (42) | 42 |
| 930 | Miscellaneous General Expenses | 20,422 | 1,751 | 18,671 | 14,285 | 31,080 | (16,795) |
| 931 | Rents | 106,453 | 72,106 | 34,347 | 49,684 | 136,683 | (86,999) |
| 932 | Maintenance of General Plant | 7,446 | 9,925 | (2,479) | 4,800 | 8,298 | (3,498) |

**COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008**

| | | August | | | September | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2008 | 2007 | Variance | 2008 | 2007 | Variance |
| 403 | Depreciation Expenses | 633,992 | 597,903 | 36,089 | 614,047 | 596,358 | 17,689 |
| 404 | Amort Exp - Limited Term | 50,881 | 49,237 | 1,644 | 51,249 | 49,237 | 2,012 |
| 407 | Amortization Expenses | (6,583) | 0 | (6,583) | (7,347) | 347,229 | (354,576) |
| 408 | Taxes Other Than Income Taxes | 620,865 | 364,444 | 256,421 | 306,592 | 546,525 | (239,933) |
| 711 | Gas Boiler Labor | 0 | 0 | 0 | 199 | 0 | 199 |
| 712 | Gas Production - Other Expense | 215 | 112 | 103 | 116 | 23 | 93 |
| 717 | Liquid Petroleum Gas Expense | 195 | 80 | 115 | 133 | 129 | 4 |
| 728 | Liquid Petroleum Gas | 0 | 0 | 0 | 0 | 0 | 0 |
| 735 | Miscellaneous Prod Expense | 935 | 460 | 475 | 1,258 | 1,022 | 236 |
| 736 | Rents | 5,583 | 0 | 5,583 | 5,583 | 11,167 | (5,584) |
| 742 | Production Equipment | 8,789 | 5,675 | 3,114 | 3,242 | 8,200 | (4,958) |
| 801 | Natural Gas Field Line Purchase | 2,113,581 | 2,301,747 | (188,166) | 2,315,307 | 2,610,965 | (295,658) |
| 805 | Unrecovered Purch Gas Adjustment | 15,926 | (431,970) | 447,896 | (66,563) | (816,111) | 749,548 |
| 807 | Gas Purchased Expenses | 69,823 | 30,164 | 39,659 | (13,055) | 26,967 | (40,022) |
| 813 | Other Gas Supply Expenses | 45 | 0 | 45 | (23) | 0 | (23) |
| 856 | Mains Expense | 0 | 0 | 0 | 0 | 766 | (766) |
| 859 | Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 870 | Dist Supervision & Engineering | 5,905 | 11,658 | (5,753) | 8,799 | 9,216 | (417) |
| 871 | Distribution Load Dispatching | 25,492 | 10,121 | 15,371 | (9,127) | 9,951 | (19,078) |
| 874 | Mains And Services | 113,644 | 161,811 | (48,167) | 101,745 | 136,192 | (34,447) |
| 875 | Measuring & Reg Stations - Gen | 5,633 | 245 | 5,388 | 8,657 | 1,727 | 6,930 |
| 876 | Measuring & Reg Stations - Ind | 1,452 | 1,913 | (461) | 133 | 1,193 | (1,060) |
| 878 | Meter And House Regulators | 81,846 | (112,853) | 194,699 | (142,432) | (57,605) | (84,827) |
| 879 | Customer Installations | 64,650 | 74,052 | (9,402) | 111,921 | 42,279 | 69,642 |
| 880 | Gas Distribution Other Expense | 37,844 | 56,391 | (18,547) | 21,035 | 70,611 | (49,576) |
| 881 | Rents Interco | 32,302 | 32,302 | 0 | 32,302 | 32,302 | 0 |
| 885 | Maint- Supervision & Engineeri | 1,012 | 3,343 | (2,331) | 925 | 3,780 | (2,855) |
| 887 | Maintenance Of Mains | 35,209 | 52,616 | (17,407) | 44,922 | 63,826 | (18,904) |
| 889 | Maint- Measuring & Reg Stat - | 5,147 | 13,698 | (8,551) | 2,725 | 16,040 | (13,315) |
| 890 | Maint- Measuring & Reg Stat - | 644 | 0 | 644 | (299) | 0 | (299) |
| 892 | Maintenance Of Services | 68,798 | 52,374 | 16,424 | 57,474 | 75,509 | (18,035) |
| 893 | Maintenance Of Meters & House | 65,683 | 31,836 | 33,847 | 47,805 | 20,987 | 26,818 |
| 894 | Maint - Other Distribution Equipment | 3,255 | 2,826 | 429 | 3,953 | (9,260) | 13,213 |
| 901 | Supervision | 682 | 1,021 | (339) | 483 | 953 | (470) |
| 902 | Meter Reading Expenses | 79,190 | 54,899 | 24,291 | 46,232 | 47,809 | (1,577) |
| 903 | Customer Record and Collection Expenses | 172,494 | 162,022 | 10,472 | 150,417 | 170,440 | (20,023) |
| 904 | Uncollectible Accounts | 95,732 | 104,444 | (8,712) | 86,461 | 97,692 | (11,231) |
| 905 | Miscellaneous Customer Accounts Expense | 0 | 2 | (2) | 3 | 2 | 1 |
| 908 | Customer Assistance Expense | 11,448 | 45,829 | (34,381) | (7,179) | 19,659 | (26,838) |
| 909 | Informational and Instructional Expenses | 0 | 5,395 | (5,395) | 0 | 3,260 | (3,260) |
| 910 | Misc. Customer Service and Information Exp | 29,987 | 24,283 | 5,704 | 52,671 | 30,213 | 22,458 |
| 911 | Supervision | 0 | 5 | (5) | 0 | 5 | (5) |
| 916 | Miscellaneous Sales Expenses | 0 | (65,211) | 65,211 | 0 | (412,593) | 412,593 |
| 920 | Administrative and General Salaries | 247,658 | 398,687 | (151,029) | (405,787) | 893,999 | (1,299,786) |
| 921 | Office Supplies and Expenses | 177,141 | 82,947 | 94,194 | 191,467 | 106,513 | 84,954 |
| 922 | Administrative Expenses Transferred - Credit | (34,771) | (13) | (34,758) | 51 | (26) | 77 |
| 923 | Outside Services Employed | 124,467 | 159,643 | (35,176) | 121,038 | 275,676 | (154,638) |
| 924 | Property Insurance | 8,862 | 38,609 | (29,747) | 8,857 | 14,750 | (5,893) |
| 925 | Injuries and Damages | 2,066 | 1,028 | 1,038 | 2,089 | 1,287 | 802 |
| 926 | Employee Pension and Benefits | (172) | 283,358 | (283,530) | (492,043) | 196,009 | (688,052) |
| 927 | General & Administration | 7 | 0 | 7 | 32 | 0 | 32 |
| 928 | Regulatory Commission Expenses | 51,032 | 98,062 | (47,030) | 51,032 | 115,724 | (64,692) |
| 929 | Duplicate Charges - Credit | 0 | 0 | 0 | (32,395) | 0 | (32,395) |
| 930 | Miscellaneous General Expenses | 5,778 | 7,212 | (1,434) | 14,445 | 21,238 | (6,793) |
| 931 | Rents | 63,533 | 126,213 | (62,680) | 61,454 | 117,725 | (56,271) |
| 932 | Maintenance of General Plant | 12,739 | 12,537 | 202 | 9,639 | 12,456 | (2,817) |

COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008

| | | October | | | November | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2008 | 2007 | Variance | 2008 | 2007 | Variance |
| 403 | Depreciation Expenses | 664,777 | 598,350 | 66,427 | 673,669 | 613,045 | 60,624 |
| 404 | Amort Exp - Limited Term | 50,958 | 48,348 | 2,610 | 61,744 | 48,349 | 13,395 |
| 407 | Amortization Expenses | (7,897) | (72,197) | 64,300 | (26,562) | (209,165) | 182,603 |
| 408 | Taxes Other Than Income Taxes | 471,347 | (468,396) | 939,743 | 335,765 | 298,782 | 36,983 |
| 711 | Gas Boiler Labor | 62 | 0 | 62 | 0 | 582 | (582) |
| 712 | Gas Production - Other Expense | 115 | 8 | 107 | 450 | 336 | 114 |
| 717 | Liquid Petroleum Gas Expense | 634 | 2,720 | (2,086) | 70 | 596 | (526) |
| 728 | Liquid Petroleum Gas | 0 | 477,517 | (477,517) | 0 | 0 | 0 |
| 735 | Miscellaneous Prod Expense | 1,347 | 2,662 | (1,315) | 794 | 1,270 | (476) |
| 736 | Rents | 5,583 | 5,583 | 0 | 5,583 | 5,583 | 0 |
| 742 | Production Equipment | 6,474 | 8,349 | (1,875) | 10,414 | 14,291 | (3,877) |
| 801 | Natural Gas Field Line Purchase | 4,393,212 | 4,123,669 | 269,543 | 10,931,258 | 9,225,817 | 1,705,441 |
| 805 | Unrecovered Purch Gas Adjustment | (623,276) | (1,437,736) | 814,460 | (2,524,590) | (1,233,519) | (1,291,071) |
| 807 | Gas Purchased Expenses | 37,845 | 31,378 | 6,467 | 26,779 | 31,583 | (4,804) |
| 813 | Other Gas Supply Expenses | (93) | 0 | (93) | 67 | 0 | 67 |
| 856 | Mains Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 859 | Other Expenses | 0 | 881 | (881) | 0 | 0 | 0 |
| 870 | Dist Supervision & Engineering | 10,220 | 9,452 | 768 | 5,551 | 9,080 | (3,529) |
| 871 | Distribution Load Dispatching | 13,444 | 9,188 | 4,256 | 11,197 | 7,596 | 3,601 |
| 874 | Mains And Services | 194,101 | 109,588 | 84,513 | 150,694 | 290,376 | (139,682) |
| 875 | Measuring & Reg Stations - Gen | 7,588 | 1,723 | 5,865 | 3,279 | 281 | 2,998 |
| 876 | Measuring & Reg Stations - Ind | 1,082 | 3,617 | (2,535) | 4,197 | 3,260 | 937 |
| 878 | Meter And House Regulators | 127,554 | 19,995 | 107,559 | 243,574 | (7,218) | 250,792 |
| 879 | Customer Installations | 87,099 | 54,188 | 32,911 | 69,043 | 51,197 | 17,846 |
| 880 | Gas Distribution Other Expense | 39,160 | 69,354 | (30,194) | 45,672 | 69,639 | (23,967) |
| 881 | Rents Interco | 32,302 | 32,302 | 0 | 32,302 | 32,302 | 0 |
| 885 | Maint- Supervision & Engineeri | 913 | 4,210 | (3,297) | 1,049 | 2,822 | (1,773) |
| 887 | Maintenance Of Mains | 112,579 | 73,745 | 38,834 | 61,371 | 52,440 | 8,931 |
| 889 | Maint- Measuring & Reg Stat - | 5,786 | 4,239 | 1,547 | 1,035 | 3,656 | (2,621) |
| 890 | Maint- Measuring & Reg Stat - | 0 | 0 | 0 | 9 | 0 | 9 |
| 892 | Maintenance Of Services | 39,733 | 38,772 | 961 | 44,904 | 60,557 | (15,653) |
| 893 | Maintenance Of Meters & House | 53,064 | 23,649 | 29,415 | 46,671 | 8,333 | 38,338 |
| 894 | Maint - Other Distribution Equipment | 7,436 | (2,565) | 10,001 | 9,785 | 697 | 9,088 |
| 901 | Supervision | 501 | 2,628 | (2,127) | 223 | 841 | (618) |
| 902 | Meter Reading Expenses | 61,908 | 55,533 | 6,375 | 47,307 | 48,527 | (1,220) |
| 903 | Customer Record and Collection Expenses | 162,224 | 171,786 | (9,562) | 166,607 | 178,698 | (12,091) |
| 904 | Uncollectible Accounts | 99,231 | 79,913 | 19,318 | 92,211 | 86,789 | 5,422 |
| 905 | Miscellaneous Customer Accounts Expense | 0 | 0 | 0 | 0 | 12 | (12) |
| 908 | Customer Assistance Expense | 9,911 | 20,622 | (10,711) | 10,249 | 25,447 | (15,198) |
| 909 | Informational and Instructional Expenses | 0 | 1 | (1) | 0 | 1 | (1) |
| 910 | Misc. Customer Service and Information Exp. | 56,557 | 62,991 | (6,434) | 5,975 | 23,159 | (17,184) |
| 911 | Supervision | 0 | 5 | (5) | 0 | 5 | (5) |
| 916 | Miscellaneous Sales Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 920 | Administrative and General Salaries | 223,573 | 393,182 | (169,609) | 173,903 | 1,118,052 | (944,149) |
| 921 | Office Supplies and Expenses | 179,279 | 115,638 | 63,641 | 145,950 | 154,591 | (8,641) |
| 922 | Administrative Expenses Transferred - Credit | 9 | (25) | 34 | 13 | (6) | 19 |
| 923 | Outside Services Employed | 126,318 | 154,531 | (28,213) | 126,180 | 195,032 | (68,852) |
| 924 | Property Insurance | 9,006 | 14,750 | (5,744) | 11,548 | 25,714 | (14,166) |
| 925 | Injuries and Damages | 2,120 | (1,661) | 3,781 | 1,890 | 1,211 | 679 |
| 926 | Employee Pension and Benefits | 397,500 | 302,367 | 95,133 | 291,484 | 277,990 | 13,494 |
| 927 | General & Administration | 37 | 0 | 37 | 20 | 0 | 20 |
| 928 | Regulatory Commission Expenses | 48,327 | 115,724 | (67,397) | 45,609 | (359,557) | 405,166 |
| 929 | Duplicate Charges - Credit | (37,940) | 0 | (37,940) | (38,023) | (39) | (37,984) |
| 930 | Miscellaneous General Expenses | 9,026 | 16,942 | (7,916) | 7,821 | 33,955 | (26,134) |
| 931 | Rents | 53,352 | 104,773 | (51,421) | 52,919 | 109,141 | (56,222) |
| 932 | Maintenance of General Plant | 8,397 | 13,213 | (4,816) | 7,127 | 11,588 | (4,461) |

**COMPARISON OF EXPENSE ACCOUNT BALANCES**
**FOR THE TWELVE MONTHS ENDED MAY 31, 2009**
**AND THE TWELVE MONTHS ENDED MAY 31, 2008**

| | | December | | | January | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2008 | 2007 | Variance | 2009 | 2008 | Variance |
| 403 | Depreciation Expenses | 662,890 | 619,894 | 42,996 | 662,890 | 619,894 | 42,996 |
| 404 | Amort Exp - Limited Term | 52,276 | 48,355 | 3,921 | 52,276 | 48,355 | 3,921 |
| 407 | Amortization Expenses | (22,363) | (791,564) | 769,201 | (22,363) | (791,564) | 769,201 |
| 408 | Taxes Other Than Income Taxes | (1,964,756) | 237,806 | (2,202,562) | (1,964,756) | 237,806 | (2,202,562) |
| 711 | Gas Boiler Labor | 2,504 | 1,194 | 1,310 | 2,504 | 1,194 | 1,310 |
| 712 | Gas Production - Other Expense | 1,058 | 798 | 260 | 1,058 | 798 | 260 |
| 717 | Liquid Petroleum Gas Expense | 71 | 1,498 | (1,427) | 71 | 1,498 | (1,427) |
| 728 | Liquid Petroleum Gas | 14,353 | 11,153 | 3,200 | 14,353 | 11,153 | 3,200 |
| 735 | Miscellaneous Prod Expense | 1,959 | 1,320 | 639 | 1,959 | 1,320 | 639 |
| 736 | Rents | 5,583 | 5,583 | 0 | 5,583 | 5,583 | 0 |
| 742 | Production Equipment | 7,873 | 7,909 | (36) | 7,873 | 7,909 | (36) |
| 801 | Natural Gas Field Line Purchase | 17,121,558 | 14,560,564 | 2,560,994 | 17,121,558 | 14,560,564 | 2,560,994 |
| 805 | Unrecovered Purch Gas Adjustment | 600,673 | 2,669,981 | (2,069,308) | 600,673 | 2,669,981 | (2,069,308) |
| 807 | Gas Purchased Expenses | 59,171 | 47,143 | 12,028 | 59,171 | 47,143 | 12,028 |
| 813 | Other Gas Supply Expenses | (83) | 0 | (83) | (83) | 0 | (83) |
| 856 | Mains Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 859 | Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 870 | Dist Supervision & Engineering | 10,525 | 5,909 | 4,616 | 10,525 | 5,909 | 4,616 |
| 871 | Distribution Load Dispatching | 12,786 | 10,187 | 2,599 | 12,786 | 10,187 | 2,599 |
| 874 | Mains And Services | 174,745 | 175,681 | (936) | 174,745 | 175,681 | (936) |
| 875 | Measuring & Reg Stations - Gen | 1,634 | 252 | 1,382 | 1,634 | 252 | 1,382 |
| 876 | Measuring & Reg Stations - Ind | 2,231 | 2,175 | 56 | 2,231 | 2,175 | 56 |
| 878 | Meter And House Regulators | (333,645) | 2,423 | (336,068) | (333,645) | 2,423 | (336,068) |
| 879 | Customer Installations | 93,248 | 80,237 | 13,011 | 93,248 | 80,237 | 13,011 |
| 880 | Gas Distribution Other Expense | 31,652 | 115,769 | (84,117) | 31,652 | 115,769 | (84,117) |
| 881 | Rents Interco | 32,302 | 32,302 | 0 | 32,302 | 32,302 | 0 |
| 885 | Maint- Supervision & Engineeri | (120) | 2,360 | (2,480) | (120) | 2,360 | (2,480) |
| 887 | Maintenance Of Mains | 41,558 | 62,306 | (20,748) | 41,558 | 62,306 | (20,748) |
| 889 | Maint- Measuring & Reg Stat - | 3,293 | 5,331 | (2,038) | 3,293 | 5,331 | (2,038) |
| 890 | Maint- Measuring & Reg Stat - | 373 | 0 | 373 | 373 | 0 | 373 |
| 892 | Maintenance Of Services | 19,314 | 28,373 | (9,059) | 19,314 | 28,373 | (9,059) |
| 893 | Maintenance Of Meters & House | 14,842 | 5,279 | 9,563 | 14,842 | 5,279 | 9,563 |
| 894 | Maint - Other Distribution Equipment | (12,521) | 21,181 | (33,702) | (12,521) | 21,181 | (33,702) |
| 901 | Supervision | (362) | 706 | (1,068) | (362) | 706 | (1,068) |
| 902 | Meter Reading Expenses | 55,755 | 29,825 | 25,930 | 55,755 | 29,825 | 25,930 |
| 903 | Customer Record and Collection Expenses | 164,374 | 164,273 | 101 | 164,374 | 164,273 | 101 |
| 904 | Uncollectible Accounts | 159,471 | 156,092 | 3,379 | 159,471 | 156,092 | 3,379 |
| 905 | Miscellaneous Customer Accounts Expense | 0 | 67,532 | (67,532) | 0 | 67,532 | (67,532) |
| 908 | Customer Assistance Expense | 16,298 | 27,744 | (11,446) | 16,298 | 27,744 | (11,446) |
| 909 | Informational and Instructional Expenses | 0 | 22,943 | (22,943) | 0 | 22,943 | (22,943) |
| 910 | Misc. Customer Service and Information Exp. | 51,664 | 62,294 | (10,630) | 51,664 | 62,294 | (10,630) |
| 911 | Supervision | 0 | 5 | (5) | 0 | 5 | (5) |
| 916 | Miscellaneous Sales Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 920 | Administrative and General Salaries | 523,648 | 325,455 | 198,193 | 523,648 | 325,455 | 198,193 |
| 921 | Office Supplies and Expenses | 198,104 | 158,235 | 39,869 | 198,104 | 158,235 | 39,869 |
| 922 | Administrative Expenses Transferred - Credit | 122,639 | 1,220 | 121,419 | 122,639 | 1,220 | 121,419 |
| 923 | Outside Services Employed | 238,317 | 326,437 | (88,120) | 238,317 | 326,437 | (88,120) |
| 924 | Property Insurance | 10,190 | (11,977) | 22,167 | 10,190 | (11,977) | 22,167 |
| 925 | Injuries and Damages | 2,074 | 630 | 1,444 | 2,074 | 630 | 1,444 |
| 926 | Employee Pension and Benefits | 480,650 | 293,801 | 186,849 | 480,650 | 293,801 | 186,849 |
| 927 | General & Administration | 1 | 0 | 1 | 1 | 0 | 1 |
| 928 | Regulatory Commission Expenses | 45,615 | 69,273 | (23,658) | 45,615 | 69,273 | (23,658) |
| 929 | Duplicate Charges - Credit | (233,362) | (21) | (233,341) | (233,362) | (21) | (233,341) |
| 930 | Miscellaneous General Expenses | 15,330 | 42,950 | (27,620) | 15,330 | 42,950 | (27,620) |
| 931 | Rents | 81,255 | 192,158 | (110,903) | 81,255 | 192,158 | (110,903) |
| 932 | Maintenance of General Plant | 11,837 | 14,107 | (2,270) | 11,837 | 14,107 | (2,270) |

COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008

| | | February | | | March | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2009 | 2008 | Variance | 2009 | 2008 | Variance |
| 403 | Depreciation Expenses | 674,754 | 623,640 | 51,114 | 791,221 | 622,856 | 168,365 |
| 404 | Amort Exp - Limited Term | 52,554 | 52,958 | (404) | 56,020 | 52,962 | 3,058 |
| 407 | Amortization Expenses | (87,134) | (721,837) | 634,703 | (58,792) | (539,854) | 481,062 |
| 408 | Taxes Other Than Income Taxes | 352,774 | 364,644 | (11,870) | 440,450 | 340,449 | 100,001 |
| 711 | Gas Boiler Labor | 4,045 | 1,661 | 2,384 | 0 | 0 | 0 |
| 712 | Gas Production - Other Expense | 820 | 1,790 | (970) | 511 | 489 | 22 |
| 717 | Liquid Petroleum Gas Expense | 292 | 179 | 113 | 238 | 64 | 174 |
| 728 | Liquid Petroleum Gas | 7,777 | 34,065 | (26,288) | 7,852 | 0 | 7,852 |
| 735 | Miscellaneous Prod Expense | 5,286 | 5,280 | 6 | 1,276 | 1,506 | (230) |
| 736 | Rents | 5,583 | 5,583 | 0 | 5,583 | 5,583 | 0 |
| 742 | Production Equipment | 5,962 | 12,601 | (6,639) | 3,233 | 9,581 | (6,348) |
| 801 | Natural Gas Field Line Purchase | 13,164,270 | 17,937,486 | (4,773,216) | 9,502,708 | 14,085,334 | (4,582,626) |
| 805 | Unrecovered Purch Gas Adjustment | 586,657 | 1,815,130 | (1,228,473) | (2,228,311) | 2,075,482 | (4,303,793) |
| 807 | Gas Purchased Expenses | 46,099 | 37,951 | 8,148 | 42,855 | 37,938 | 4,917 |
| 813 | Other Gas Supply Expenses | 116 | 0 | 116 | 0 | 0 | 0 |
| 856 | Mains Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 859 | Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 870 | Dist Supervision & Engineering | 7,942 | 22,600 | (14,658) | 11,254 | 15,930 | (4,676) |
| 871 | Distribution Load Dispatching | 12,773 | 10,414 | 2,359 | 12,826 | 9,165 | 3,661 |
| 874 | Mains And Services | 63,172 | 77,964 | (14,792) | 95,530 | 113,728 | (18,198) |
| 875 | Measuring & Reg Stations - Gen | 674 | 380 | 294 | 3,359 | 283 | 3,076 |
| 876 | Measuring & Reg Stations - Ind | 674 | 1,047 | (373) | 5,039 | 1,879 | 3,160 |
| 878 | Meter And House Regulators | 27,207 | 106,111 | (78,904) | 75,175 | (63,683) | 138,858 |
| 879 | Customer Installations | 64,192 | 40,962 | 23,230 | 67,907 | 81,472 | (13,565) |
| 880 | Gas Distribution Other Expense | 21,900 | 95,744 | (73,844) | 35,351 | 42,563 | (7,212) |
| 881 | Rents Interco | 32,302 | 32,302 | 0 | 32,302 | 32,302 | 0 |
| 885 | Maint- Supervision & Engineeri | 1,024 | 6,389 | (5,365) | 1,070 | 4,167 | (3,097) |
| 887 | Maintenance Of Mains | 42,081 | 65,591 | (23,510) | (12,241) | 45,911 | (58,152) |
| 889 | Maint- Measuring & Reg Stat - | 4,319 | 1,479 | 2,840 | 4,283 | 2,880 | 1,403 |
| 890 | Maint- Measuring & Reg Stat - | 0 | 0 | 0 | 1,330 | 0 | 1,330 |
| 892 | Maintenance Of Services | 26,957 | 89,549 | (62,592) | 69,296 | 59,703 | 9,593 |
| 893 | Maintenance Of Meters & House | 28,315 | 37,664 | (9,349) | 18,419 | 25,865 | (7,446) |
| 894 | Maint - Other Distribution Equipment | 1,335 | 1,711 | (376) | 3,139 | (3,277) | 6,416 |
| 901 | Supervision | 219 | 955 | (736) | 804 | 1,012 | (208) |
| 902 | Meter Reading Expenses | 75,509 | 70,241 | 5,268 | 59,924 | 50,769 | 9,155 |
| 903 | Customer Record and Collection Expenses | 145,918 | 194,326 | (48,408) | 168,096 | 177,422 | (9,326) |
| 904 | Uncollectible Accounts | 96,127 | 115,659 | (19,532) | 81,037 | 102,356 | (21,319) |
| 905 | Miscellaneous Customer Accounts Expense | 0 | 0 | 0 | 0 | 2 | (2) |
| 908 | Customer Assistance Expense | 11,399 | 14,371 | (2,972) | 11,883 | 12,475 | (592) |
| 909 | Informational and Instructional Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 910 | Misc. Customer Service and Information Exp. | 26,012 | 21,776 | 4,236 | 42,889 | 22,948 | 19,941 |
| 911 | Supervision | 0 | 5 | (5) | 0 | 1 | (1) |
| 916 | Miscellaneous Sales Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 920 | Administrative and General Salaries | 137,137 | 300,053 | (162,916) | 205,098 | 577,908 | (372,810) |
| 921 | Office Supplies and Expenses | 69,162 | 102,426 | (33,264) | 115,762 | 106,492 | 9,270 |
| 922 | Administrative Expenses Transferred - Credit | (19) | 0 | (19) | (5) | (31,150) | 31,145 |
| 923 | Outside Services Employed | 89,418 | 128,748 | (39,330) | 148,643 | 240,671 | (92,028) |
| 924 | Property Insurance | 32,299 | 11,904 | 20,395 | 23,088 | 8,819 | 14,269 |
| 925 | Injuries and Damages | 17,169 | 2,946 | 14,223 | 9,734 | 1,847 | 7,887 |
| 926 | Employee Pension and Benefits | 89,570 | 242,621 | (153,051) | 219,887 | 223,762 | (3,875) |
| 927 | General & Administration | 19 | 0 | 19 | 13 | 0 | 13 |
| 928 | Regulatory Commission Expenses | 45,615 | 69,273 | (23,658) | 45,969 | 69,273 | (23,304) |
| 929 | Duplicate Charges - Credit | (19,094) | 0 | (19,094) | (16,584) | 0 | (16,584) |
| 930 | Miscellaneous General Expenses | 3,691 | 13,156 | (9,465) | 13,363 | 13,887 | (524) |
| 931 | Rents | 56,958 | 93,037 | (36,079) | 77,267 | 100,042 | (22,775) |
| 932 | Maintenance of General Plant | 34,965 | 13,922 | 21,043 | 32,713 | 6,661 | 26,052 |

**COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE TWELVE MONTHS ENDED MAY 31, 2009
AND THE TWELVE MONTHS ENDED MAY 31, 2008**

| | | April | | | May | | |
|---|---|---|---|---|---|---|---|
| Account | Description | 2009 | 2008 | Variance | 2009 | 2008 | Variance |
| 403 | Depreciation Expenses | 697,646 | 624,323 | 73,323 | 840,043 | 637,877 | 202,166 |
| 404 | Amort Exp - Limited Term | 49,829 | 52,962 | (3,133) | 54,217 | 52,964 | 1,253 |
| 407 | Amortization Expenses | (34,649) | (218,075) | 183,426 | 34,112 | (86,657) | 120,769 |
| 408 | Taxes Other Than Income Taxes | 346,620 | 319,533 | 27,087 | 348,155 | 325,787 | 22,368 |
| 711 | Gas Boiler Labor | 0 | 1,657 | (1,657) | 0 | 157 | (157) |
| 712 | Gas Production - Other Expense | 218 | 184 | 34 | 215 | 94 | 121 |
| 717 | Liquid Petroleum Gas Expense | 906 | 84 | 822 | 2,744 | 253 | 2,491 |
| 728 | Liquid Petroleum Gas | 0 | 0 | 0 | 1,513 | 0 | 1,513 |
| 735 | Miscellaneous Prod Expense | 282 | 1,773 | (1,491) | 89 | 763 | (674) |
| 736 | Rents | 5,583 | 5,583 | 0 | 5,583 | 5,583 | 0 |
| 742 | Production Equipment | 3,588 | 5,662 | (2,074) | 569 | 7,744 | (7,175) |
| 801 | Natural Gas Field Line Purchase | 3,438,903 | 5,869,332 | (2,430,429) | 1,594,645 | 3,522,605 | (1,927,960) |
| 805 | Unrecovered Purch Gas Adjustment | 105,838 | 2,313,523 | (2,207,685) | 204,947 | 34,365 | 170,582 |
| 807 | Gas Purchased Expenses | 39,712 | 30,447 | 9,265 | 38,949 | 38,674 | 275 |
| 813 | Other Gas Supply Expenses | (23) | 0 | (23) | 47 | 0 | 47 |
| 856 | Mains Expense | 0 | 571 | (571) | 0 | 0 | 0 |
| 859 | Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 870 | Dist Supervision & Engineering | 11,549 | 8,318 | 3,231 | 1,751 | 10,208 | (8,457) |
| 871 | Distribution Load Dispatching | 10,526 | 7,410 | 3,116 | 13,333 | 6,820 | 6,513 |
| 874 | Mains And Services | 154,584 | 162,842 | (8,258) | 172,404 | 155,367 | 17,037 |
| 875 | Measuring & Reg Stations - Gen | 108 | 210 | (102) | 67 | 377 | (310) |
| 876 | Measuring & Reg Stations - Ind | 3,527 | 383 | 3,144 | 868 | 2,576 | (1,708) |
| 878 | Meter And House Regulators | 15,312 | (91,064) | 106,376 | 9,279 | (41,095) | 50,374 |
| 879 | Customer Installations | 54,846 | 67,742 | (12,896) | 47,134 | 86,555 | (39,421) |
| 880 | Gas Distribution Other Expense | 29,492 | 38,319 | (8,827) | 32,937 | 40,933 | (7,996) |
| 881 | Rents Interco | 32,302 | 32,302 | 0 | 32,302 | 32,302 | 0 |
| 885 | Maint- Supervision & Engineeri | 1,080 | 3,924 | (2,844) | 963 | 4,075 | (3,112) |
| 887 | Maintenance Of Mains | 39,376 | 38,847 | 529 | 39,800 | 37,340 | 2,460 |
| 889 | Maint- Measuring & Reg Stat - | 4,586 | 3,324 | 1,262 | 3,686 | 6,544 | (2,858) |
| 890 | Maint- Measuring & Reg Stat - | 701 | 0 | 701 | 1 | 0 | 1 |
| 892 | Maintenance Of Services | 41,062 | 68,367 | (27,305) | 38,826 | 60,923 | (22,097) |
| 893 | Maintenance Of Meters & House | 21,207 | 21,559 | (352) | 25,405 | 22,323 | 3,082 |
| 894 | Maint - Other Distribution Equipment | 4,136 | 2,747 | 1,389 | (12,382) | 464 | (12,846) |
| 901 | Supervision | 505 | 1,141 | (636) | 286 | 1,888 | (1,602) |
| 902 | Meter Reading Expenses | 58,378 | 52,163 | 6,215 | 54,924 | 47,735 | 7,189 |
| 903 | Customer Record and Collection Expenses | 162,018 | 168,246 | (6,228) | 155,824 | 167,371 | (11,547) |
| 904 | Uncollectible Accounts | 66,502 | 70,757 | (4,255) | 60,683 | 74,138 | (13,455) |
| 905 | Miscellaneous Customer Accounts Expense | 0 | 2 | (2) | 0 | 4 | (4) |
| 908 | Customer Assistance Expense | 10,231 | 11,158 | (927) | 11,519 | 14,593 | (3,074) |
| 909 | Informational and Instructional Expenses | 0 | 0 | 0 | 3,574 | 0 | 3,574 |
| 910 | Misc. Customer Service and Information Exp. | 35,702 | 25,311 | 10,391 | 45,910 | 55,225 | (9,315) |
| 911 | Supervision | 0 | 6 | (6) | 0 | 3 | (3) |
| 916 | Miscellaneous Sales Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| 920 | Administrative and General Salaries | 212,247 | 57,288 | 154,959 | 238,865 | 193,078 | 45,787 |
| 921 | Office Supplies and Expenses | 143,773 | 156,506 | (12,733) | 101,636 | 158,159 | (56,523) |
| 922 | Administrative Expenses Transferred - Credit | 0 | 19 | (19) | 1 | 4 | (3) |
| 923 | Outside Services Employed | 181,443 | 103,550 | 77,893 | 67,040 | 189,022 | (121,982) |
| 924 | Property Insurance | 23,614 | 6,534 | 17,080 | 23,099 | 13,179 | 9,920 |
| 925 | Injuries and Damages | 11,080 | 2,264 | 8,816 | 11,065 | 2,259 | 8,806 |
| 926 | Employee Pension and Benefits | 199,483 | 268,334 | (68,851) | 161,281 | 252,150 | (90,869) |
| 927 | General & Administration | 10 | 0 | 10 | 16 | 0 | 16 |
| 928 | Regulatory Commission Expenses | 46,035 | 51,611 | (5,576) | 45,733 | 51,611 | (5,878) |
| 929 | Duplicate Charges - Credit | (19,596) | (42) | (19,554) | (26,735) | 0 | (26,735) |
| 930 | Miscellaneous General Expenses | 10,225 | 38,918 | (28,693) | 5,826 | 13,448 | (7,622) |
| 931 | Rents | 75,225 | 107,861 | (32,636) | 75,145 | 130,853 | (55,708) |
| 932 | Maintenance of General Plant | 33,452 | 13,724 | 19,728 | 34,823 | 8,129 | 26,694 |

DUKE ENERGY KENTUCKY, INC
COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE BASE PERIOD
AND THE MOST RECENT THREE CALENDAR YEARS

| | | | | 2007 vs. 2006 | |
|---|---|---|---|---|---|
| Account | Description | 2006 | 2007 | Variance | % Change |
| 403 | Depreciation Expenses | 6,390,506 | 6,996,029 | 605,523 | 9.48% |
| 404 | Amort Exp - Limited Term | 773,149 | 612,848 | (160,301) | (20.73)% |
| 407 | Amortization Expenses | 0 | (725,697) | (725,697) | - |
| 408 | Taxes Other Than Income Taxes | 2,877,255 | 3,550,897 | 673,642 | 23.41% |
| 711 | Gas Boiler Labor | 5,624 | 5,579 | (45) | (0.80)% |
| 712 | Gas Production - Other Expense | 2,393 | 4,084 | 1,691 | 70.66% |
| 717 | Liquid Petroleum Gas Expense | 61,848 | 10,283 | (51,565) | (83.37)% |
| 728 | Liquid Petroleum Gas | (112,776) | 504,598 | 617,374 | 547.43% |
| 735 | Miscellaneous Prod Expense | 2,313 | 19,757 | 17,444 | 754.17% |
| 736 | Rents | 0 | 27,917 | 27,917 | - |
| 742 | Production Equipment | 45,615 | 93,631 | 48,016 | 105.26% |
| 801 | Natural Gas Field Line Purchase | 91,478,482 | 96,810,549 | 5,332,067 | 5.83% |
| 805 | Unrecovered Purch Gas Adjustment | 626,388 | (1,879,897) | (2,506,285) | (400.12)% |
| 807 | Gas Purchased Expenses | 357,040 | 377,988 | 20,948 | 5.87% |
| 813 | Other Gas Supply Expenses | 0 | 0 | 0 | - |
| 856 | Mains Expense | 0 | 766 | 766 | - |
| 859 | Other Expenses | 1,008 | 1,237 | 229 | 22.72% |
| 870 | Dist Supervision & Engineering | 125,881 | 130,588 | 4,707 | 3.74% |
| 871 | Distribution Load Dispatching | 98,088 | 100,787 | 2,699 | 2.75% |
| 874 | Mains And Services | 1,405,011 | 1,705,576 | 300,565 | 21.39% |
| 875 | Measuring & Reg Stations - Gen | 29,861 | 16,401 | (13,460) | (45.08)% |
| 876 | Measuring & Reg Stations - Ind | 23,800 | 35,499 | 11,699 | 49.16% |
| 878 | Meter And House Regulators | (175,154) | (27,585) | 147,569 | 84.25% |
| 879 | Customer Installations | 612,048 | 604,482 | (7,566) | (1.24)% |
| 880 | Gas Distribution Other Expense | 918,953 | 840,912 | (78,041) | (8.49)% |
| 881 | Rents Interco | 387,624 | 387,624 | 0 | - |
| 885 | Maint- Supervision & Engineeri | 45,768 | 39,301 | (6,467) | (14.13)% |
| 887 | Maintenance Of Mains | 770,370 | 701,985 | (68,385) | (8.88)% |
| 889 | Maint- Measuring & Reg Stat - | 68,155 | 64,143 | (4,012) | (5.89)% |
| 890 | Maint- Measuring & Reg Stat - | 266 | 175 | (91) | (34.21)% |
| 892 | Maintenance Of Services | 374,163 | 655,185 | 281,022 | 75.11% |
| 893 | Maintenance Of Meters & House | 252,367 | 284,129 | 31,762 | 12.59% |
| 894 | Maint - Other Distribution Equipment | 31,517 | 19,954 | (11,563) | (36.69)% |
| 901 | Supervision | 22,561 | 17,561 | (5,000) | (22.16)% |
| 902 | Meter Reading Expenses | 483,640 | 562,531 | 78,891 | 16.31% |
| 903 | Customer Record and Collection Expenses | 1,939,573 | 2,125,486 | 185,913 | 9.59% |
| 904 | Uncollectible Accounts | 1,403,518 | 1,480,607 | 77,089 | 5.49% |
| 905 | Miscellaneous Customer Accounts Expense | (28,349) | 67,590 | 95,939 | 338.42% |
| 908 | Customer Assistance Expense | 184,049 | 293,662 | 109,613 | 59.56% |
| 909 | Informational and Instructional Expenses | 48,046 | 58,269 | 10,223 | 21.28% |
| 910 | Misc. Customer Service and Information Exp. | 252,337 | 368,674 | 116,337 | 46.10% |
| 911 | Supervision | 3,326 | 53 | (3,273) | (98.41)% |
| 913 | Advertising Expenses | 212 | 0 | (212) | (100.00)% |
| 916 | Miscellaneous Sales Expenses | 1,543,147 | 0 | (1,543,147) | (100.00)% |
| 920 | Administrative and General Salaries | 2,691,047 | 4,960,683 | 2,269,636 | 84.34% |
| 921 | Office Supplies and Expenses | 2,196,759 | 3,114,351 | 917,592 | 41.77% |
| 922 | Administrative Expenses Transferred - Credit | (5,956) | 932 | 6,888 | 115.65% |
| 923 | Outside Services Employed | 1,075,581 | 1,495,974 | 420,393 | 39.09% |
| 924 | Property Insurance | 0 | 359,025 | 359,025 | - |
| 925 | Injuries and Damages | 112,273 | (1,759) | (114,032) | (101.57)% |
| 926 | Employee Pension and Benefits | 3,247,538 | 3,053,157 | (194,381) | (5.99)% |
| 927 | General & Administration | 0 | 0 | 0 | - |
| 928 | Regulatory Commission Expenses | 354,320 | 646,947 | 292,627 | 82.59% |
| 929 | Duplicate Charges - Credit | (121) | (317) | (196) | (161.98)% |
| 930 | Miscellaneous General Expenses | 273,633 | 204,610 | (69,023) | (25.22)% |
| 931 | Rents | 765,267 | 1,222,377 | 457,110 | 59.73% |
| 932 | Maintenance of General Plant | 77,397 | 115,621 | 38,224 | 49.39% |

DUKE ENERGY KENTUCKY, INC.
COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE BASE PERIOD
AND THE MOST RECENT THREE CALENDAR YEARS

| | | | 2008 vs. 2007 | |
|---|---|---|---|---|
| Account | Description | 2008 | Variance | % Change |
| 403 | Depreciation Expenses | 7,644,264 | 648,235 | 9.27% |
| 404 | Amort Exp - Limited Term | 633,750 | 20,902 | 3.41% |
| 407 | Amortization Expenses | (2,367,068) | (1,641,371) | (226.18)% |
| 408 | Taxes Other Than Income Taxes | 1,805,951 | (1,744,946) | (49.14)% |
| 711 | Gas Boiler Labor | 7,850 | 2,271 | 40.71% |
| 712 | Gas Production - Other Expense | 5,674 | 1,590 | 38.93% |
| 717 | Liquid Petroleum Gas Expense | 2,680 | (7,603) | (73.94)% |
| 728 | Liquid Petroleum Gas | 78,042 | (426,556) | (84.53)% |
| 735 | Miscellaneous Prod Expense | 20,387 | 630 | 3.19% |
| 736 | Rents | 67,000 | 39,083 | 140.00% |
| 742 | Production Equipment | 85,127 | (8,504) | (9.08)% |
| 801 | Natural Gas Field Line Purchase | 103,103,103 | 6,292,554 | 6.50% |
| 805 | Unrecovered Purch Gas Adjustment | 3,809,950 | 5,689,847 | 302.67% |
| 807 | Gas Purchased Expenses | 450,516 | 72,528 | 19.19% |
| 813 | Other Gas Supply Expenses | 0 | 0 | - |
| 856 | Mains Expense | 571 | (195) | (25.46)% |
| 859 | Other Expenses | 0 | (1,237) | (100.00)% |
| 870 | Dist Supervision & Engineering | 120,853 | (9,735) | (7.45)% |
| 871 | Distribution Load Dispatching | 130,018 | 29,231 | 29.00% |
| 874 | Mains And Services | 1,692,440 | (13,136) | (0.77)% |
| 875 | Measuring & Reg Stations - Gen | 29,086 | 12,685 | 77.34% |
| 876 | Measuring & Reg Stations - Ind | 19,008 | (16,491) | (46.45)% |
| 878 | Meter And House Regulators | 21,719 | 49,304 | 178.73% |
| 879 | Customer Installations | 933,054 | 328,572 | 54.36% |
| 880 | Gas Distribution Other Expense | 420,988 | (419,924) | (49.94)% |
| 881 | Rents Interco | 387,624 | 0 | - |
| 885 | Maint- Supervision & Engineeri | 30,601 | (8,700) | (22.14)% |
| 887 | Maintenance Of Mains | 617,174 | (84,811) | (12.08)% |
| 889 | Maint- Measuring & Reg Stat - | 42,696 | (21,447) | (33.44)% |
| 890 | Maint- Measuring & Reg Stat - | 807 | 632 | 361.14% |
| 892 | Maintenance Of Services | 685,986 | 30,801 | 4.70% |
| 893 | Maintenance Of Meters & House | 489,199 | 205,070 | 72.17% |
| 894 | Maint - Other Distribution Equipment | 23,466 | 3,512 | 17.60% |
| 901 | Supervision | 10,072 | (7,489) | (42.65)% |
| 902 | Meter Reading Expenses | 658,543 | 96,012 | 17.07% |
| 903 | Customer Record and Collection Expenses | 1,980,829 | (144,657) | (6.81)% |
| 904 | Uncollectible Accounts | 1,196,497 | (284,110) | (19.19)% |
| 905 | Miscellaneous Customer Accounts Expense | (14,986) | (82,576) | (122.17)% |
| 908 | Customer Assistance Expense | 140,222 | (153,440) | (52.25)% |
| 909 | Informational and Instructional Expenses | 0 | (58,269) | (100.00)% |
| 910 | Misc. Customer Service and Information Exp. | 423,124 | 54,450 | 14.77% |
| 911 | Supervision | 20 | (33) | (62.26)% |
| 913 | Advertising Expenses | 0 | 0 | - |
| 916 | Miscellaneous Sales Expenses | 0 | 0 | - |
| 920 | Administrative and General Salaries | 2,943,891 | (2,016,792) | (40.66)% |
| 921 | Office Supplies and Expenses | 1,818,391 | (1,295,960) | (41.61)% |
| 922 | Administrative Expenses Transferred - Credit | 337 | (595) | (63.84)% |
| 923 | Outside Services Employed | 1,735,697 | 239,723 | 16.02% |
| 924 | Property Insurance | 112,303 | (246,722) | (68.72)% |
| 925 | Injuries and Damages | 72,378 | 74,137 | 4214.72% |
| 926 | Employee Pension and Benefits | 2,100,968 | (952,189) | (31.19)% |
| 927 | General & Administration | 163 | 163 | - |
| 928 | Regulatory Commission Expenses | 583,867 | (63,080) | (9.75)% |
| 929 | Duplicate Charges - Credit | (341,846) | (341,529) | (107737.85)% |
| 930 | Miscellaneous General Expenses | 179,731 | (24,879) | (12.16)% |
| 931 | Rents | 998,692 | (223,685) | (18.30)% |
| 932 | Maintenance of General Plant | 116,087 | 466 | 0.40% |

DUKE ENERGY KENTUCKY, INC.
COMPARISON OF EXPENSE ACCOUNT BALANCES
FOR THE BASE PERIOD
AND THE MOST RECENT THREE CALENDAR YEARS

| | | | 2008 vs. Base Period | |
|---|---|---|---|---|
| Account | Description | Base | Variance | % Change |
| 403 | Depreciation Expenses | 8,199,402 | 555,138 | 7.26% |
| 404 | Amort Exp - Limited Term | 638,759 | 5,009 | 0.79% |
| 407 | Amortization Expenses | (362,672) | 2,004,396 | 84.68% |
| 408 | Taxes Other Than Income Taxes | 2,266,684 | 460,733 | 25.51% |
| 711 | Gas Boiler Labor | 15,737 | 7,887 | 100.47% |
| 712 | Gas Production - Other Expense | 11,928 | 6,254 | 110.22% |
| 717 | Liquid Petroleum Gas Expense | 4,289 | 1,609 | 60.04% |
| 728 | Liquid Petroleum Gas | 100,086 | 22,044 | 28.25% |
| 735 | Miscellaneous Prod Expense | 25,329 | 4,942 | 24.24% |
| 736 | Rents | 60,300 | (6,700) | (10.00)% |
| 742 | Production Equipment | 109,976 | 24,849 | 29.19% |
| 801 | Natural Gas Field Line Purchase | 88,724,830 | (14,378,273) | (13.95)% |
| 805 | Unrecovered Purch Gas Adjustment | (7,665,881) | (11,475,831) | (301.21)% |
| 807 | Gas Purchased Expenses | 443,407 | (7,109) | (1.58)% |
| 813 | Other Gas Supply Expenses | (16) | (16) | - |
| 856 | Mains Expense | 0 | (571) | (100.00)% |
| 859 | Other Expenses | 0 | 0 | - |
| 870 | Dist Supervision & Engineering | 97,209 | (23,644) | (19.56)% |
| 871 | Distribution Load Dispatching | 115,241 | (14,777) | (11.37)% |
| 874 | Mains And Services | 1,671,245 | (21,195) | (1.25)% |
| 875 | Measuring & Reg Stations - Gen | 33,048 | 3,962 | 13.62% |
| 876 | Measuring & Reg Stations - Ind | 149,759 | 130,751 | 687.87% |
| 878 | Meter And House Regulators | 221,563 | 199,844 | 920.13% |
| 879 | Customer Installations | 924,034 | (9,020) | (0.97)% |
| 880 | Gas Distribution Other Expense | 394,478 | (26,510) | (6.30)% |
| 881 | Rents Interco | 387,624 | 0 | - |
| 885 | Maint- Supervision & Engineeri | 20,396 | (10,205) | (33.35)% |
| 887 | Maintenance Of Mains | 765,539 | 148,365 | 24.04% |
| 889 | Maint- Measuring & Reg Stat - | 49,753 | 7,057 | 16.53% |
| 890 | Maint- Measuring & Reg Stat - | 1,839 | 1,032 | 127.88% |
| 892 | Maintenance Of Services | 602,004 | (83,982) | (12.24)% |
| 893 | Maintenance Of Meters & House | 169,107 | (320,092) | (65.43)% |
| 894 | Maint - Other Distribution Equipment | 23,335 | (131) | (0.56)% |
| 901 | Supervision | 1,453 | (8,619) | (85.57)% |
| 902 | Meter Reading Expenses | 806,036 | 147,493 | 22.40% |
| 903 | Customer Record and Collection Expenses | 1,724,780 | (256,049) | (12.93)% |
| 904 | Uncollectible Accounts | 1,279,385 | 82,888 | 6.93% |
| 905 | Miscellaneous Customer Accounts Expense | 0 | 14,986 | 100.00% |
| 908 | Customer Assistance Expense | 147,659 | 7,437 | 5.30% |
| 909 | Informational and Instructional Expenses | 0 | 0 | - |
| 910 | Misc. Customer Service and Information Exp. | 394,992 | (28,132) | (6.65)% |
| 911 | Supervision | 0 | (20) | (100.00)% |
| 913 | Advertising Expenses | 0 | 0 | - |
| 916 | Miscellaneous Sales Expenses | 0 | 0 | - |
| 920 | Administrative and General Salaries | 2,793,261 | (150,630) | (5.12)% |
| 921 | Office Supplies and Expenses | 1,521,153 | (297,238) | (16.35)% |
| 922 | Administrative Expenses Transferred - Credit | 122,661 | 122,324 | 36297.92% |
| 923 | Outside Services Employed | 1,829,474 | 93,777 | 5.40% |
| 924 | Property Insurance | 148,630 | 36,327 | 32.35% |
| 925 | Injuries and Damages | 84,897 | 12,519 | 17.30% |
| 926 | Employee Pension and Benefits | 2,219,688 | 118,720 | 5.65% |
| 927 | General & Administration | 92 | (71) | (43.56)% |
| 928 | Regulatory Commission Expenses | 565,068 | (18,799) | (3.22)% |
| 929 | Duplicate Charges - Credit | (353,382) | (11,536) | (3.37)% |
| 930 | Miscellaneous General Expenses | 124,323 | (55,408) | (30.83)% |
| 931 | Rents | 1,027,185 | 28,493 | 2.85% |
| 932 | Maintenance of General Plant | 431,110 | 315,023 | 271.37% |

**STAFF-DR-01-030**

**REQUEST:**

Provide a schedule of gas operations net income, per Mcf sold, per company books for the base period and the three calendar years preceding the base period. This data should be provided as shown in Schedule 30.

**RESPONSE:**

See Attachment STAFF-DR-01-030.

**PERSON RESPONSIBLE:** Brenda R. Melendez

DUKE ENERGY KENTUCKY, INC.
CASE NO. 2009-00202
GAS NET INCOME PER MCF SOLD
FOR THE CALENDAR YEARS 2006 THROUGH 2008
AND FOR THE BASE PERIOD

| LINE NO. | DESCRIPTION | 12 MONTHS ENDED 2006 | 2007 | 2008 | BASE PERIOD |
|---|---|---|---|---|---|
| 1 | UTILITY OPERATING INCOME | | | | |
| 2 | OPERATING REVENUES | $ 136,319,814 | $ 140,667,824 | $ 144,286,542 | $ 119,955,197 |
| 3 | OPERATING EXPENSES | | | | |
| 4 | OPERATION EXPENSES | 112,410,833 | 119,707,558 | 125,899,456 | 99,933,896 |
| 5 | MAINTENANCE EXPENSES | 1,665,618 | 1,974,124 | 2,091,143 | 2,390,728 |
| 6 | DEPRECIATION EXPENSE | 6,390,506 | 6,996,029 | 7,644,264 | 8,199,402 |
| 7 | AMORT. & DEPL. OF UTILITY PLANT | 773,149 | 612,848 | 633,750 | 638,759 |
| 8 | REGULATORY DEBITS | 0 | (725,697) | (2,367,068) | (362,672) |
| 9 | TAXES OTHER THAN INCOME TAXES | 2,877,255 | 3,550,897 | 1,805,951 | 2,266,684 |
| 10 | INCOME TAXES - FEDERAL | 1,132,502 | (1,321,726) | 4,309,240 | 464,651 |
| 11 | INCOME TAXES - OTHER | 160,167 | (138,472) | 995,366 | 415,004 |
| 12 | PROVISION FOR DEFERRED INCOME TAXES | 6,696,186 | 4,768,995 | 10,913,133 | (101,499) |
| 13 | PROVISION FOR DEFERRED INCOME TAXES - CREDIT | (1,813,330) | (4,081,354) | (15,297,904) | 0 |
| 14 | INVESTMENT TAX CREDIT ADJ - NET | (76,544) | (75,890) | (75,329) | (62,003) |
| 15 | GAINS FROM DISP OF ALLOW - CREDIT | 0 | 0 | 0 | 0 |
| 16 | ACCRETION EXPENSE | 0 | 0 | 0 | 0 |
| 17 | TOTAL UTILITY OPERATING EXPENSES | 130,216,342 | 131,267,312 | 136,552,002 | 113,782,950 |
| 18 | NET UTILITY OPERATING INCOME | 6,103,472 | 9,400,512 | 7,734,540 | 6,172,247 |
| 19 | OTHER INCOME AND DEDUCTIONS | | | | |
| 20 | OTHER INCOME | | | | |
| 21 | NONUTILITY OPERATING INCOME | 0 | 0 | 0 | 0 |
| 22 | INTEREST AND DIVIDEND INCOME | 0 | 0 | 0 | 0 |
| 23 | ALLOWANCE FOR FUNDS USED DURING CONST | 271,840 | 72,055 | 353,417 | 173,303 |
| 24 | MISCELLANEOUS NONOPERATING INCOME | 0 | 0 | 0 | 0 |
| 25 | GAIN ON DISPOSITION OF PROPERTY | 0 | 0 | 0 | 0 |
| 26 | TOTAL OTHER INCOME | 271,840 | 72,055 | 353,417 | 173,303 |
| 27 | OTHER INCOME DEDUCTIONS | | | | |
| 28 | LOSS ON DISPOSITION OF PROPERTY | 0 | 0 | 0 | 0 |
| 29 | MISCELLANEOUS INCOME DEDUCTIONS | 0 | 0 | 0 | 0 |
| 30 | TOTAL OTHER INCOME DEDUCTIONS | 0 | 0 | 0 | 0 |
| 31 | TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS | | | | |
| 32 | TAXES OTHER THAN INCOME TAXES | 0 | 0 | 0 | 0 |
| 33 | INCOME TAXES - FEDERAL | 0 | 0 | 0 | 0 |
| 34 | - OTHER | 0 | 0 | 0 | 0 |
| 35 | PROVISION FOR DEFERRED INCOME TAXES | 0 | 0 | 0 | 0 |
| 36 | PROVISION FOR DEFERRED INCOME TAXES - CREDIT | 0 | 0 | 0 | 0 |
| 37 | INVESTMENT TAX CREDIT ADJ - NET | 0 | 0 | 0 | 0 |
| 38 | TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS | 0 | 0 | 0 | 0 |
| 39 | NET OTHER INCOME AND DEDUCTIONS | 271,840 | 72,055 | 353,417 | 173,303 |
| 40 | INTEREST CHARGES | | | | |
| 41 | INTEREST ON LONG TERM DEBT | 2,984,179 | 4,141,964 | 4,116,725 | 3,651,551 |
| 42 | AMORTIZATION OF DEBT DISCOUNT AND EXPENSE [1] | 112,039 | 117,571 | 72,105 | 34,723 |
| 43 | AMORTIZATION OF LOSS ON REACQUIRED DEBT | 45,105 | 50,227 | 83,641 | 104,493 |
| 44 | AMORTIZATION OF PREMIUM ON DEBT - CREDIT | 0 | 0 | 0 | 0 |
| 45 | INTEREST ON DEBT TO ASSOC. COMPANIES | 928,768 | 262,746 | 22,720 | 12 |
| 46 | OTHER INTEREST EXPENSE [1] | 47,831 | 379,557 | 732,862 | 1,359,839 |
| 47 | ALLOW FOR BRWD FUNDS USED DUR CONST - CREDIT | (166,866) | (107,419) | (164,091) | (183,104) |
| 48 | NET INTEREST CHARGES | 3,951,056 | 4,844,646 | 4,863,962 | 4,967,514 |
| 49 | NET INCOME | $ 2,424,256 | $ 4,627,921 | $ 3,223,995 | $ 1,378,036 |
| 50 | | | | | |
| 51 | MCF SOLD | 12,475,337 | 13,194,186 | 13,783,361 | 13,612,940 |
| 52 | NET INCOME PER MCF SOLD | $ 0.19 | $ 0.35 | $ 0.23 | $ 0.10 |

**STAFF-DR-01-031**

**REQUEST:**

Provide the comparative operating statistics for gas operations as shown in Schedule 31.

**RESPONSE:**

See Attachment Staff-DR-01-031.

**PERSON RESPONSIBLE:** Gary J. Hebbeler/Brenda R. Melendez/Robert M. Parsons

**DUKE ENERGY KENTUCKY**
Case No. 2009-00202
Comparative Operating Statistics - Gas Operations
For the Calendar Years 2006 through 2008
(Total Company)

| Line No. | Item (a) | 2005 | Three Most Recent Calendar Years 2006 (b) | Inc. (c) | 2007 (d) | Inc. (e) | 2008 (f) | Inc. (g) |
|---|---|---|---|---|---|---|---|---|
| 1 | Cost per MCF of purchased gas | $8.07 | $7.38 | (8.50)% | $7.20 | (2.55)% | $7.76 | 7.81% |
| 2 | Cost of propane gas per MCF equivalent for peak shaving | $4.60 | $4.81 | 4.55% | $5.36 | 11.58% | $5.82 | 8.61% |
| 3 | Cost per MCF of gas sold | $3.60 | $3.06 | (15.00)% | $3.41 | 11.44% | $3.88 | 13.78% |
| 4 | Transmission Maintenance Cost | $0 | $0 | - | $0 | - | $0 | - |
| | per transmission mile | 0.00 | 0.00 | - | 0.00 | - | 0.00 | - |
| 5 | Distribution Maintenance Cost | $1,746,215 | $1,542,606 | (11.66)% | $1,764,872 | 14.41% | $1,889,929 | 7.09% |
| | per distribution mile | $1,285.87 | $1,127.64 | (12.31)% | $1,246.38 | 10.53% | $1,326.27 | 6.41% |
| 6 | Sales promotion expense | $2,094,202 | $1,546,685 | (26.14)% | $53 | (100.00)% | $20 | (62.26)% |
| | per customer | $22.66 | $16.52 | (27.11)% | $0.00 | (99.99)% | $0.00 | (100.00)% |
| 7 | Administration & general expense | $9,304,223 | $10,787,738 | 15.94% | $15,171,601 | 40.64% | $10,320,659 | (31.97)% |
| | per customer | $100.69 | $115.23 | 14.43% | $160.07 | 38.92% | $108.20 | (32.40)% |
| 8 | Wages and salaries - charged expense: per average employee | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 9 | Depreciation expense: | $7,701,620 | $6,390,506 | (17.02)% | $6,996,029 | 9.48% | $7,644,264 | 9.27% |
| 10 | per $100 of average gross depreciable plant in service | $2.90 | $2.24 | (22.76)% | $2.28 | 1.79% | $2.32 | 1.75% |
| 11 | Rents: | $1,539,282 | $1,152,891 | (25.10)% | $1,610,001 | 39.65% | $1,386,316 | (13.89)% |
| 12 | per $100 of average gross plant in service | $0.56 | $0.39 | (30.40)% | $0.50 | 30.23% | $0.40 | (20.24)% |
| 13 | Property taxes: | $2,434,184 | $2,661,865 | 9.35% | $2,559,722 | (3.84)% | $2,618,137 | 2.28% |
| 14 | per $100 of average net plant in service | 1.29 | 1.31 | 1.55% | 1.16 | (11.45)% | 1.09 | (6.03)% |
| 15 | Payroll taxes: | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 16 | Payroll taxes: per average employee whose salary is charged to expense | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 17 | Interest expense: | $ 1,684,614 | $ 3,951,056 | | $ 4,844,646 | | $ 4,863,962 | |
| 18 | per $100 of average debt outstanding | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 19 | per $100 of average plant investment | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 20 | per MCF sold | $0.14 | $0.32 | 134.59% | $0.37 | 15.95% | $0.35 | (3.89)% |
| 21 | Meter reading expense: | $476,590 | $483,640 | 1.48% | $562,531 | 16.31% | $658,543 | 17.07% |
| 22 | per meter | $5.16 | $5.17 | 0.16% | $5.94 | 14.89% | $6.90 | 16.33% |

(1) Duke Energy Kentucky does not allocate interest expense between gas and electric operations.
Therefore, interest expense per $100 was not calculated.

**STAFF-DR-01-032**

**REQUEST:**

List separately the budgeted and actual numbers of full- and part-time employees by employee group, by month and by year, for the three most recent calendar years, the base period, and the forecasted test period.

**RESPONSE:**

See Attachment Staff-DR-01-032.

**PERSON RESPONSIBLE:** Robert M. Parsons

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Number of Employees by Employee Group
Calendar Year 2006

| Actual | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
| Exempt Full Time | 16 | 16 | 16 | 16 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 14 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 200 | 200 | 201 | 199 | 189 | 189 | 186 | 185 | 186 | 181 | 181 | 177 | 190 |
| Non Exempt Part Time | 10 | 11 | 11 | 10 | 10 | 10 | 11 | 10 | 10 | 10 | 9 | 9 | 10 |
| Total | 226 | 227 | 228 | 225 | 212 | 212 | 210 | 208 | 209 | 204 | 203 | 199 | 214 |

| Budget | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
| Exempt Full Time | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 193 | 192 | 192 | 193 | 193 | 193 | 192 | 193 | 193 | 193 | 194 | 194 | 193 |
| Non Exempt Part Time | 10 | 11 | 11 | 10 | 10 | 10 | 11 | 10 | 10 | 10 | 9 | 9 | 10 |
| Total | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 | 218 |

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Number of Employees by Employee Group
Calendar Year 2007

| Actual | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
| Exempt Full Time | 13 | 14 | 14 | 14 | 14 | 13 | 13 | 13 | 13 | 13 | 13 | 11 | 13 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 178 | 176 | 177 | 177 | 180 | 178 | 177 | 179 | 179 | 181 | 178 | 267 | 186 |
| Non Exempt Part Time | 9 | 9 | 9 | 11 | 7 | 8 | 8 | 7 | 6 | 6 | 5 | 5 | 8 |
| Total | 200 | 199 | 200 | 202 | 201 | 199 | 198 | 199 | 198 | 200 | 196 | 283 | 206 |

| Budget | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
| Exempt Full Time | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 184 | 184 | 184 | 182 | 186 | 185 | 185 | 186 | 187 | 187 | 188 | 188 | 186 |
| Non Exempt Part Time | 9 | 9 | 9 | 11 | 7 | 8 | 8 | 7 | 6 | 6 | 5 | 5 | 8 |
| Total | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 |

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Number of Employees by Employee Group
Calendar Year 2008

| Actual | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
| Exempt Full Time | 11 | 11 | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 263 | 258 | 251 | 250 | 250 | 252 | 253 | 253 | 254 | 252 | 247 | 230 | 251 |
| Non Exempt Part Time | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Total | 279 | 274 | 267 | 265 | 265 | 267 | 267 | 267 | 268 | 266 | 261 | 245 | 266 |

| Budget | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
| Exempt Full Time | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 174 | 174 | 174 | 172 | 176 | 175 | 175 | 176 | 177 | 177 | 178 | 178 | 176 |
| Non Exempt Part Time | 9 | 9 | 9 | 11 | 7 | 8 | 8 | 7 | 6 | 6 | 5 | 5 | 8 |
| Total | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 |

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Number of Employees by Employee Group
Base Period

| Actual | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Oct 08 | Nov | Dec | Jan 09 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Average |
| Exempt Full Time | 10 | 10 | 10 | 13 | 13 | 13 | 13 | 13 | 13 | N/A | N/A | N/A | 12 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | N/A | 0 |
| Non Exempt Full Time | 252 | 247 | 230 | 225 | 222 | 220 | 220 | 219 | 221 | N/A | N/A | N/A | 228 |
| Non Exempt Part Time | 4 | 4 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | N/A | N/A | N/A | 5 |
| Total | 266 | 261 | 245 | 244 | 241 | 239 | 239 | 238 | 240 | 0 | 0 | 0 | 246 |

| Budget | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Oct 08 | Nov | Dec | Jan 09 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Average |
| Exempt Full Time | 12 | 12 | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 177 | 178 | 178 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 231 | 218 |
| Non Exempt Part Time | 6 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total | 195 | 195 | 195 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 248 | 235 |

Duke Energy Kentucky, Inc.
Case No. 2009-00202
Number of Employees by Employee Group
Forecasted Period

| Actual | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Feb 10 | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan 11 | Average |
| Exempt Full Time | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0 |
| Exempt Part Time | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0 |
| Non Exempt Full Time | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0 |
| Non Exempt Part Time | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Budget | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee Type | Feb 10 | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan 11 | Average |
| Exempt Full Time | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Exempt Part Time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Exempt Full Time | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 226 | 226 |
| Non Exempt Part Time | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total | 243 | 243 | 243 | 243 | 243 | 243 | 243 | 243 | 243 | 243 | 243 | 243 | 243 |

**STAFF-DR-01-033**

**REQUEST:**

Provide the information requested in Schedule 33 for budgeted and actual regular wages, overtime wages, and total wages by employee group, by month, for the five most recent calendar years. Explain in detail any variance exceeding five percent in any one month.

**RESPONSE:**

Attachment STAFF-DR-01-033a provides the requested information for the calendar year 2004 on an annual basis and calendar year 2005 and January through April 2006 on a monthly basis, including variance explanations, as filed in Duke Energy Kentucky's previous electric case No. 2006-00172.

Due to a system change in July 2008 and the subsequent retirement of Duke Energy Kentucky's legacy systems in 2009 the requested information for the calendar years 2006 through 2008 is only available on an annual basis. Beginning with the conversion to the company's new accounting system in 2008, labor is only reported as exempt or non exempt. See Attachment STAFF-DR-01-033b for calendar year 2008, Attachment STAFF-DR-01-033c for calendar year 2007 and Attachment STAFF-DR-01-033d for calendar year 2006.

Many variances are due to allocation issues between actual and budget. In addition, variances are the result of responsibility centers either budgeting dollars to Duke Energy Kentucky but not ultimately charging the actual dollars or budgeting no dollars to Duke Energy Kentucky and then charging actual dollars to Duke Energy Kentucky. This can occur because centers often work on unplanned projects or activities that were not budgeted.

**PERSON RESPONSIBLE:** Robert M. Parsons
Jay R. Alvaro

**KyPSC Staff First Set Data Requests**
**Duke Energy Kentucky Case No. 2006-00172**
**Date Received: May 17, 2006**
**Response Due Date: June 14, 2006**

**KyPSC-DR-01-015**

**REQUEST:**

15. Provide the information requested in Schedule 4 for budgeted and actual regular wages, overtime wages, and total wages for electric operations by employee group, by month, for the most recent two years available. Explain in detail any variance exceeding 5 percent in any one month. Update as further information becomes available.

**RESPONSE:**

See Attachment KyPSC-DR-01-015. The information is been provided on an annual basis for the year 2004 and monthly for 2005 and 2006. Unless explained below, all variances are due to allocation issues between actual and budget.

Some of the variances are the result of responsibility centers ("centers") either budgeting dollars to Duke Energy Kentucky and then not charging the actual dollars accordingly or budgeting no dollars to Duke Energy Kentucky and then charging actual dollars to Duke Energy Kentucky. This can occur because centers often work on unplanned projects or activities that were not budgeted. For example, GEI (Gas Engineering Inspectors) and SMQ (Substation Maintenance) are two centers which make up a large portion of the union employee group straight time variance. These centers charged roughly $80K/month on an actual basis to Duke Energy Kentucky but all of their budgeted dollars were assigned to other corporations. The exempt employee group overtime variance is due to the Average Hourly Rate calculation. Many of the hours charged to the exempt overtime resource represent unpaid overtime but, because of the Average Hourly Rate calculation, that rate is spread across all hours whether or not it was paid or unpaid overtime.

**WITNESS RESPONSIBLE:** C. James O'Connor

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-0042
PAYROLL VARIANCE ANALYSIS
AS OF MARCH 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).:

SCHEDULE 4
WITNESS RESPONSIBLE:
JAMES C. O'CONNOR

| Date | Employee Group | Budget Reg. | Budget OT | Budget Total | Actual Reg. | Actual OT | Actual Total | Variance Percent Reg. | Variance Percent OT | Variance Percent Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual-04 | Exempt | 8,610,785 | 110,755 | 8,721,540 | 8,743,701 | 216,685 | 8,960,386 | 0.02 | 0.96 | 0.03 |
| Annual-04 | Non-Exempt | 584,894 | 30,789 | 615,683 | 582,028 | 85 | 582,114 | (0.00) | (1.00) | (0.05) |
| Annual-04 | Union | 19,854,814 | 1,122,283 | 20,977,097 | 19,789,466 | 2,176,524 | 21,965,989 | (0.00) | 0.94 | 0.05 |
| Annual-04 | Total | 29,050,493 | 1,263,827 | 30,314,320 | 29,115,195 | 2,393,294 | 31,508,489 | 0.00 | 0.89 | 0.04 |
| Jan-05 | Exempt | 974,074 | 12,024 | 986,098 | 863,020 | 42,164 | 905,184 | (0.11) | 2.51 | (0.08) |
| Jan-05 | Non-Exempt | 72,439 | 2,542 | 74,981 | 56,155 | 0 | 56,155 | (0.22) | (1.00) | (0.25) |
| Jan-05 | Union | 1,650,617 | 208,531 | 1,859,148 | 1,571,388 | 100,749 | 1,672,137 | (0.05) | (0.52) | (0.10) |
| Jan-05 | Total | 2,697,130 | 223,097 | 2,920,227 | 2,490,563 | 142,913 | 2,633,476 | (0.08) | (0.36) | (0.10) |
| Feb-05 | Exempt | 985,995 | 12,441 | 998,436 | 863,362 | 11,691 | 875,053 | (0.12) | (0.06) | (0.12) |
| Feb-05 | Non-Exempt | 73,077 | 2,395 | 75,471 | 56,690 | 0 | 56,690 | (0.22) | (1.00) | (0.25) |
| Feb-05 | Union | 1,693,763 | 210,970 | 1,904,733 | 1,502,125 | 84,996 | 1,587,121 | (0.11) | (0.60) | (0.17) |
| Feb-05 | Total | 2,752,834 | 225,806 | 2,978,640 | 2,422,177 | 96,687 | 2,518,864 | (0.12) | (0.57) | (0.15) |
| Mar-05 | Exempt | 1,001,889 | 11,234 | 1,013,123 | 893,476 | 15,100 | 908,576 | (0.11) | 0.34 | (0.10) |
| Mar-05 | Non-Exempt | 73,889 | 2,433 | 76,322 | 55,915 | 0 | 55,915 | (0.24) | (1.00) | (0.27) |
| Mar-05 | Union | 1,593,977 | 190,185 | 1,784,162 | 1,471,680 | 49,696 | 1,521,376 | (0.08) | (0.74) | (0.15) |
| Mar-05 | Total | 2,669,754 | 203,852 | 2,873,606 | 2,421,071 | 64,796 | 2,485,867 | (0.09) | (0.68) | (0.13) |
| Apr-05 | Exempt | 1,018,748 | 12,442 | 1,031,191 | 1,037,340 | 24,507 | 1,061,847 | 0.02 | 0.97 | 0.03 |
| Apr-05 | Non-Exempt | 74,947 | 2,454 | 77,401 | 88,127 | 2,027 | 90,154 | 0.18 | (0.17) | 0.16 |
| Apr-05 | Union | 1,665,469 | 203,041 | 1,868,510 | 2,130,572 | 247,809 | 2,378,381 | 0.28 | 0.22 | 0.27 |
| Apr-05 | Total | 2,759,164 | 217,937 | 2,977,102 | 3,256,039 | 274,343 | 3,530,382 | 0.18 | 0.26 | 0.19 |
| May-05 | Exempt | 1,005,949 | 11,732 | 1,017,680 | 1,002,173 | 32,410 | 1,034,583 | (0.00) | 1.76 | 0.02 |
| May-05 | Non-Exempt | 74,230 | 2,028 | 76,258 | 78,189 | 1,047 | 79,236 | 0.05 | (0.48) | 0.04 |
| May-05 | Union | 1,636,316 | 192,084 | 1,828,401 | 1,922,322 | 234,326 | 2,156,648 | 0.17 | 0.22 | 0.18 |
| May-05 | Total | 2,716,495 | 205,845 | 2,922,339 | 3,002,684 | 267,783 | 3,270,467 | 0.11 | 0.30 | 0.12 |
| Jun-05 | Exempt | 988,535 | 11,732 | 1,000,267 | 711,266 | 40,805 | 752,071 | (0.28) | 2.48 | (0.25) |
| Jun-05 | Non-Exempt | 77,324 | 1,589 | 78,913 | 75,042 | 890 | 75,932 | (0.03) | (0.44) | (0.04) |
| Jun-05 | Union | 1,633,658 | 200,821 | 1,834,480 | 1,930,338 | 321,146 | 2,251,484 | 0.18 | 0.60 | 0.23 |
| Jun-05 | Total | 2,699,518 | 214,142 | 2,913,660 | 2,716,646 | 362,841 | 3,079,487 | 0.01 | 0.69 | 0.06 |

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-0042
PAYROLL VARIANCE ANALYSIS
AS OF MARCH 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).:

SCHEDULE 4
WITNESS RESPONSIBLE:
JAMES C. O'CONNOR

| Date | Employee Group | Budget | | | Actual | | | Variance Percent | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Reg. | OT | Total | Reg. | OT | Total | Reg. | OT | Total |
| Jul-05 | Exempt | 975,501 | 12,442 | 987,944 | 952,251 | 37,917 | 990,168 | (0.02) | 2.05 | 0.00 |
| Jul-05 | Non-Exempt | 77,146 | 1,569 | 78,715 | 79,879 | 2,033 | 81,912 | 0.04 | 0.30 | 0.04 |
| Jul-05 | Union | 1,637,508 | 207,984 | 1,845,493 | 1,897,271 | 357,908 | 2,255,179 | 0.16 | 0.72 | 0.22 |
| Jul-05 | Total | 2,690,156 | 221,995 | 2,912,151 | 2,929,401 | 397,858 | 3,327,259 | 0.09 | 0.79 | 0.14 |
| Aug-05 | Exempt | 962,802 | 11,234 | 974,036 | 1,006,416 | 36,670 | 1,043,086 | 0.05 | 2.26 | 0.07 |
| Aug-05 | Non-Exempt | 76,062 | 1,618 | 77,681 | 80,072 | 1,843 | 81,915 | 0.05 | 0.14 | 0.05 |
| Aug-05 | Union | 1,578,417 | 194,397 | 1,772,813 | 1,979,380 | 270,684 | 2,250,064 | 0.25 | 0.39 | 0.27 |
| Aug-05 | Total | 2,617,281 | 207,249 | 2,824,530 | 3,065,868 | 309,197 | 3,375,065 | 0.17 | 0.49 | 0.19 |
| Sep-05 | Exempt | 987,686 | 11,732 | 999,417 | 1,025,888 | 44,564 | 1,070,452 | 0.04 | 2.80 | 0.07 |
| Sep-05 | Non-Exempt | 73,474 | 1,601 | 75,075 | 68,819 | 1,962 | 70,781 | (0.06) | 0.23 | (0.06) |
| Sep-05 | Union | 1,635,666 | 200,870 | 1,836,536 | 1,852,138 | 329,281 | 2,181,419 | 0.13 | 0.64 | 0.19 |
| Sep-05 | Total | 2,696,825 | 214,203 | 2,911,028 | 2,946,845 | 375,807 | 3,322,652 | 0.09 | 0.75 | 0.14 |
| Oct-05 | Exempt | 1,013,141 | 12,442 | 1,025,584 | 1,067,000 | 36,105 | 1,103,105 | 0.05 | 1.90 | 0.08 |
| Oct-05 | Non-Exempt | 74,604 | 1,578 | 76,181 | 71,326 | 1,319 | 72,645 | (0.04) | (0.16) | (0.05) |
| Oct-05 | Union | 1,693,357 | 207,983 | 1,901,340 | 1,774,539 | 354,242 | 2,128,781 | 0.05 | 0.70 | 0.12 |
| Oct-05 | Total | 2,781,102 | 222,003 | 3,003,105 | 2,912,865 | 391,666 | 3,304,531 | 0.05 | 0.76 | 0.10 |
| Nov-05 | Exempt | 994,616 | 11,732 | 1,006,348 | 943,183 | 69,974 | 1,013,157 | (0.05) | 4.96 | 0.01 |
| Nov-05 | Non-Exempt | 73,744 | 1,602 | 75,346 | 59,815 | 1,283 | 61,098 | (0.19) | (0.20) | (0.19) |
| Nov-05 | Union | 1,650,469 | 203,752 | 1,854,221 | 1,736,596 | 405,914 | 2,142,510 | 0.05 | 0.99 | 0.16 |
| Nov-05 | Total | 2,718,829 | 217,086 | 2,935,915 | 2,739,594 | 477,171 | 3,216,765 | 0.01 | 1.20 | 0.10 |
| Dec-05 | Exempt | 988,352 | 11,732 | 1,000,084 | 854,609 | 53,964 | 908,573 | (0.14) | 3.60 | (0.09) |
| Dec-05 | Non-Exempt | 73,220 | 1,601 | 74,821 | 57,346 | 1,749 | 59,095 | (0.22) | 0.09 | (0.21) |
| Dec-05 | Union | 1,633,861 | 208,214 | 1,842,075 | 1,676,570 | 219,956 | 1,896,526 | 0.03 | 0.06 | 0.03 |
| Dec-05 | Total | 2,695,433 | 221,547 | 2,916,980 | 2,588,525 | 275,669 | 2,864,194 | (0.04) | 0.24 | (0.02) |
| Annual-05 | Exempt | 11,897,288 | 142,919 | 12,040,207 | 11,219,984 | 445,871 | 11,665,855 | (0.06) | 2.12 | (0.03) |
| Annual-05 | Non-Exempt | 894,154 | 23,011 | 917,165 | 827,375 | 14,153 | 841,528 | (0.07) | (0.38) | (0.08) |
| Annual-05 | Union | 19,703,080 | 2,428,833 | 22,131,912 | 21,444,919 | 2,976,707 | 24,421,626 | 0.09 | 0.23 | 0.10 |
| Annual-05 | Total | 32,494,522 | 2,594,762 | 35,089,284 | 33,492,278 | 3,436,731 | 36,929,009 | 0.03 | 0.32 | 0.05 |

THE UNION LIGHT, HEAT AND POWER COMPANY
CASE NO. 2005-0042
PAYROLL VARIANCE ANALYSIS
AS OF MARCH 31, 2006

DATA: "X" BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S).:

SCHEDULE 4
WITNESS RESPONSIBLE:
JAMES C. O'CONNOR

| Date | Employee Group | Budget | | | Actual | | | Variance Percent | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Reg. | OT | Total | Reg. | OT | Total | Reg. | OT | Total |
| Jan-06 | Exempt | 2,043,960 | 31,483 | 2,075,443 | 1,762,125 | 51,296 | 1,813,421 | (0.14) | 0.63 | (0.13) |
| Jan-06 | Non-Exempt | 145,092 | 3,080 | 148,172 | 110,185 | 1,383 | 111,568 | (0.24) | (0.55) | (0.25) |
| Jan-06 | Union | 2,513,766 | 346,977 | 2,860,743 | 2,716,481 | 206,462 | 2,922,943 | 0.08 | (0.41) | 0.02 |
| Jan-06 | Total | 4,702,818 | 381,540 | 5,084,358 | 4,588,791 | 259,141 | 4,847,932 | (0.02) | (0.32) | (0.05) |
| Feb-06 | Exempt | 2,091,839 | 33,543 | 2,125,382 | 1,897,673 | 50,058 | 1,947,731 | (0.09) | 0.49 | (0.08) |
| Feb-06 | Non-Exempt | 148,741 | 3,262 | 152,003 | 102,243 | 745 | 102,988 | (0.31) | (0.77) | (0.32) |
| Feb-06 | Union | 2,594,312 | 373,468 | 2,967,780 | 2,431,232 | 226,566 | 2,657,798 | (0.06) | (0.39) | (0.10) |
| Feb-06 | Total | 4,834,892 | 410,273 | 5,245,165 | 4,431,148 | 277,369 | 4,708,517 | (0.08) | (0.32) | (0.10) |
| Mar-06 | Exempt | 2,102,828 | 28,623 | 2,131,451 | 1,840,658 | 80,625 | 1,921,283 | (0.12) | 1.82 | (0.10) |
| Mar-06 | Non-Exempt | 147,464 | 3,087 | 150,551 | 138,836 | 3,375 | 142,211 | (0.06) | 0.09 | (0.06) |
| Mar-06 | Union | 2,482,652 | 308,410 | 2,791,062 | 3,288,874 | 290,587 | 3,579,461 | 0.32 | (0.06) | 0.28 |
| Mar-06 | Total | 4,732,944 | 340,120 | 5,073,064 | 5,268,368 | 374,587 | 5,642,955 | 0.11 | 0.10 | 0.11 |
| Apr-06 | Exempt | 2,150,931 | 32,436 | 2,183,367 | 1,791,419 | 60,857 | 1,852,276 | (0.17) | 0.88 | (0.15) |
| Apr-06 | Non-Exempt | 151,986 | 3,361 | 155,347 | 155,386 | 11,483 | 166,869 | 0.02 | 2.42 | 0.07 |
| Apr-06 | Union | 2,562,484 | 340,913 | 2,903,397 | 2,765,653 | 431,590 | 3,197,243 | 0.08 | 0.27 | 0.10 |
| Apr-06 | Total | 4,865,401 | 376,710 | 5,242,111 | 4,712,458 | 503,930 | 5,216,388 | (0.03) | 0.34 | (0.00) |

| | |
|---|---|
| Res Code | (All) |
| Resource Type ID GL | (Multiple Items) |
| Resource Type Long D | (All) |

| | | Res Desc Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Non-Union | | Non-Union OT | | Union | | Union OT | | Total Sum of Actual | Total Sum of Budget |
| Account ID GL | Account Long Descr GL | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | | |
| 0107000 | SCHM Cwip | 2,821,373.35 | 5,797,865.32 | 22,094.60 | 110,868.39 | 5,048,303.75 | 11,703,134.45 | 912,289.56 | 1,294,428.31 | 8,804,061.26 | 18,906,296.47 |
| 0107888 | CWIP - BU Bal Sht - Svc Co Exp | 8,277.37 | 0.00 | 133.95 | 0.00 | 3,394.61 | 0.00 | 564.23 | 0.00 | 12,370.16 | 0.00 |
| 0108620 | RWIP - Reg Liab | 33,660.04 | 87,227.42 | 10,214.80 | 3,561.44 | 306,482.54 | 1,101,774.84 | 113,463.77 | 120,033.95 | 463,821.15 | 1,312,597.65 |
| 0108888 | RWIP - BU Bal Sht - Svc Co Exp | | | | | 72.80 | 0.00 | 0.00 | 0.00 | 72.80 | 0.00 |
| 0163110 | Stores Expense | 261,353.28 | 296,503.14 | 1,269.27 | 0.00 | 401,063.81 | 485,579.80 | 46,013.07 | 98,514.82 | 709,699.43 | 880,597.76 |
| 0163888 | Stores Expense-BU B/S Svc Exp | (85.14) | 0.00 | | | 41.19 | 0.00 | 0.00 | 0.00 | (43.95) | 0.00 |
| 0182401 | Deferred DSM Costs | 84,723.14 | 0.00 | | | 0.00 | 0.00 | | | 84,723.14 | 0.00 |
| 0182888 | Oth Reg Assets-BU B/S SvcExp | (663.07) | 0.00 | | | | | | | (663.07) | 0.00 |
| 0183000 | Prelim Survey & Investigation | 17,789.24 | 0.00 | | | | | | | 17,789.24 | 0.00 |
| 0185000 | Temporary Facilities | 1,160.14 | 2,243.54 | | | 40,229.85 | 16,388.02 | 909.68 | 510.73 | 42,299.67 | 19,142.29 |
| 0186120 | Misc. Wip-Fp Dist. Wids | 722,403.27 | 0.00 | 47.30 | 0.00 | 326,443.88 | 0.00 | 45,710.54 | 0.00 | 1,094,604.99 | 0.00 |
| 0186480 | MISC DEBITS TO BE CLEARED | 54,462.05 | 0.00 | 68.00 | 0.00 | | | | | 54,530.05 | 0.00 |
| 0186984 | Other Long Term Assets | (15,578.39) | 0.00 | 148.63 | 0.00 | 11,396.38 | 0.00 | 23,784.78 | 0.00 | 19,751.40 | 0.00 |
| 0408700 | Fed Social Security Tax-Elec | 49,812.97 | 95,866.14 | | | 90,448.65 | 179,565.61 | 26,496.31 | 27,656.43 | 166,757.93 | 303,088.18 |
| 0408820 | Misc Nonutility Tax | 2.39 | 0.00 | | | 375.11 | 874.51 | 165.62 | 107.01 | 543.12 | 981.52 |
| 0408960 | Allocated Payroll Taxes | | | | | (24,783.60) | 0.00 | | | (24,783.60) | 0.00 |
| 0415530 | Marketing Service Revenue | (1,751.65) | 0.00 | 0.00 | 0.00 | 256.29 | 0.00 | 24.02 | 0.00 | (1,471.34) | 0.00 |
| 0416010 | Merch Cost Of Goods - Electric | 112.00 | 0.00 | 0.00 | 0.00 | 14,744.85 | 0.00 | 5,248.51 | 0.00 | 20,105.36 | 0.00 |
| 0416011 | Merch Cost of Goods | 516.49 | 312.94 | 0.00 | 0.00 | 23,407.90 | 86,573.66 | 9,107.19 | 10,593.05 | 33,031.58 | 97,479.65 |
| 0416330 | Miscellaneous Expense | 344.63 | 0.00 | | | 35,060.08 | 0.00 | 4,124.97 | 0.00 | 39,529.68 | 0.00 |
| 0417320 | Exp-Unreg Products & Svcs | 8,172.70 | 2,196.24 | 40.95 | 0.00 | | | | | 8,213.65 | 2,196.24 |
| 0426400 | Exp/Civic & Political Activity | 151.50 | 0.00 | 0.00 | 0.00 | | | | | 151.50 | 0.00 |
| 0426415 | Misc Inc Deduct-Civis/Poli | 27,012.04 | 0.00 | 0.00 | 0.00 | | | 34.67 | 0.00 | 27,046.71 | 0.00 |
| 0426508 | Inc Deduction-Other Inc & Exp | 232.96 | 0.00 | 222.71 | 0.00 | | | | | 455.67 | 0.00 |
| 0426510 | Other | 0.00 | 5,893.16 | | | | | | | 0.00 | 5,893.16 |
| 0500000 | Suprvsn and Engrg - Steam Oper | 1,806,784.61 | 2,076,577.95 | 45,331.26 | 115,589.81 | 204,746.68 | 0.00 | 37,914.44 | 0.00 | 2,094,776.99 | 2,192,167.76 |
| 0501150 | Coal & Other Fuel Handling | 72,163.88 | 44,798.75 | 873.90 | 850.03 | 395,779.72 | 413,930.37 | 105,258.85 | 57,058.67 | 574,076.35 | 516,637.82 |
| 0501160 | Coal Sampling & Testing | | | | | 23,389.45 | 0.00 | 219.31 | 0.00 | 23,608.76 | 0.00 |
| 0501190 | Sale Of Fly Ash-Expenses | 2,012.88 | 0.00 | | | 123,082.57 | 0.00 | 24,284.55 | 0.00 | 149,380.00 | 0.00 |
| 0501350 | Oil Handling Expense | 179.43 | 0.00 | | | 252.77 | 0.00 | | | 432.20 | 0.00 |
| 0501501 | Fuel Procurement and Handling | 15,382.32 | 0.00 | | | | | | | 15,382.32 | 0.00 |
| 0502100 | Fossil Steam Exp-Other | 1,327.59 | 0.00 | 0.00 | 0.00 | 1,681,789.56 | 1,736,335.89 | 340,616.66 | 355,812.65 | 2,023,733.81 | 2,092,148.54 |
| 0505000 | Electric Expenses-Steam Oper | 14.49 | 0.00 | 0.00 | 0.00 | 563,522.04 | 734,763.71 | 153,836.61 | 194,406.82 | 717,373.14 | 929,170.53 |
| 0506000 | Misc Fossil Power Expenses | 71,845.32 | 12,228.83 | 278.88 | 0.00 | 289,735.34 | 494,474.57 | 108,875.37 | 88,393.89 | 470,734.91 | 595,097.29 |
| 0510000 | Suprvsn and Engrng-Steam Maint | 1,230,947.97 | 645,138.21 | 27,318.43 | 44,722.61 | 57,127.03 | 37,026.55 | 13,154.75 | 8,215.22 | 1,328,548.18 | 735,102.59 |
| 0511000 | Maint Of Structures-Steam | 1,402.28 | 0.00 | 0.00 | 0.00 | 279,641.32 | 240,423.82 | 27,589.25 | 37,003.10 | 308,632.85 | 277,426.92 |

| | |
|---|---|
| Res Code | (All) |
| Resource Type ID GL | (Multiple Items) |
| Resource Type Long D | (All) |

| | | Res Desc Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Non-Union | | Non-Union OT | | Union | | Union OT | | Total Sum of Actual | Total Sum of Budget |
| Account ID GL | Account Long Descr GL | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | | |
| 0512100 | Maint Of Boiler Plant-Other | 27,568.90 | 6,427.96 | 1,328.76 | 0.00 | 1,505,956.89 | 1,566,802.61 | 377,605.52 | 238,309.27 | 1,912,460.07 | 1,811,539.84 |
| 0513100 | Maint Of Electric Plant-Other | 6,255.08 | 0.00 | 402.04 | 0.00 | 204,149.96 | 203,031.56 | 65,946.57 | 30,836.67 | 276,753.65 | 233,868.23 |
| 0514000 | Maintenance - Misc Steam Plant | 10,903.87 | 0.00 | 6.95 | 0.00 | 302,705.91 | 198,601.89 | 45,935.50 | 31,584.57 | 359,552.23 | 230,186.46 |
| 0546000 | Suprvsn and Enginring-CT Oper | 149,749.42 | 179,559.55 | 862.53 | 10,272.59 | 234.24 | 0.00 | 154.50 | 0.00 | 151,000.69 | 189,832.14 |
| 0548100 | Generation Expenses-Other CT | 1,860.40 | 0.00 | 0.00 | 0.00 | 249,938.27 | 452,499.01 | 61,759.45 | 187,436.87 | 313,558.12 | 639,935.88 |
| 0548200 | Prime Movers - Generators- CT | | | | | 64,324.68 | 0.00 | 12,376.80 | 0.00 | 76,701.48 | 0.00 |
| 0549000 | Misc-Power Generation Expenses | 9,935.74 | 0.00 | 0.00 | 0.00 | 28,519.24 | 26,505.98 | 8,679.14 | 0.00 | 47,134.12 | 26,505.98 |
| 0551000 | Suprvsn and Enginring-CT Maint | 16,452.24 | 39,032.08 | 1,480.32 | 541.62 | | | | | 17,932.56 | 39,573.70 |
| 0552000 | Maintenance Of Structures-CT | 0.00 | 0.00 | 0.00 | 0.00 | 4,908.22 | 0.00 | 443.30 | 0.00 | 5,351.52 | 0.00 |
| 0553000 | Maint-Gentg and Elect Equip-CT | 18,575.70 | 2,478.72 | 0.00 | 0.00 | 115,623.19 | 139,256.35 | 95,764.15 | 0.00 | 229,963.04 | 141,735.07 |
| 0554000 | Misc Power Generation Plant-CT | 402.44 | 0.00 | 0.00 | 0.00 | 190,624.73 | 0.00 | 51,289.60 | 0.00 | 242,316.77 | 0.00 |
| 0556000 | System Cnts & Load Dispatching | 99,498.82 | 201,405.49 | 6,761.35 | 987.34 | | | | | 106,260.17 | 202,392.83 |
| 0557000 | Other Expenses-Oper | 95,522.05 | 0.00 | 161.56 | 0.00 | | | | | 95,683.61 | 0.00 |
| 0560000 | Supervsn and Engrng-Trans Oper | 24,640.32 | 57,695.38 | | | 0.21 | 11,836.77 | | | 24,640.53 | 69,532.15 |
| 0561100 | Load Dispatch-Reliability | 88,378.27 | 136,825.67 | 1,297.57 | 0.00 | 810.73 | 4,902.51 | | | 90,486.57 | 141,728.18 |
| 0561200 | Load Dispatch-Mnitor&OprTrnSys | (805.61) | 2,959.35 | | | | | | | (805.61) | 2,959.35 |
| 0561300 | Load Dispatch - TransSvc&Sch | (347.12) | 0.00 | | | | | | | (347.12) | 0.00 |
| 0561500 | ReliabilityPlanning&StdsDev | 0.00 | 43,021.23 | 0.00 | 573.89 | | | | | 0.00 | 43,595.12 |
| 0561800 | Reliability-Plan&Stds Dev | 0.00 | 2,226.42 | | | | | | | 0.00 | 2,226.42 |
| 0562000 | Station Expenses | 793.04 | 562.76 | 0.00 | 0.00 | 44,637.58 | 51,526.75 | 12,797.44 | 7,224.35 | 58,228.06 | 59,313.86 |
| 0563000 | Overhead Line Expenses-Trans | 0.00 | 14,450.13 | 0.00 | 1,228.10 | 2,161.39 | 5,365.02 | 615.42 | 3,736.15 | 2,776.81 | 24,779.40 |
| 0566000 | Misc Trans Exp-Other | 356.96 | 5,340.61 | 0.81 | 76.89 | 11,211.92 | 26,159.19 | 2,782.75 | 5,568.51 | 14,352.44 | 37,145.20 |
| 0568000 | Suprvsn and Engrng-Trans Maint | 3,847.41 | 25,177.22 | | | 2.64 | 142.88 | | | 3,850.05 | 25,320.10 |
| 0569000 | Maint Of Structures-Trans | 0.00 | 0.00 | | | 4,323.22 | 10,799.58 | 873.83 | 1,449.79 | 5,197.05 | 12,249.37 |
| 0569200 | Maint Of Computer Software | 39,599.71 | 0.00 | | | | | | | 39,599.71 | 0.00 |
| 0570100 | Maint Stat Equip-Other- Trans | 1,304.84 | 0.00 | 0.00 | 0.00 | 77,119.46 | 120,662.01 | 24,309.49 | 13,569.71 | 102,733.79 | 134,231.72 |
| 0571000 | Maint Of Overhead Lines-Trans | 15,740.32 | 3,944.24 | 0.00 | 0.00 | 9,055.63 | 25,483.66 | 930.83 | 9,474.66 | 25,726.78 | 38,902.56 |
| 0572000 | Maintenance of Underground Lin | | | | | 555.43 | 0.00 | 777.36 | 0.00 | 1,332.79 | 0.00 |
| 0580000 | Supervsn and Engrng-Dist Oper | 80,479.43 | 209,203.90 | 111.38 | 2,200.54 | 21,030.81 | 52,464.44 | 1,688.79 | 6,796.97 | 103,310.41 | 270,665.85 |
| 0581004 | Load Dispatch-Dist of Elec | 230,182.74 | 58,427.83 | 231.26 | 0.00 | 310.11 | 444.65 | 1,754.79 | 0.00 | 232,478.90 | 58,872.48 |
| 0582100 | Station Expenses-Other-Dist | 560.64 | 0.00 | 0.00 | 0.00 | 139,522.50 | 172,474.75 | 21,806.65 | 24,987.77 | 161,889.79 | 197,462.52 |
| 0583100 | Overhead Line Exps-Other-Dist | 33,667.14 | 96,903.37 | 248.50 | 4,249.80 | 106,402.72 | 168,253.89 | 91,950.76 | 98,809.31 | 232,269.12 | 368,216.37 |
| 0584000 | Underground Line Expenses-Dist | 309.98 | 361.00 | 0.00 | 0.00 | 40,789.80 | 69,893.10 | 19,744.64 | 8,411.67 | 60,844.42 | 78,665.77 |
| 0585000 | St Lghtng and Sgnl Systm-Dist | 41.00 | 21.00 | 0.00 | 0.00 | 7,413.19 | 3,593.87 | 841.66 | 834.79 | 8,295.85 | 4,449.66 |
| 0586000 | Meter Expenses-Dist | 17,291.42 | 35,528.26 | 0.00 | 1,436.88 | 192,970.89 | 127,297.59 | 29,592.55 | 14,073.74 | 239,854.86 | 178,336.47 |
| 0587000 | Cust Install Exp-Other Dist | 1,256.51 | 1,319.52 | 0.00 | 0.00 | 393,986.43 | 259,571.26 | 92,914.41 | 44,478.65 | 488,157.35 | 305,369.43 |
| 0588100 | Misc Distribution Exp-Other | 41,700.09 | 24,468.02 | 271.12 | 76.89 | 188,535.84 | 184,986.29 | 29,734.12 | 29,575.19 | 260,241.17 | 239,106.39 |
| 0590000 | Supervsn and Engrng-Dist Maint | 96,774.48 | 227,458.72 | 118.76 | 2,416.63 | 3,143.77 | 13,692.26 | 1,380.24 | 5,235.32 | 101,417.25 | 248,802.93 |
| 0591000 | Maintenance Of Structures-Dist | 0.00 | 0.00 | 0.00 | 0.00 | 26,822.98 | 17,699.04 | 3,095.36 | 5,792.49 | 29,918.34 | 23,491.53 |
| 0592100 | Maint Station Equip-Other-Dist | 1,787.60 | 0.00 | 56.40 | 0.00 | 123,055.97 | 198,225.53 | 37,117.53 | 29,383.35 | 162,017.50 | 227,608.88 |
| 0593000 | Maint Overhd Lines-Other-Dist | 192,782.29 | 15,665.93 | 21,708.39 | 12,624.37 | 541,752.49 | 503,847.01 | 747,391.16 | 273,916.05 | 1,503,634.33 | 806,053.36 |
| 0594000 | Maint-Underground Lines-Dist | 3,998.25 | 1,664.76 | 0.00 | 73.96 | 108,999.33 | 113,647.53 | 90,754.16 | 52,472.41 | 203,751.74 | 167,858.66 |
| 0595100 | Maint Line Transfrs-Other-Dist | 8,564.13 | 5,106.23 | 94.58 | 0.00 | 44,990.60 | 79,063.54 | 14,978.32 | 23,110.39 | 68,627.63 | 107,280.16 |
| 0596000 | Maint-StreetLightng/Signl-Dist | 4,072.40 | 64.00 | 0.00 | 0.00 | 42,007.12 | 7,881.69 | 2,161.67 | 1,613.50 | 48,241.19 | 9,559.19 |
| 0597000 | Maintenance Of Meters-Dist | 63,719.90 | 33,690.44 | 0.00 | 0.00 | 192,406.97 | 94,004.89 | 49,436.25 | 10,325.30 | 305,563.12 | 138,020.63 |

| | |
|---|---|
| Res Code | (All) |
| Resource Type ID GL | (Multiple Items) |
| Resource Type Long D | (All) |

| | | Res Desc Data | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Non-Union | | Non-Union OT | | Union | | Union OT | | Total Sum of Actual | Total Sum of Budget |
| Account ID GL | Account Long Descr GL | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | Sum of Actual | Sum of Budget | | |
| 0598100 | Main Misc Dist Plt-Other-Dist | 0.00 | 0.00 | | | 29.84 | 0.00 | | | 29.84 | 0.00 |
| 0717000 | Liq Petro Gas Exp-Vapor Proc | 127.03 | 13,959.51 | 0.00 | 0.00 | 4,127.29 | 36,994.74 | 923.71 | 15,332.07 | 5,178.03 | 66,286.32 |
| 0735000 | Gas Misc Production Exp | 660.48 | 0.00 | 0.00 | 0.00 | 32,674.51 | 5,110.64 | 8,003.97 | 0.00 | 41,338.96 | 5,110.64 |
| 0742000 | Maint Gas Production Equipmen | 2,923.12 | 0.00 | 0.00 | 0.00 | 161,088.96 | 2,093.19 | 9,534.67 | 0.00 | 173,546.75 | 2,093.19 |
| 0803290 | Miscellaneous Expense | 44,010.99 | 79,322.09 | 147.51 | 174.40 | 207,721.44 | 413,587.30 | 39,707.29 | 59,999.57 | 291,587.23 | 553,083.36 |
| 0804210 | Vacations | 52,309.38 | 0.00 | | | 679,619.53 | 0.00 | | | 731,928.91 | 0.00 |
| 0804220 | Holidays | 32,976.49 | 0.00 | | | 340,328.00 | 0.00 | | | 373,304.49 | 0.00 |
| 0804240 | Inclement Weather | | | | | 106,633.86 | 0.00 | 0.00 | 0.00 | 106,633.86 | 0.00 |
| 0804250 | Jury Duty | | | | | 406.52 | 0.00 | | | 406.52 | 0.00 |
| 0804260 | Death In Family | | | | | 7,373.62 | 0.00 | | | 7,373.62 | 0.00 |
| 0804280 | Scheduled Time Earned,Unworked | 414.66 | 0.00 | | | | | | | 414.66 | 0.00 |
| 0804290 | Other Excused Absences | 0.00 | 0.00 | | | 137,779.72 | 0.00 | 55.92 | 0.00 | 137,835.64 | 0.00 |
| 0804330 | Sick | 14,091.59 | 0.00 | | | 312,864.62 | 0.00 | | | 326,956.21 | 0.00 |
| 0807000 | Gas Purchased Expenses | 251,832.37 | 178,272.59 | 775.99 | 0.00 | 23,224.03 | 64,463.97 | 8,840.81 | 0.00 | 284,673.20 | 242,736.56 |
| 0813001 | Other Gas Supply Expenses | 55.70 | 0.00 | | | | | | | 55.70 | 0.00 |
| 0856001 | Mains Expenses | 0.00 | 0.00 | | | 570.98 | 0.00 | | | 570.98 | 0.00 |
| 0870000 | Distribution Sys Ops-Supv/Eng | 107,444.39 | 85,053.80 | 0.00 | 0.00 | 2,401.44 | 0.00 | 359.47 | 0.00 | 110,205.30 | 85,053.80 |
| 0871000 | Distribution Load Dispatching | 121,085.64 | 87,632.49 | 807.46 | 0.00 | | | | | 121,893.10 | 87,632.49 |
| 0874000 | Mains And Services | 86,491.65 | 58,893.94 | 24.85 | 0.00 | 605,247.54 | 702,905.38 | 56,338.16 | 10,415.06 | 748,102.20 | 772,214.38 |
| 0875000 | Measuring And Reg Stations-Ge | 2,884.05 | 13,580.44 | | | 21,289.60 | 20,887.67 | 710.16 | 0.00 | 24,883.81 | 34,468.11 |
| 0876000 | Measuring & Reg Station-Indus | 0.00 | 0.00 | 0.00 | 0.00 | 13,940.59 | 10,512.09 | 819.20 | 0.00 | 14,759.79 | 10,512.09 |
| 0878000 | Meter And House Regulator Exp | 6,982.82 | 0.00 | 0.00 | 0.00 | (117,382.97) | 127,147.31 | 389,399.27 | 19,092.35 | 278,999.12 | 146,239.66 |
| 0879000 | Customer Installation Expense | 5,606.60 | 1,115.76 | 378.13 | 0.00 | 499,194.82 | 349,704.48 | 156,127.34 | 22,320.40 | 661,306.89 | 373,140.64 |
| 0880000 | Gas Distribution-Other Expense | 96,372.78 | 196,966.18 | 0.00 | 0.00 | 172,774.84 | 605,899.25 | 36,585.71 | 62,679.82 | 305,733.33 | 865,545.25 |
| 0885000 | Maint Dist Sys Fac- Supv/Engr | 26,705.43 | 34,545.11 | 0.00 | 0.00 | 680.10 | 0.00 | 165.91 | 0.00 | 27,551.44 | 34,545.11 |
| 0887000 | Maintenance of Mains | 9,533.27 | 66,144.79 | 1,001.48 | 0.00 | 162,384.55 | 309,026.35 | 36,710.94 | 33,549.19 | 209,630.24 | 408,720.33 |
| 0889000 | Maint-Meas/Reg Stn Equip-Gas | 368.04 | 0.00 | 0.00 | 0.00 | 25,845.26 | 15,265.29 | 3,645.90 | 18,105.06 | 29,859.20 | 33,370.35 |
| 0890000 | Maint - Meas/Reg Stn Eq-Indus | 0.00 | 0.00 | | | 715.33 | 0.00 | | | 715.33 | 0.00 |
| 0892000 | Maintenance of Services | 4,198.10 | 0.00 | 191.50 | 0.00 | 65,319.82 | 53,249.72 | 12,982.14 | 0.00 | 82,691.56 | 53,249.72 |
| 0893000 | Maint - Meters And House Reg | 232.42 | 0.00 | 0.00 | 0.00 | 236,291.88 | 0.00 | 20,163.70 | 0.00 | 256,688.00 | 0.00 |
| 0894000 | Maint-Other Distribution Equip | 1,666.47 | 0.00 | 71.48 | 0.00 | 46,152.76 | 0.00 | 20,504.82 | 0.00 | 68,395.53 | 0.00 |
| 0901000 | Supervision-Cust Accts | 16,386.48 | 7,938.06 | | | | | | | 16,386.48 | 7,938.06 |
| 0902000 | Meter Reading Expense | 25,107.30 | 119,236.90 | 29.23 | 0.00 | 1,014,855.20 | 1,228,818.27 | 143,787.89 | 48,517.75 | 1,183,779.62 | 1,396,572.92 |
| 0903000 | Cust Records & Collection Exp | 1,201,770.33 | 1,386,121.00 | 41,623.23 | 37,344.49 | 1,197,490.24 | 1,723,519.37 | 226,481.97 | 173,778.98 | 2,667,365.77 | 3,320,763.84 |
| 0903100 | Cust Contracts & Orders-Local | 0.00 | 0.00 | 0.00 | 0.00 | 40,394.94 | 0.00 | 5,746.64 | 0.00 | 46,141.58 | 0.00 |
| 0903200 | Cust Billing & Acct | | | | | 38,211.44 | 0.00 | 5,436.04 | 0.00 | 43,647.48 | 0.00 |
| 0903300 | Cust Collecting-Local | 2,423.61 | 0.00 | | | 59,845.92 | 0.00 | 5,113.45 | 0.00 | 67,382.98 | 0.00 |
| 0908160 | Cust Assist Exp-General | 77,627.84 | 100,083.71 | 0.00 | 0.00 | 130,456.10 | 223,847.48 | 4,371.16 | 7,655.28 | 212,455.10 | 331,586.47 |
| 0910000 | Misc Cust Serv/Inform Exp | 302,489.92 | 493,185.07 | 696.54 | 0.00 | 4,840.46 | 0.00 | | | 308,026.92 | 493,185.07 |
| 0910100 | Exp-Rs Reg Prod/Svces-CstAccts | 150,579.12 | 58,434.96 | 125.62 | 0.00 | 2,905.12 | 0.00 | | | 153,609.86 | 58,434.96 |
| 0920000 | A & G Salaries | 8,220,757.26 | 8,640,044.59 | 30,991.25 | 26,309.94 | 221,828.51 | 87,807.08 | 18,713.10 | 2,800.77 | 8,492,290.12 | 8,756,962.38 |
| 0921100 | Employee Expenses | 2,381.03 | 0.00 | | | | | | | 2,381.03 | 0.00 |
| 0921110 | Relocation Expenses | 0.00 | 31,959.96 | | | | | | | 0.00 | 31,959.96 |
| 0921200 | Office Expenses | 16,899.71 | 7,245.45 | 47.09 | 215.00 | 11.88 | 0.00 | 8.33 | 0.00 | 16,967.01 | 7,460.45 |
| 0921400 | Computer Services Expenses | 45.34 | 0.00 | | | | | | | 45.34 | 0.00 |
| 0923000 | Outside Services Employed | (8,062.85) | 0.00 | 0.00 | 0.00 | | | 0.00 | 0.00 | (8,062.85) | 0.00 |
| 0925000 | Injuries & Damages | 6,142.32 | 0.00 | | | | | | | 6,142.32 | 0.00 |
| 0925200 | Injuries And Damages-Other | 11,071.38 | 306.70 | | | | | | | 11,071.38 | 306.70 |
| 0930200 | Misc General Expenses | 1,319.59 | 0.00 | 109.05 | 0.00 | | | | | 1,428.64 | 0.00 |
| 0930940 | General Expenses | 0.00 | 2,465.04 | 0.00 | 0.00 | | | | | 0.00 | 2,465.04 |
| 0935100 | Maint General Plant-Elec | 62,846.06 | 0.00 | 5,204.73 | 0.00 | 75,308.23 | 810,073.37 | 5,534.75 | 0.00 | 148,893.77 | 810,073.37 |
| 0935200 | Cust Infor & Computer Control | 61,195.47 | 66,927.07 | 5,512.44 | 7,691.00 | 85.11 | 0.00 | 13.49 | 0.00 | 66,806.51 | 74,618.07 |
| Grand Total | | 19,682,916.26 | 22,227,276.64 | 230,922.54 | 384,086.61 | 21,422,541.26 | 28,932,375.85 | 5,215,857.33 | 3,925,988.40 | 46,552,237.39 | 55,469,727.50 |

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|---|---|
| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Data | Res Desc | | | | |
|---|---|---|---|---|---|---|---|
| | | Sum of Actl Dollars | | | | | |
| Account Number | Account Description | Exempt | Exempt OT | Non-exempt | Non-exempt OT | Union | Union OT |
| 107000 | 107000 - Construct Work in Prog - Utility Plant | 3,517,334.02 | 128,213.48 | 176,464.67 | 10,295.63 | 6,234,032.72 | 657,119.72 |
| 107503 | 107503 - Construction Work in Progress - DENA | 0.00 | | | | | |
| 108410 | 108410 - Retirement Work in Prog - Utility Plant | 37,041.58 | 2,491.52 | 128.98 | 118.46 | 448,475.01 | 77,182.29 |
| 163000 | 163000 - Stores Expense - Non Production | 83,961.17 | 97.88 | 4,675.76 | 41.36 | 160,043.30 | 12,630.75 |
| 182401 | 182401 - Deferred DSM Costs | 72,081.84 | | | | 0.02 | |
| 183112 | 183112 - Prelim Sur And Invest New Gen | 7,545.10 | | | | | |
| 185000 | 185000 - Temporary Facilities | 1,662.50 | | 445.02 | | 75,111.99 | 2,486.20 |
| 186000 | 186000 - Other Non-Current Assets | 0.00 | 0.00 | | | 0.00 | 0.00 |
| 186001 | 186001 - Misc Deferred Costs | 463.02 | 192.69 | | | 5,008.21 | 2,745.39 |
| 242380 | 242380 - Retirement Bank Accrual | 144,011.41 | | | | 107,159.29 | |
| 253840 | 253840 - Post Ret Ben-Health DPL | 30,586.82 | 2,672.85 | 840.55 | 23.63 | 57,955.17 | 10,214.78 |
| 253880 | 253880 - Pension Cost Adj-DPL Share | (47,008.85) | (2,846.78) | (1,031.15) | (18.06) | (85,317.15) | (12,261.76) |
| 415520 | 415520 - Othr Inc Electric Jobbing | | | | | 347.75 | |
| 416000 | 416000 - Exp-Jobbing & Contract Work | 393.31 | | | | 20,800.52 | 1,386.13 |
| 416100 | 416100 - Gas-Job&Contracts-Misc Gen Exp | 462.52 | 548.63 | | | 27,880.48 | 9,063.60 |
| 416140 | 416140 - GasJob-Cust Prop Third Pty Exp | 76.90 | | | | 4,497.22 | 1,878.79 |
| 416150 | 416150 - Gas Job-Lighting Pilot Cu Exp | | | | | 995.81 | 270.81 |
| 416170 | 416170 - Gas Jobbing Renew Serv 2 Exp | 675.97 | | | | | |
| 416180 | 416180 - Gas Job-Install Serv 2 Exp | 0.00 | | | | 1,484.28 | 163.47 |
| 416320 | 416320 - Elec Jobbing - Specific T&M | 1,309.46 | | | | 1,846.82 | 1,249.36 |
| 416330 | 416330 - Elec Job-Specific Flat Charge | 2,444.55 | | | | 27,388.92 | 4,723.70 |
| 426510 | 426510 - Income Deductions - Other | 12.91 | | | | | |
| 451010 | 451010 - Misc Service Revenues | | | | | 216.53 | |
| 500000 | 500000 - Supervision And Engineering | 1,838,045.78 | 144,013.39 | 11,352.34 | 5.54 | 64,525.52 | 4,022.31 |
| 501008 | 501008 - Fuel Handling Expense | | | | | 191.91 | |
| 501020 | 501020 - Fuel Procurement And Handling | (1,574.10) | | | | | |
| 501300 | 501300 - Residual Disposal Costs | | | | | 0.80 | |
| 501500 | 501500 - Fuel Handling Expense | 48,357.38 | 6,917.84 | 101.40 | | 253,287.76 | 36,770.92 |
| 501501 | 501501 - Fuel Procurement And Handling | 8,274.42 | | | | | |
| 501502 | 501502 - Residual Disposal Costs | 23,406.04 | 0.00 | 2,826.68 | | 166,508.90 | 14,468.13 |
| 502000 | 502000 - Steam Expenses | | | | | 1,682,925.35 | 227,479.17 |
| 502050 | 502050 - Limestone Handling | | | | | 1,206.67 | 1,314.14 |
| 505000 | 505000 - Electric Expenses | | | | | 616,024.49 | 123,286.38 |
| 506000 | 506000 - Miscellaneous Steam Power Exp | 31,921.86 | | 7,455.09 | 7.40 | 357,820.28 | 105,333.41 |
| 510000 | 510000 - Maint - Supervision/Engineer | 526,472.94 | 70,783.33 | 41,760.03 | 1,671.69 | 62,002.91 | 13,244.20 |
| 511000 | 511000 - Maintenance of Structures | 194.30 | | 7,652.04 | | 212,910.54 | 24,307.20 |
| 512000 | 512000 - Maintenance of Boiler Plant | 5,849.29 | 3,326.58 | 1,551.04 | 1,046.49 | 1,370,593.65 | 310,687.57 |
| 512030 | 512030 - Maint of Boiler Plant - FGD | | | | | 430.77 | 59.30 |
| 513000 | 513000 - Maintenance of Electric Plant | 1,630.74 | 1,924.09 | 47.39 | | 265,803.18 | 108,684.52 |

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| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Data | Res Desc | | | | |
|---|---|---|---|---|---|---|---|
| | | Sum of Actl Dollars | | | | | |
| Account Number | Account Description | Exempt | Exempt OT | Non-exempt | Non-exempt OT | Union | Union OT |
| 513100 | 513100 - Removal - Electric Plant | 2,228.85 | | | | 1,981.71 | |
| 514000 | 514000 - Maint Misc Steam Plant | | (0.01) | | | 70,173.17 | 10,275.47 |
| 546000 | 546000 - Other Power - Supv/Engr Labor | 127,989.80 | 4,130.82 | 7,541.79 | 374.46 | | |
| 548000 | 548000 - Other Power-Ops Generation Exp | | | 4,470.67 | | 424,890.05 | 107,409.30 |
| 549000 | 549000 - Misc Other Power Gen Exp | 2,509.09 | | | | 66,853.26 | 4,517.65 |
| 551000 | 551000 - Other Pwr - Maint Supv/Engr | 8,716.57 | 208.87 | | | | |
| 552000 | 552000 - Other Pwr - Maint of Structure | | | | | 14,386.57 | 1,097.77 |
| 553000 | 553000 - Other Pwr-Maint Genrating/Elec | 7,705.70 | 965.85 | | | 150,392.75 | 46,150.77 |
| 553100 | 553100 - Removal - Oth Pwr Gen/Elec | | | | | 346.11 | 86.53 |
| 554000 | 554000 - Other Pwr - Maint Misc Equip | | | | | 153.02 | |
| 556000 | 556000 - System Control / Load Dispatch | 196,148.25 | 11,989.34 | 1,887.36 | | | |
| 560000 | 560000 - Operation Supervision/Engineer | 48,971.40 | 641.74 | 51.13 | 0.04 | 0.00 | |
| 561000 | 561000 - Load Dispatching | 157,583.36 | 5,727.87 | 3,139.45 | | 1,489.37 | |
| 561200 | 561200 - Load Dispatch -Monitor & Oper Transm S | 1,242.85 | 3.38 | | | 0.00 | |
| 561500 | 561500 - Load Dispatch - System Planning | 0.00 | 0.00 | | | | |
| 561800 | 561800 - Billings for Reliability Planning & Stds | 0.00 | | | | | |
| 562000 | 562000 - Station Expenses | 0.00 | | 21.19 | | 38,204.38 | 4,847.61 |
| 563000 | 563000 - Overhead Line Expenses | 0.00 | | 0.00 | | 6,852.89 | 828.78 |
| 566000 | 566000 - Miscellaneous Transmission Exp | 2,652.56 | 85.77 | 446.10 | 5.11 | 22,001.00 | 3,248.18 |
| 568000 | 568000 - Maintenance Superv/Engineeri | 6,929.99 | 7.84 | 151.77 | | 0.17 | |
| 569000 | 569000 - Maintenance of Structures | | | | | 9,244.06 | |
| 570000 | 570000 - Maint Of Station Equipment | | | | | 40,689.22 | 4,966.20 |
| 570100 | 570100 - Removal-Station Equip-Step-Up | 1,985.49 | | | | | |
| 570860 | 570860 - Maint Of Substation Equipment | | | | | 12,562.59 | 1,820.82 |
| 571000 | 571000 - Maintenance Of Overhead Lines | 10,073.36 | 3.65 | 1,493.04 | | 65,903.29 | 9,028.34 |
| 580000 | 580000 - Ops Supv/Engr - Distr Sys | 136,040.47 | 525.04 | 5,641.73 | 71.83 | 40,844.22 | 6,958.29 |
| 581000 | 581000 - Load Dispatch-Dist of Elec | 13,243.16 | 2.71 | 387.30 | 49.57 | | |
| 582000 | 582000 - Station Exp-Distribution Sys | 1,048.72 | 0.00 | 84.76 | | 140,563.24 | 21,434.40 |
| 583000 | 583000 - Ovhd Line Exp-Distribution Sys | 42,463.30 | 2,924.34 | 3,788.86 | 518.97 | 153,224.15 | 104,295.98 |
| 584000 | 584000 - UG Line Exp - Distribution Sys | 1,359.15 | | | | 15,496.73 | 7,668.77 |
| 585000 | 585000 - Street Lighting/Signal System | | | | | 17,752.03 | 1,075.95 |
| 586000 | 586000 - Meter Expenses | 0.00 | | 0.00 | 0.00 | 146,082.72 | 22,101.66 |
| 587000 | 587000 - Customer Installations Expense | | | | | 250,048.26 | 43,710.71 |
| 588000 | 588000 - Miscellaneous Distribution Exp | 20,027.72 | 0.00 | 3,810.80 | 410.63 | 128,524.14 | 17,244.81 |
| 590000 | 590000 - Maint Supv/Engr-Dist Sys | 160,654.40 | 406.05 | 1,315.43 | 107.31 | 12,553.14 | 4,263.52 |
| 591000 | 591000 - Maintenance of Structures | | | | | 21,151.76 | 245.76 |
| 592000 | 592000 - Maint Of Station Equipment | | | | | 97,576.09 | 14,717.92 |
| 593000 | 593000 - Maintenance Of Overhead Lines | 34,604.66 | 2,253.92 | 2,503.23 | 722.85 | 513,019.87 | 287,790.59 |
| 594000 | 594000 - Maint Of Underground Line | 1,350.08 | 133.53 | | | 128,732.45 | 72,623.67 |
| 595000 | 595000 - Maint Of Line Transformers | 84.19 | | | | 67,188.17 | 19,522.49 |
| 596000 | 596000 - Maint Of Street Lights/Signals | | | | | 37,356.63 | 2,217.11 |
| 597000 | 597000 - Maintenance Of Meters | 6,455.27 | | 1,132.67 | 103.42 | 141,844.51 | 34,870.16 |

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| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Data | Res Desc | | | | |
|---|---|---|---|---|---|---|---|
| | | Sum of Actl Dollars | | | | | |
| Account Number | Account Description | Exempt | Exempt OT | Non-exempt | Non-exempt OT | Union | Union OT |
| 598000 | 598000 - Maint Misc Distribution Plant | | | | | 41.26 | 332.57 |
| 717000 | 717000 - Liq Petro Gas Exp-Vapor Proc | 152.94 | 0.00 | | | 21,614.06 | 0.00 |
| 728000 | 728000 - Liquid Petroleum Gas | 917.39 | | | | 6,786.28 | 245.72 |
| 735000 | 735000 - Gas Misc Production Exp | 1,256.85 | 339.48 | | | 36,170.05 | 3,718.64 |
| 742000 | 742000 - Maint Gas Production Equipment | 19,094.35 | 2,306.26 | | | 169,279.22 | 4,309.40 |
| 807000 | 807000 - Gas Purchased Expenses | 196,940.32 | 2,281.37 | | | 31,666.46 | 3,713.02 |
| 856000 | 856000 - Transmission Mains Exp - Gas | | | | | 589.00 | 36.81 |
| 859000 | 859000 - Other Exp-Trans Sys Equip/Exp | | | | | 1,059.25 | 0.00 |
| 870000 | 870000 - Distribution Sys Ops-Supv/Engr | 104,450.59 | 1,042.90 | 3,293.88 | | 8,844.65 | 362.31 |
| 871000 | 871000 - Distribution Load Dispatching | 94,716.66 | 3,146.79 | | | | |
| 874000 | 874000 - Mains And Services | 65,305.13 | 2,682.40 | | | 535,543.23 | 34,519.95 |
| 875000 | 875000 - Measuring And Reg Stations-Gen | 2,546.95 | | | | 2,611.31 | |
| 876000 | 876000 - Measuring & Reg Station-Indust | 0.00 | | | | 33,826.46 | 314.72 |
| 878000 | 878000 - Meter And House Regulator Exp | 0.00 | | | | 337,028.23 | 282,474.23 |
| 879000 | 879000 - Customer Installation Expenses | 1,689.28 | 247.90 | | | 353,764.98 | 64,861.64 |
| 880000 | 880000 - Gas Distribution-Other Expense | 89,162.75 | 402.55 | 3,858.43 | | 427,310.63 | 73,617.86 |
| 885000 | 885000 - Maint Dist Sys Fac- Supv/Engr | 30,038.57 | 481.36 | 1,520.40 | | 2,869.39 | 167.28 |
| 887000 | 887000 - Maintenance of Mains | 10,002.35 | 2,265.86 | | | 194,258.10 | 22,015.87 |
| 889000 | 889000 - Maint-Meas/Reg Stn Equip-Gas | 2,703.12 | 1,151.31 | | | 24,100.85 | 12,084.65 |
| 890000 | 890000 - Maint - Meas/Reg Stn Eq-Indust | | | | | 175.07 | |
| 892000 | 892000 - Maintenance of Services | 4,866.70 | 168.64 | | | 76,077.10 | 8,941.68 |
| 893000 | 893000 - Maint - Meters And House Regul | | | | | 248,966.11 | 27,268.93 |
| 894000 | 894000 - Maint-Other Distribution Equip | 706.60 | 1,281.80 | | | 29,360.14 | 11,047.24 |
| 901000 | 901000 - Supv Cust Bill / Collect | 20,564.48 | | 2,324.19 | 9.93 | | |
| 902000 | 902000 - Meter Reading | 23,883.88 | 103.70 | 192.85 | 49.84 | 1,155,910.19 | 40,733.52 |
| 903000 | 903000 - Cust Rec/Coll - Mrkt Ops | 1,024,354.06 | 11,134.67 | 388,660.87 | 24,332.77 | 1,515,681.63 | 206,627.31 |
| 908000 | 908000 - Corporate Planning Cust Asst | 98,480.55 | 0.00 | | | 268,034.68 | 12,539.29 |
| 910000 | 910000 - Misc Cust Serv And Info | 348,293.31 | 321.88 | 576.96 | 18.61 | | |
| 911000 | 911000 - Supv-Marketing Operations | 0.00 | | | | | |
| 920000 | 920000 - A/G Labor | 4,684,950.89 | 31,425.51 | 147,479.40 | 2,549.83 | 91,696.93 | 2,309.41 |
| 921000 | 921000 - A/G Office Supplies and Exp | 21,651.83 | 4.90 | 16.24 | 8.13 | 3.60 | 55.94 |
| 921100 | 921100 - A/G Operations Expense | 1,661.79 | | | | | |
| 923000 | 923000 - Outside Services | 7,601.86 | 131.60 | | | 198.32 | (172.67) |
| 925000 | 925000 - Injuries And Damages | 2,277.54 | | | | | |
| 930202 | 930202 - A/G Misc General Expense | 550.05 | 1.97 | | | 94.37 | |
| 935000 | 935000 - Maint of General Plant | 68,068.94 | 264.46 | | | 173,941.83 | 9,775.48 |
| 999990 | 999990 - Clearing Account | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total | | 14,254,591.00 | 449,533.52 | 840,060.34 | 42,525.44 | 20,727,744.72 | 3,415,430.49 |

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|---|---|
| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Sum of Budget Dollars | | | | | |
|---|---|---|---|---|---|---|---|
| Account Number | Account Description | Exempt | Exempt OT | Non-exempt | Non-exempt OT | Union | Union OT |
| 107000 | 107000 - Construct Work in Prog - Utility Plant | 4,893,701.88 | 45,787.25 | 196,706.40 | 2,131.61 | 13,294,254.76 | 709,020.72 |
| 107503 | 107503 - Construction Work in Progress - DENA | 231,304.92 | | | | | |
| 108410 | 108410 - Retirement Work in Prog - Utility Plant | 72,064.00 | 0.00 | 0.00 | 0.00 | 929,718.87 | 66,707.41 |
| 163000 | 163000 - Stores Expense - Non Production | 109,190.38 | 878.41 | 14,373.51 | 650.84 | 156,404.69 | 17,686.97 |
| 182401 | 182401 - Deferred DSM Costs | 0.00 | | | | 0.00 | |
| 183112 | 183112 - Prelim Sur And Invest New Gen | 0.00 | | | | | |
| 185000 | 185000 - Temporary Facilities | 1,718.45 | | 539.37 | | 16,082.90 | 1,507.10 |
| 186000 | 186000 - Other Non-Current Assets | 0.00 | 0.00 | | | 0.00 | 0.00 |
| 186001 | 186001 - Misc Deferred Costs | 0.00 | 0.00 | | | 0.00 | 0.00 |
| 242380 | 242380 - Retirement Bank Accrual | 0.00 | | | | 0.00 | |
| 253840 | 253840 - Post Ret Ben-Health DPL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 253880 | 253880 - Pension Cost Adj-DPL Share | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 415520 | 415520 - Othr Inc Electric Jobbing | | | | | 0.00 | |
| 416000 | 416000 - Exp-Jobbing & Contract Work | 0.00 | | | | 0.00 | 0.00 |
| 416100 | 416100 - Gas-Job&Contracts-Misc Gen Exp | 1,030.27 | 0.00 | | | 29,396.98 | 9,218.02 |
| 416140 | 416140 - GasJob-Cust Prop Third Pty Exp | 539.63 | | | | 4,605.11 | 2,194.04 |
| 416150 | 416150 - Gas Job-Lighting Pilot Cu Exp | | | | | 0.00 | 0.00 |
| 416170 | 416170 - Gas Jobbing Renew Serv 2 Exp | 0.00 | | | | | |
| 416180 | 416180 - Gas Job-Install Serv 2 Exp | 196.21 | | | | 2,492.92 | 396.51 |
| 416320 | 416320 - Elec Jobbing - Specific T&M | 0.00 | | | | 0.00 | 0.00 |
| 416330 | 416330 - Elec Job-Specific Flat Charge | 0.00 | | | | 528.77 | 0.00 |
| 426510 | 426510 - Income Deductions - Other | 0.00 | | | | | |
| 451010 | 451010 - Misc Service Revenues | | | | | 0.00 | |
| 500000 | 500000 - Supervision And Engineering | 1,880,057.34 | 88,465.52 | 2,345.62 | 0.00 | 0.00 | 0.00 |
| 501008 | 501008 - Fuel Handling Expense | | | | | 0.00 | |
| 501020 | 501020 - Fuel Procurement And Handling | 0.00 | | | | | |
| 501300 | 501300 - Residual Disposal Costs | | | | | 0.00 | |
| 501500 | 501500 - Fuel Handling Expense | 66,719.46 | 3,223.35 | 0.00 | | 209,527.94 | 25,707.66 |
| 501501 | 501501 - Fuel Procurement And Handling | 0.00 | | | | | |
| 501502 | 501502 - Residual Disposal Costs | 33,911.43 | 520.34 | 463.70 | | 178,552.17 | 26,788.52 |
| 502000 | 502000 - Steam Expenses | | | | | 1,171,081.57 | 174,272.07 |
| 502050 | 502050 - Limestone Handling | | | | | 0.00 | 0.00 |
| 505000 | 505000 - Electric Expenses | | | | | 979,692.76 | 270,049.86 |
| 506000 | 506000 - Miscellaneous Steam Power Exp | 158,786.61 | | 20,844.03 | 0.00 | 582,252.17 | 100,709.71 |
| 510000 | 510000 - Maint - Supervision/Engineer | 468,586.53 | 26,912.69 | 45,707.36 | 698.01 | 123,518.41 | 12,567.08 |
| 511000 | 511000 - Maintenance of Structures | 0.00 | | 8,239.69 | | 205,058.69 | 23,686.13 |
| 512000 | 512000 - Maintenance of Boiler Plant | 0.00 | 0.00 | 5,282.76 | 0.00 | 1,439,494.03 | 301,559.38 |
| 512030 | 512030 - Maint of Boiler Plant - FGD | | | | | 0.00 | 0.00 |
| 513000 | 513000 - Maintenance of Electric Plant | 0.00 | 0.00 | 0.00 | | 223,544.17 | 87,694.79 |

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| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Sum of Budget Dollars | | | | | |
|---|---|---|---|---|---|---|---|
| Account Number | Account Description | Exempt | Exempt OT | Non-exempt | Non-exempt OT | Union | Union OT |
| 513100 | 513100 - Removal - Electric Plant | 0.00 | | | | 0.00 | |
| 514000 | 514000 - Maint Misc Steam Plant | | 0.00 | | | 111,113.97 | 10,760.40 |
| 546000 | 546000 - Other Power - Supv/Engr Labor | 160,540.94 | 0.00 | 14,885.93 | 0.00 | | |
| 548000 | 548000 - Other Power-Ops Generation Exp | | | 0.00 | | 411,482.54 | 65,998.46 |
| 549000 | 549000 - Misc Other Power Gen Exp | 0.00 | | | | 70,271.61 | 3,133.57 |
| 551000 | 551000 - Other Pwr - Maint Supv/Engr | 1,823.52 | 132.66 | | | | |
| 552000 | 552000 - Other Pwr - Maint of Structure | | | | | 0.00 | 0.00 |
| 553000 | 553000 - Other Pwr-Maint Genrating/Elec | 704.66 | 0.00 | | | 183,329.23 | 0.00 |
| 553100 | 553100 - Removal - Oth Pwr Gen/Elec | | | | | 0.00 | 0.00 |
| 554000 | 554000 - Other Pwr - Maint Misc Equip | | | | | 0.00 | |
| 556000 | 556000 - System Control / Load Dispatch | 169,655.98 | 0.00 | 1,912.12 | | | |
| 560000 | 560000 - Operation Supervision/Engineer | 72,004.11 | 0.00 | 5,287.68 | 200.15 | 5,475.25 | |
| 561000 | 561000 - Load Dispatching | 59,021.94 | 0.00 | 0.00 | | 0.00 | |
| 561200 | 561200 - Load Dispatch -Monitor & Oper Transm S | 102,885.49 | 3,676.50 | | | 2,703.88 | |
| 561500 | 561500 - Load Dispatch - System Planning | 69,921.51 | 645.07 | | | | |
| 561800 | 561800 - Billings for Reliability Planning & Stds | 4,135.24 | | | | | |
| 562000 | 562000 - Station Expenses | 312.77 | | 0.00 | | 139.70 | 9.46 |
| 563000 | 563000 - Overhead Line Expenses | 14,937.73 | | 591.76 | | 0.00 | 0.00 |
| 566000 | 566000 - Miscellaneous Transmission Exp | 0.00 | 0.00 | 816.16 | 0.00 | 0.00 | 0.00 |
| 568000 | 568000 - Maintenance Superv/Engineeri | 10,308.76 | 8.60 | 216.85 | | 0.00 | |
| 569000 | 569000 - Maintenance of Structures | | | | | 0.00 | |
| 570000 | 570000 - Maint Of Station Equipment | | | | | 21,151.54 | 204.47 |
| 570100 | 570100 - Removal-Station Equip-Step-Up | 4,742.70 | | | | | |
| 570860 | 570860 - Maint Of Substation Equipment | | | | | 0.00 | 0.00 |
| 571000 | 571000 - Maintenance Of Overhead Lines | 9,379.55 | 0.00 | 1,352.73 | | 49,440.92 | 16,705.34 |
| 580000 | 580000 - Ops Supv/Engr - Distr Sys | 154,229.63 | 8,758.62 | 2,406.50 | 0.00 | 70,937.82 | 15,480.62 |
| 581000 | 581000 - Load Dispatch-Dist of Elec | 64,423.28 | 0.00 | 1,586.95 | 0.00 | | |
| 582000 | 582000 - Station Exp-Distribution Sys | 1,287.11 | 25.76 | 0.00 | | 96,831.44 | 14,457.19 |
| 583000 | 583000 - Ovhd Line Exp-Distribution Sys | 49,921.92 | 0.00 | 0.00 | 0.00 | 158,213.48 | 53,046.95 |
| 584000 | 584000 - UG Line Exp - Distribution Sys | 9,945.28 | | | | 5,867.99 | 0.00 |
| 585000 | 585000 - Street Lighting/Signal System | | | | | 0.00 | 0.00 |
| 586000 | 586000 - Meter Expenses | 29,223.17 | | 6,296.94 | 1,180.38 | 221,149.60 | 36,653.19 |
| 587000 | 587000 - Customer Installations Expense | | | | | 287,567.03 | 52,723.86 |
| 588000 | 588000 - Miscellaneous Distribution Exp | 10,581.46 | 0.00 | 1,395.89 | 0.00 | 55,976.76 | 3,088.62 |
| 590000 | 590000 - Maint Supv/Engr-Dist Sys | 233,986.80 | 8,986.66 | 2,800.69 | 0.00 | 2,940.93 | 341.46 |
| 591000 | 591000 - Maintenance of Structures | | | | | 61,523.61 | 697.69 |
| 592000 | 592000 - Maint Of Station Equipment | | | | | 61,830.22 | 9,285.19 |
| 593000 | 593000 - Maintenance Of Overhead Lines | 0.00 | 0.00 | 0.00 | 0.00 | 643,671.85 | 217,221.55 |
| 594000 | 594000 - Maint Of Underground Line | 0.00 | 0.00 | | | 101,689.51 | 33,759.54 |
| 595000 | 595000 - Maint Of Line Transformers | 0.00 | | | | 51,759.46 | 17,027.36 |
| 596000 | 596000 - Maint Of Street Lights/Signals | | | | | 0.00 | 0.00 |
| 597000 | 597000 - Maintenance Of Meters | 28,151.83 | | 0.00 | 0.00 | 92,748.90 | 11,635.81 |

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|---|---|
| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Sum of Budget Dollars | | | | | |
|---|---|---|---|---|---|---|---|
| Account Number | Account Description | Exempt | Exempt OT | Non-exempt | Non-exempt OT | Union | Union OT |
| 598000 | 598000 - Maint Misc Distribution Plant | | | | | 0.00 | 0.00 |
| 717000 | 717000 - Liq Petro Gas Exp-Vapor Proc | 10,686.97 | 4,362.02 | | | 37,238.25 | 15,386.40 |
| 728000 | 728000 - Liquid Petroleum Gas | 0.00 | | | | 0.00 | 0.00 |
| 735000 | 735000 - Gas Misc Production Exp | 0.00 | 0.00 | | | 7,080.95 | 0.00 |
| 742000 | 742000 - Maint Gas Production Equipment | 0.00 | 0.00 | | | 0.00 | 0.00 |
| 807000 | 807000 - Gas Purchased Expenses | 196,848.90 | 0.00 | | | 64,089.12 | 5,174.05 |
| 856000 | 856000 - Transmission Mains Exp - Gas | | | | | 0.00 | 0.00 |
| 859000 | 859000 - Other Exp-Trans Sys Equip/Exp | | | | | 1,620.35 | 795.30 |
| 870000 | 870000 - Distribution Sys Ops-Supv/Engr | 60,919.23 | 0.00 | 3,498.83 | | 3,994.41 | 212.06 |
| 871000 | 871000 - Distribution Load Dispatching | 75,731.59 | 0.00 | | | | |
| 874000 | 874000 - Mains And Services | 43,509.28 | 0.00 | | | 607,035.61 | 23,616.26 |
| 875000 | 875000 - Measuring And Reg Stations-Gen | 20,910.50 | | | | 10,194.96 | |
| 876000 | 876000 - Measuring & Reg Station-Indust | 4,817.24 | | | | 9,416.73 | 0.00 |
| 878000 | 878000 - Meter And House Regulator Exp | 325.06 | | | | 203,650.73 | 33,306.02 |
| 879000 | 879000 - Customer Installation Expenses | 13,097.97 | 0.00 | | | 420,795.03 | 64,087.63 |
| 880000 | 880000 - Gas Distribution-Other Expense | 217,209.09 | 0.00 | 4,140.78 | | 470,377 40 | 47,184.71 |
| 885000 | 885000 - Maint Dist Sys Fac- Supv/Engr | 25,395.56 | 0.00 | 1,608.28 | | 5,071.41 | 834.65 |
| 887000 | 887000 - Maintenance of Mains | 54,363.34 | 0.00 | | | 247,172.27 | 53,725.88 |
| 889000 | 889000 - Maint-Meas/Reg Stn Equip-Gas | 0.00 | 0.00 | | | 20,091.18 | 8,216.49 |
| 890000 | 890000 - Maint - Meas/Reg Stn Eq-Indust | | | | | 0.00 | |
| 892000 | 892000 - Maintenance of Services | 0.00 | 0.00 | | | 39,804.04 | 8,895.41 |
| 893000 | 893000 - Maint - Meters And House Regul | | | | | 0.00 | 0.00 |
| 894000 | 894000 - Maint-Other Distribution Equip | 0.00 | 0.00 | | | 19,622.73 | 3,686.03 |
| 901000 | 901000 - Supv Cust Bill / Collect | 20,942.71 | | 2,944.35 | 182.22 | | |
| 902000 | 902000 - Meter Reading | 33,960.64 | 0.00 | 192.36 | 0.00 | 1,199,960.14 | 42,401.17 |
| 903000 | 903000 - Cust Rec/Coll - Mrkt Ops | 1,029,984.90 | 11,644.81 | 399,032.20 | 27,588.46 | 1,772,192.36 | 161,581.92 |
| 908000 | 908000 - Corporate Planning Cust Asst | 169,387 46 | 377.01 | | | 115,766.04 | 0.00 |
| 910000 | 910000 - Misc Cust Serv And Info | 8,039.05 | 0.00 | 0.00 | 0.00 | | |
| 911000 | 911000 - Supv-Marketing Operations | 0.00 | | | | | |
| 920000 | 920000 - A/G Labor | 2,367,225.52 | 4,777.67 | 149,935.62 | 1,615.66 | 165,900.56 | 1,236.47 |
| 921000 | 921000 - A/G Office Supplies and Exp | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 921100 | 921100 - A/G Operations Expense | 0.00 | | | | | |
| 923000 | 923000 - Outside Services | 0.00 | 0.00 | | | 0.00 | 0.00 |
| 925000 | 925000 - Injuries And Damages | 0.00 | | | | | |
| 930202 | 930202 - A/G Misc General Expense | 0.00 | 0.00 | | | 0.00 | |
| 935000 | 935000 - Maint of General Plant | 0.00 | 0.00 | | | 43,063.43 | 0.00 |
| 999990 | 999990 - Clearing Account | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total | | 13,533,287.50 | 209,182.94 | 895,405.06 | 34,247.33 | 27,778,161.85 | 2,862,337.15 |

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|---|---|
| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| Account Number | Account Description | Total Sum of Actl Dollars | Total Sum of Budget Dollars |
|---|---|---|---|
| 107000 | 107000 - Construct Work in Prog - Utility Plant | 10,723,460.24 | 19,141,602.62 |
| 107503 | 107503 - Construction Work in Progress - DENA | 0.00 | 231,304.92 |
| 108410 | 108410 - Retirement Work in Prog - Utility Plant | 565,437.84 | 1,068,490.28 |
| 163000 | 163000 - Stores Expense - Non Production | 261,450.22 | 299,184.80 |
| 182401 | 182401 - Deferred DSM Costs | 72,081.86 | 0.00 |
| 183112 | 183112 - Prelim Sur And Invest New Gen | 7,545.10 | 0.00 |
| 185000 | 185000 - Temporary Facilities | 79,705.71 | 19,847.82 |
| 186000 | 186000 - Other Non-Current Assets | 0.00 | 0.00 |
| 186001 | 186001 - Misc Deferred Costs | 8,409.31 | 0.00 |
| 242380 | 242380 - Retirement Bank Accrual | 251,170.70 | 0.00 |
| 253840 | 253840 - Post Ret Ben-Health DPL | 102,293.80 | 0.00 |
| 253880 | 253880 - Pension Cost Adj-DPL Share | (148,483.75) | 0.00 |
| 415520 | 415520 - Othr Inc Electric Jobbing | 347.75 | 0.00 |
| 416000 | 416000 - Exp-Jobbing & Contract Work | 22,579.96 | 0.00 |
| 416100 | 416100 - Gas-Job&Contracts-Misc Gen Exp | 37,955.23 | 39,645.27 |
| 416140 | 416140 - GasJob-Cust Prop Third Pty Exp | 6,452.91 | 7,338.78 |
| 416150 | 416150 - Gas Job-Lighting Pilot Cu Exp | 1,266.62 | 0.00 |
| 416170 | 416170 - Gas Jobbing Renew Serv 2 Exp | 675.97 | 0.00 |
| 416180 | 416180 - Gas Job-Install Serv 2 Exp | 1,647.75 | 3,085.64 |
| 416320 | 416320 - Elec Jobbing - Specific T&M | 4,405.64 | 0.00 |
| 416330 | 416330 - Elec Job-Specific Flat Charge | 34,557.17 | 528.77 |
| 426510 | 426510 - Income Deductions - Other | 12.91 | 0.00 |
| 451010 | 451010 - Misc Service Revenues | 216.53 | 0.00 |
| 500000 | 500000 - Supervision And Engineering | 2,061,964.88 | 1,970,868.48 |
| 501008 | 501008 - Fuel Handling Expense | 191.91 | 0.00 |
| 501020 | 501020 - Fuel Procurement And Handling | (1,574.10) | 0.00 |
| 501300 | 501300 - Residual Disposal Costs | 0.80 | 0.00 |
| 501500 | 501500 - Fuel Handling Expense | 345,435.30 | 305,178.41 |
| 501501 | 501501 - Fuel Procurement And Handling | 8,274.42 | 0.00 |
| 501502 | 501502 - Residual Disposal Costs | 207,209.75 | 240,236.16 |
| 502000 | 502000 - Steam Expenses | 1,910,404.52 | 1,345,353.64 |
| 502050 | 502050 - Limestone Handling | 2,520.81 | 0.00 |
| 505000 | 505000 - Electric Expenses | 739,310.87 | 1,249,742.62 |
| 506000 | 506000 - Miscellaneous Steam Power Exp | 502,538.04 | 862,592.52 |
| 510000 | 510000 - Maint - Supervision/Engineer | 715,935.10 | 677,990.08 |
| 511000 | 511000 - Maintenance of Structures | 245,064.08 | 236,984.51 |
| 512000 | 512000 - Maintenance of Boiler Plant | 1,693,054.62 | 1,746,336.17 |
| 512030 | 512030 - Maint of Boiler Plant - FGD | 490.07 | 0.00 |
| 513000 | 513000 - Maintenance of Electric Plant | 378,089.92 | 311,238.96 |

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|---|---|
| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| Account Number | Account Description | Total Sum of Actl Dollars | Total Sum of Budget Dollars |
|---|---|---|---|
| 513100 | 513100 - Removal - Electric Plant | 4,210.56 | 0.00 |
| 514000 | 514000 - Maint Misc Steam Plant | 80,448.63 | 121,874.37 |
| 546000 | 546000 - Other Power - Supv/Engr Labor | 140,036.87 | 175,426.87 |
| 548000 | 548000 - Other Power-Ops Generation Exp | 536,770.02 | 477,481.00 |
| 549000 | 549000 - Misc Other Power Gen Exp | 73,880.00 | 73,405.18 |
| 551000 | 551000 - Other Pwr - Maint Supv/Engr | 8,925.44 | 1,956.18 |
| 552000 | 552000 - Other Pwr - Maint of Structure | 15,484.34 | 0.00 |
| 553000 | 553000 - Other Pwr-Maint Genrating/Elec | 205,215.07 | 184,033.89 |
| 553100 | 553100 - Removal - Oth Pwr Gen/Elec | 432.64 | 0.00 |
| 554000 | 554000 - Other Pwr - Maint Misc Equip | 153.02 | 0.00 |
| 556000 | 556000 - System Control / Load Dispatch | 210,024.95 | 171,568.10 |
| 560000 | 560000 - Operation Supervision/Engineer | 49,664.31 | 82,967.19 |
| 561000 | 561000 - Load Dispatching | 167,940.05 | 59,021.94 |
| 561200 | 561200 - Load Dispatch -Monitor & Oper Transm S | 1,246.23 | 109,265.87 |
| 561500 | 561500 - Load Dispatch - System Planning | 0.00 | 70,566.58 |
| 561800 | 561800 - Billings for Reliability Planning & Stds | 0.00 | 4,135.24 |
| 562000 | 562000 - Station Expenses | 43,073.18 | 461.93 |
| 563000 | 563000 - Overhead Line Expenses | 7,681.67 | 15,529.49 |
| 566000 | 566000 - Miscellaneous Transmission Exp | 28,438.72 | 816.16 |
| 568000 | 568000 - Maintenance Superv/Engineeri | 7,089.77 | 10,534.21 |
| 569000 | 569000 - Maintenance of Structures | 9,244.06 | 0.00 |
| 570000 | 570000 - Maint Of Station Equipment | 45,655.42 | 21,356.01 |
| 570100 | 570100 - Removal-Station Equip-Step-Up | 1,985.49 | 4,742.70 |
| 570860 | 570860 - Maint Of Substation Equipment | 14,383.41 | 0.00 |
| 571000 | 571000 - Maintenance Of Overhead Lines | 86,501.68 | 76,878.54 |
| 580000 | 580000 - Ops Supv/Engr - Distr Sys | 190,081.58 | 251,813.19 |
| 581000 | 581000 - Load Dispatch-Dist of Elec | 13,682.74 | 66,010.23 |
| 582000 | 582000 - Station Exp-Distribution Sys | 163,131.12 | 112,601.50 |
| 583000 | 583000 - Ovhd Line Exp-Distribution Sys | 307,215.60 | 261,182.35 |
| 584000 | 584000 - UG Line Exp - Distribution Sys | 24,524.65 | 15,813.27 |
| 585000 | 585000 - Street Lighting/Signal System | 18,827.98 | 0.00 |
| 586000 | 586000 - Meter Expenses | 168,184.38 | 294,503.28 |
| 587000 | 587000 - Customer Installations Expense | 293,758.97 | 340,290.89 |
| 588000 | 588000 - Miscellaneous Distribution Exp | 170,018.10 | 71,042.73 |
| 590000 | 590000 - Maint Supv/Engr-Dist Sys | 179,299.85 | 249,056.54 |
| 591000 | 591000 - Maintenance of Structures | 21,397.52 | 62,221.30 |
| 592000 | 592000 - Maint Of Station Equipment | 112,294.01 | 71,115.41 |
| 593000 | 593000 - Maintenance Of Overhead Lines | 840,895.12 | 860,893.40 |
| 594000 | 594000 - Maint Of Underground Line | 202,839.73 | 135,449.05 |
| 595000 | 595000 - Maint Of Line Transformers | 86,794.85 | 68,786.82 |
| 596000 | 596000 - Maint Of Street Lights/Signals | 39,573.74 | 0.00 |
| 597000 | 597000 - Maintenance Of Meters | 184,406.03 | 132,536.54 |

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|---|---|
| ACTG PRD YEAR | 2007 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| Account Number | Account Description | Total Sum of Actl Dollars | Total Sum of Budget Dollars |
|---|---|---|---|
| 598000 | 598000 - Maint Misc Distribution Plant | 373.83 | 0.00 |
| 717000 | 717000 - Liq Petro Gas Exp-Vapor Proc | 21,767.00 | 67,673.64 |
| 728000 | 728000 - Liquid Petroleum Gas | 7,949.39 | 0.00 |
| 735000 | 735000 - Gas Misc Production Exp | 41,485.02 | 7,080.95 |
| 742000 | 742000 - Maint Gas Production Equipment | 194,989.23 | 0.00 |
| 807000 | 807000 - Gas Purchased Expenses | 234,601.17 | 266,112.07 |
| 856000 | 856000 - Transmission Mains Exp - Gas | 625.81 | 0.00 |
| 859000 | 859000 - Other Exp-Trans Sys Equip/Exp | 1,059.25 | 2,415.65 |
| 870000 | 870000 - Distribution Sys Ops-Supv/Engr | 117,994.33 | 68,624.53 |
| 871000 | 871000 - Distribution Load Dispatching | 97,863.45 | 75,731.59 |
| 874000 | 874000 - Mains And Services | 638,050.71 | 674,161.15 |
| 875000 | 875000 - Measuring And Reg Stations-Gen | 5,158.26 | 31,105.46 |
| 876000 | 876000 - Measuring & Reg Station-Indust | 34,141.18 | 14,233.97 |
| 878000 | 878000 - Meter And House Regulator Exp | 619,502.46 | 237,281.81 |
| 879000 | 879000 - Customer Installation Expenses | 420,563.80 | 497,980.63 |
| 880000 | 880000 - Gas Distribution-Other Expense | 594,352.22 | 738,911.98 |
| 885000 | 885000 - Maint Dist Sys Fac- Supv/Engr | 35,077.00 | 32,909.90 |
| 887000 | 887000 - Maintenance of Mains | 228,542.18 | 355,261.49 |
| 889000 | 889000 - Maint-Meas/Reg Stn Equip-Gas | 40,039.93 | 28,307.67 |
| 890000 | 890000 - Maint - Meas/Reg Stn Eq-Indust | 175.07 | 0.00 |
| 892000 | 892000 - Maintenance of Services | 90,054.12 | 48,699.45 |
| 893000 | 893000 - Maint - Meters And House Regul | 276,235.04 | 0.00 |
| 894000 | 894000 - Maint-Other Distribution Equip | 42,395.78 | 23,308.76 |
| 901000 | 901000 - Supv Cust Bill / Collect | 22,898.60 | 24,069.28 |
| 902000 | 902000 - Meter Reading | 1,220,873.98 | 1,276,514.31 |
| 903000 | 903000 - Cust Rec/Coll - Mrkt Ops | 3,170,791.31 | 3,402,024.65 |
| 908000 | 908000 - Corporate Planning Cust Asst | 379,054.52 | 285,530.51 |
| 910000 | 910000 - Misc Cust Serv And Info | 349,210.76 | 8,039.05 |
| 911000 | 911000 - Supv-Marketing Operations | 0.00 | 0.00 |
| 920000 | 920000 - A/G Labor | 4,960,411.97 | 2,690,691.50 |
| 921000 | 921000 - A/G Office Supplies and Exp | 21,740.64 | 0.00 |
| 921100 | 921100 - A/G Operations Expense | 1,661.79 | 0.00 |
| 923000 | 923000 - Outside Services | 7,759.11 | 0.00 |
| 925000 | 925000 - Injuries And Damages | 2,277.54 | 0.00 |
| 930202 | 930202 - A/G Misc General Expense | 646.39 | 0.00 |
| 935000 | 935000 - Maint of General Plant | 252,050.71 | 43,063.43 |
| 999990 | 999990 - Clearing Account | 0.00 | 0.00 |
| Grand Total | | 39,729,885.51 | 45,312,621.83 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Data | Res Desc | | | | |
|---|---|---|---|---|---|---|---|
| | | Sum of Actl Dollars | | | | | |
| Account Number | Account Description | Exempt | Non-exempt | Union | Exempt OT | Non-exempt OT | Union OT |
| 107000 | 107000 - Construct Work in Prog - Utility Plant | 3,634,753.61 | 169,907.97 | 7,026,358.57 | 240,399.42 | 7,114.51 | 1,054,823.12 |
| 107500 | 107500 - Construct Work in Progress-Non-reg Prodn | | (30.25) | 1,001.41 | | | 515.04 |
| 107890 | 107890 - CWIP - nonregulated - No work order | 26.85 | | | | | |
| 108410 | 108410 - Retirement Work in Prog - Utility Plant | 44,735.24 | 96.01 | 538,638.93 | 3,991.93 | | 85,808.99 |
| 163000 | 163000 - Stores Expense - Non Production | 16,137.34 | 2,302.30 | | | 136.76 | |
| 182401 | 182401 - Deferred DSM Costs | 65,902.08 | 4,613.39 | 9,610.08 | | | |
| 182940 | 182940 - ULHP 2006 Electric Rate Case | | 376.65 | | | 4,164.78 | 1,794.69 |
| 183112 | 183112 - Prelim Sur And Invest New Gen | 9,786.68 | 969.07 | 4,385.36 | 8,327.91 | | 45.95 |
| 184100 | 184100 - Fringe Benefits Expense | | | 0.00 | | | |
| 184410 | 184410 - Transportation Exp - Need Vehicle ID | 0.00 | 0.00 | 278,482.91 | | 0.00 | 17,845.35 |
| 184420 | 184420 - Transportation Expense | 52,590.39 | 6,733.16 | 65,949.86 | | 106.74 | 3,030.53 |
| 184600 | 184600 - Indirect Labor - Non-union | 129,058.43 | 2,227.84 | 1,840.80 | | | |
| 184610 | 184610 - Indirect Labor - Union | 11,384.62 | | 2,176,832.14 | 170.57 | | 9,041.21 |
| 185000 | 185000 - Temporary Facilities | 1,660.20 | 454.61 | 97,541.71 | | 0.15 | 3,863.52 |
| 186001 | 186001 - Misc Deferred Costs | 1,009.20 | | 26,034.17 | 222.87 | | 2,762.25 |
| 186500 | 186500 - Misc Deferred Debits | (178.40) | | 1,153.25 | 4,448.44 | | |
| 415520 | 415520 - Othr Inc Electric Jobbing | | | 799.00 | | | |
| 416000 | 416000 - Exp-Jobbing & Contract Work | 963.80 | 185.80 | 31,508.20 | | | 1,680.72 |
| 416100 | 416100 - Gas-Job&Contracts-Misc Gen Exp | 2,155.00 | | 48,328.23 | 1,641.29 | | 20,526.79 |
| 416140 | 416140 - GasJob-Cust Prop Third Pty Exp | 527.95 | | 6,426.14 | | | 2,229.04 |
| 416150 | 416150 - Gas Job-Lighting Pilot Cu Exp | 134.43 | | 308.81 | | | 65.95 |
| 416170 | 416170 - Gas Jobbing Renew Serv 2 Exp | 1,236.52 | | 3,372.87 | | | |
| 416180 | 416180 - Gas Job-Install Serv 2 Exp | 260.53 | | 1,928.56 | | | |
| 416320 | 416320 - Elec Jobbing - Specific T&M | 5,347.31 | | 11,011.45 | | | 2,917.74 |
| 416330 | 416330 - Elec Job-Specific Flat Charge | 257.16 | | 13,176.97 | | | 2,757.61 |
| 426410 | 426410 - Misc Inc Deduct - Civic/Poli | 7,440.03 | 365.24 | | | 0.00 | |
| 426415 | 426415 - Misc Inc Deduct - Civic/Poli | 3,954.28 | | | | | |
| 500000 | 500000 - Supervision And Engineering | 1,882,250.98 | 24,493.57 | 44,214.47 | 64,058.34 | 251.14 | 4,309.64 |
| 501008 | 501008 - Fuel Handling Expense | 64,802.25 | | 166,620.09 | 1,788.09 | | 19,603.42 |
| 501020 | 501020 - Fuel Procurement And Handling | 66,551.65 | 0.00 | | | | |
| 501300 | 501300 - Residual Disposal Costs | 42,445.38 | 926.90 | 124,277.29 | 359.37 | | 9,126.71 |
| 501500 | 501500 - Fuel Handling Expense | 48,850.85 | | 102,418.85 | 1,846.91 | | 14,393.90 |
| 501501 | 501501 - Fuel Procurement And Handling | 2,908.59 | | | | | |
| 501502 | 501502 - Residual Disposal Costs | 13,900.44 | 354.30 | 53,132.33 | 59.90 | | 4,584.40 |
| 502000 | 502000 - Steam Expenses | | 9.02 | 1,765,482.75 | 10.36 | | 186,309.80 |
| 502050 | 502050 - Limestone Handling | | | 28.26 | | | 79.31 |
| 505000 | 505000 - Electric Expenses | | | 658,056.37 | | | 91,665.17 |
| 506000 | 506000 - Miscellaneous Steam Power Exp | 54,369.93 | 11,474.18 | 659,873.46 | 1,033.15 | 126.15 | 63,131.52 |
| 510000 | 510000 - Maint - Supervision/Engineer | 528,622.15 | 51,910.72 | 108,483.91 | 67,716.56 | 496.98 | 10,259.35 |
| 511000 | 511000 - Maintenance of Structures | 2,712.20 | 4,752.59 | 236,594.03 | | 281.64 | 13,548.75 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Data | Res Desc | | | | |
|---|---|---|---|---|---|---|---|
| | | Sum of Actl Dollars | | | | | |
| Account Number | Account Description | Exempt | Non-exempt | Union | Exempt OT | Non-exempt OT | Union OT |
| 512000 | 512000 - Maintenance of Boiler Plant | 43,843.47 | 6,888.75 | 1,632,563.98 | 14,092.34 | 383.74 | 335,332.51 |
| 512030 | 512030 - Maint of Boiler Plant - FGD | | | 741.02 | | | |
| 512100 | 512100 - Removal - Boiler Plant | 275.51 | 32.53 | 2,512.96 | | | 406.45 |
| 512251 | 512251 - Maint of Boiler Plant-TM Over | 15,471.43 | | | 818.40 | | |
| 513000 | 513000 - Maintenance of Electric Plant | 4,894.33 | 422.97 | 251,640.35 | 1,687.96 | | 52,001.63 |
| 514000 | 514000 - Maint Misc Steam Plant | 1,035.89 | 450.97 | 124,444.85 | 76.34 | | 7,781.64 |
| 546000 | 546000 - Other Power - Supv/Engr Labor | 190,992.67 | 14,413.80 | | 4,308.53 | 89.52 | |
| 548000 | 548000 - Other Power-Ops Generation Exp | | 931.95 | 371,944.92 | | | 72,873.59 |
| 549000 | 549000 - Misc Other Power Gen Exp | 23,091.80 | | 69,786.22 | | | 3,374.59 |
| 551000 | 551000 - Other Pwr - Maint Supv/Engr | 16,827.97 | | | 0.00 | | |
| 552000 | 552000 - Other Pwr - Maint of Structure | | | 19,587.39 | | | 2,664.10 |
| 552100 | 552100 - Removal - Oth Pwr Structures | | | 1,246.73 | | | (684.00) |
| 553000 | 553000 - Other Pwr-Maint Genrating/Elec | 7,954.54 | | 89,454.26 | 2,509.91 | | 34,696.01 |
| 554000 | 554000 - Other Pwr - Maint Misc Equip | | | 1,297.52 | | | |
| 554100 | 554100 - Removal - Oth Pwr Misc Equip | | | 746.05 | | | |
| 556000 | 556000 - System Control / Load Dispatch | 84,996.03 | | | 5,129.62 | | |
| 560000 | 560000 - Operation Supervision/Engineer | 44,269.11 | 126.64 | 5,757.57 | 720.00 | 0.47 | |
| 561000 | 561000 - Load Dispatching | 181,286.45 | 4,605.81 | 15,455.61 | 4,810.45 | 0.00 | 647.20 |
| 562000 | 562000 - Station Expenses | 698.13 | 42.36 | 9,699.07 | | | 918.14 |
| 563000 | 563000 - Overhead Line Expenses | | | 1,971.22 | 4.63 | | 115.76 |
| 566000 | 566000 - Miscellaneous Transmission Exp | 5,124.14 | 191.54 | 572.18 | 0.00 | | 4.93 |
| 568000 | 568000 - Maintenance Superv/Engineeri | 7,589.92 | 226.67 | 45.34 | 4.46 | 53.64 | 6.93 |
| 569000 | 569000 - Maintenance of Structures | | | 4,196.58 | | | 0.00 |
| 570000 | 570000 - Maint Of Station Equipment | 179.83 | | 54,116.44 | | | 9,424.39 |
| 570100 | 570100 - Removal-Station Equip-Step-Up | 292.92 | | | | | |
| 570860 | 570860 - Maint Of Substation Equipment | | | 2,848.74 | | | 142.94 |
| 571000 | 571000 - Maintenance Of Overhead Lines | 30,209.30 | 2,305.16 | 5,675.74 | 25.34 | | 1,107.56 |
| 580000 | 580000 - Ops Supv/Engr - Distr Sys | 85,773.15 | 4,493.34 | 97,131.95 | (2,035.97) | 29.23 | 5,256.24 |
| 581000 | 581000 - Load Dispatch-Dist of Elec | 28,546.83 | 526.31 | 56,449.32 | 222.92 | 5.27 | 2,630.02 |
| 582000 | 582000 - Station Exp-Distribution Sys | 989.66 | 158.85 | 111,579.13 | | | 9,589.77 |
| 583000 | 583000 - Ovhd Line Exp-Distribution Sys | 18,401.21 | 2,113.86 | 132,364.40 | 4,422.12 | | 103,846.86 |
| 584000 | 584000 - UG Line Exp - Distribution Sys | 4,731.42 | | 36,009.21 | | | 6,568.03 |
| 585000 | 585000 - Street Lighting/Signal System | | | 1,222.38 | | | |
| 586000 | 586000 - Meter Expenses | 0.00 | 0.00 | 124,721.76 | | 0.00 | 6,199.04 |
| 587000 | 587000 - Customer Installations Expense | | | 239,681.11 | | | 36,667.19 |
| 588000 | 588000 - Miscellaneous Distribution Exp | 40,338.95 | 2,727.13 | 96,368.40 | 329.99 | 1,394.09 | 2,917.04 |
| 590000 | 590000 - Maint Supv/Engr-Dist Sys | 111,598.51 | 901.78 | 45,866.74 | 494.15 | 118.54 | 973.03 |
| 591000 | 591000 - Maintenance of Structures | | 275.34 | 25,246.13 | | | 77.04 |
| 592000 | 592000 - Maint Of Station Equipment | 170.11 | | 156,710.05 | 448.59 | | 17,294.17 |
| 593000 | 593000 - Maintenance Of Overhead Lines | 40,634.41 | 3,438.07 | 453,168.39 | 4,322.52 | | 249,474.88 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Data | Res Desc | | | | |
|---|---|---|---|---|---|---|---|
| | | Sum of Actl Dollars | | | | | |
| Account Number | Account Description | Exempt | Non-exempt | Union | Exempt OT | Non-exempt OT | Union OT |
| 594000 | 594000 - Maint Of Underground Line | 382.52 | | 55,008.75 | 273.22 | | 54,117.10 |
| 595000 | 595000 - Maint Of Line Transformers | 803.40 | | 54,709.38 | | | 18,976.65 |
| 596000 | 596000 - Maint Of Street Lights/Signals | | | 75,764.12 | | | 16,282.66 |
| 597000 | 597000 - Maintenance Of Meters | 7,273.51 | 0.00 | 142,251.43 | | | 9,640.58 |
| 717000 | 717000 - Liq Petro Gas Exp-Vapor Proc | 6,238.47 | | 121,721.24 | 11,847.74 | | 0.00 |
| 735000 | 735000 - Gas Misc Production Exp | 366.92 | | 12,141.66 | | | 2,388.85 |
| 742000 | 742000 - Maint Gas Production Equipment | 9,953.21 | | 65,785.74 | 588.89 | | 216.99 |
| 807000 | 807000 - Gas Purchased Expenses | 183,880.61 | | 29,776.44 | 1,952.38 | | 1,319.51 |
| 859000 | 859000 - Other Exp-Trans Sys Equip/Exp | | | 874.55 | | | 54.69 |
| 870000 | 870000 - Distribution Sys Ops-Supv/Engr | 103,477.09 | 3,195.77 | 5,339.59 | 5,836.49 | | 225.34 |
| 871000 | 871000 - Distribution Load Dispatching | 91,304.45 | | 584.60 | 3,463.10 | | 281.66 |
| 874000 | 874000 - Mains And Services | 49,826.62 | | 549,852.37 | 858.52 | | 18,687.34 |
| 875000 | 875000 - Measuring And Reg Stations-Gen | 2,022.56 | | 10,714.36 | | | |
| 876000 | 876000 - Measuring & Reg Station-Indust | 0.00 | | 22,758.31 | | | 141.28 |
| 878000 | 878000 - Meter And House Regulator Exp | 249.77 | | 255,946.78 | 79.88 | | 168,310.93 |
| 879000 | 879000 - Customer Installation Expenses | 9,698.92 | | 397,312.39 | 391.42 | | 47,763.06 |
| 880000 | 880000 - Gas Distribution-Other Expense | 82,667.44 | 3,772.07 | 486,322.70 | 1,410.81 | 42.33 | 74,405.55 |
| 885000 | 885000 - Maint Dist Sys Fac- Supv/Engr | 33,475.18 | 1,475.07 | 4,824.10 | 2,650.25 | | 103.99 |
| 887000 | 887000 - Maintenance of Mains | 18,009.46 | | 344,594.93 | 20,532.66 | | 22,982.88 |
| 889000 | 889000 - Maint-Meas/Reg Stn Equip-Gas | 1,470.82 | | 30,315.92 | 42.33 | | 1,982.52 |
| 890000 | 890000 - Maint - Meas/Reg Stn Eq-Indust | | | 265.70 | | | |
| 892000 | 892000 - Maintenance of Services | 3,794.09 | | 65,680.73 | 240.52 | | 7,500.69 |
| 893000 | 893000 - Maint - Meters And House Regul | | | 220,703.98 | | | 23,094.74 |
| 894000 | 894000 - Maint-Other Distribution Equip | 1,006.63 | | 13,247.89 | 245.51 | | 3,833.62 |
| 901000 | 901000 - Supv Cust Bill / Collect | 30,004.29 | 5,349.08 | | | 372.86 | |
| 902000 | 902000 - Meter Reading | 54,139.50 | 3,951.75 | 1,205,533.00 | 27.93 | 214.96 | 23,844.17 |
| 903000 | 903000 - Cust Rec/Coll - Mrkt Ops | 1,031,559.42 | 269,304.53 | 1,852,592.02 | 5,886.10 | 27,499.85 | 180,766.28 |
| 905000 | 905000 - Cust Reltns Bill/Coll | 6,633.16 | | | | | |
| 908000 | 908000 - Corporate Planning Cust Asst | 122,663.86 | | 120,252.83 | 0.00 | | 4,970.19 |
| 910000 | 910000 - Misc Cust Serv And Info | 416,879.55 | 27,362.23 | 5,169.34 | 3,656.68 | 313.90 | |
| 920000 | 920000 - A/G Labor | 3,102,479.47 | 267,467.30 | 137,621.07 | 77,556.36 | 4,866.87 | 2,797.78 |
| 920450 | 920450 - A/G Labor - Elec -Billed DPL | | | (59,231.70) | | | |
| 921000 | 921000 - A/G Office Supplies and Exp | 2,689.14 | 22.87 | 235.89 | 149.83 | 8.54 | 205.04 |
| 921100 | 921100 - A/G Operations Expense | 2,813.61 | | | | | |
| 923000 | 923000 - Outside Services | 4,798.14 | 1.12 | | | 2.09 | |
| 925000 | 925000 - Injuries And Damages | | | 698.17 | | | |
| 930202 | 930202 - A/G Misc General Expense | 18,694.39 | | 1,248.81 | 15.70 | | 768.55 |
| 935000 | 935000 - Maint of General Plant | | | 217,757.90 | | | 4,682.47 |
| Grand Total | | 13,086,031.56 | 909,298.69 | 24,955,069.93 | 576,173.73 | 48,074.75 | 3,279,373.26 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Sum of Budget Dollars | | | | | |
|---|---|---|---|---|---|---|---|
| Account Number | Account Description | Exempt | Non-exempt | Union | Exempt OT | Non-exempt OT | Union OT |
| 107000 | 107000 - Construct Work in Prog - Utility Plant | 6,676,096.16 | 285,943.99 | 13,270,409.69 | 65,979.72 | 1,958.10 | 818,912.02 |
| 107500 | 107500 - Construct Work in Progress-Non-reg Prodn | | 0.00 | 6,547.31 | | | 982.04 |
| 107890 | 107890 - CWIP - nonregulated - No work order | 0.00 | | | | | |
| 108410 | 108410 - Retirement Work in Prog - Utility Plant | 59,832.00 | 0.00 | 867,085.18 | 0.00 | | 69,792.96 |
| 163000 | 163000 - Stores Expense - Non Production | 29,132.98 | 4,266.96 | | | 192.00 | |
| 182401 | 182401 - Deferred DSM Costs | 53,289.17 | 15,441.74 | 6,063.30 | | | |
| 182940 | 182940 - ULHP 2006 Electric Rate Case | | 0.00 | | | 0.00 | 0.00 |
| 183112 | 183112 - Prelim Sur And Invest New Gen | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 |
| 184100 | 184100 - Fringe Benefits Expense | | | 0.00 | | | |
| 184410 | 184410 - Transportation Exp - Need Vehicle ID | 53,007.88 | 7,597.95 | 422,263.30 | | 99.74 | 43,263.65 |
| 184420 | 184420 - Transportation Expense | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 |
| 184600 | 184600 - Indirect Labor - Non-union | 389,100.11 | 8,839.16 | 0.00 | | | |
| 184610 | 184610 - Indirect Labor - Union | 1,418.70 | | 2,007,675.18 | 0.00 | | 66,581.34 |
| 185000 | 185000 - Temporary Facilities | 1,694.71 | 558.92 | 15,735.78 | | 39.89 | 1,345.23 |
| 186001 | 186001 - Misc Deferred Costs | 0.00 | | 0.00 | 0.00 | | 0.00 |
| 186500 | 186500 - Misc Deferred Debits | 0.00 | | 0.00 | 0.00 | | |
| 415520 | 415520 - Othr Inc Electric Jobbing | | | 0.00 | | | |
| 416000 | 416000 - Exp-Jobbing & Contract Work | 1,529.68 | 0.00 | 0.00 | | | 0.00 |
| 416100 | 416100 - Gas-Job&Contracts-Misc Gen Exp | 0.00 | | 0.00 | 0.00 | | 0.00 |
| 416140 | 416140 - GasJob-Cust Prop Third Pty Exp | 966.63 | | 43,807.00 | | | 0.00 |
| 416150 | 416150 - Gas Job-Lighting Pilot Cu Exp | 0.00 | | 0.00 | | | 0.00 |
| 416170 | 416170 - Gas Jobbing Renew Serv 2 Exp | 0.00 | | 0.00 | | | |
| 416180 | 416180 - Gas Job-Install Serv 2 Exp | 1,334.90 | | 6,218.02 | | | |
| 416320 | 416320 - Elec Jobbing - Specific T&M | 0.00 | | 0.00 | | | 0.00 |
| 416330 | 416330 - Elec Job-Specific Flat Charge | 0.00 | | 0.00 | | | 0.00 |
| 426410 | 426410 - Misc Inc Deduct - Civic/Poli | 97,330.63 | 1,485.91 | | | 24.59 | |
| 426415 | 426415 - Misc Inc Deduct - Civic/Poli | 0.00 | | | | | |
| 500000 | 500000 - Supervision And Engineering | 1,839,293.48 | 20,950.76 | 18,930.13 | 48,745.27 | 0.00 | 0.00 |
| 501008 | 501008 - Fuel Handling Expense | 10,728.12 | | 341,643.35 | 968.90 | | 49,523.49 |
| 501020 | 501020 - Fuel Procurement And Handling | 62,220.09 | 4,481.46 | | | | |
| 501300 | 501300 - Residual Disposal Costs | 55,740.53 | 5,111.01 | 160,321.11 | 0.00 | | 24,097.02 |
| 501500 | 501500 - Fuel Handling Expense | 0.00 | | 0.00 | 0.00 | | 0.00 |
| 501501 | 501501 - Fuel Procurement And Handling | 0.00 | | | | | |
| 501502 | 501502 - Residual Disposal Costs | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 |
| 502000 | 502000 - Steam Expenses | | 0.00 | 1,283,872.07 | 0.00 | | 146,570.70 |
| 502050 | 502050 - Limestone Handling | | | 0.00 | | | 0.00 |
| 505000 | 505000 - Electric Expenses | | | 286,870.64 | | | 33,509.46 |
| 506000 | 506000 - Miscellaneous Steam Power Exp | 144,470.40 | 26,843.68 | 1,356,587.34 | 0.00 | 181.69 | 153,196.70 |
| 510000 | 510000 - Maint - Supervision/Engineer | 751,023.10 | 58,843.89 | 94,575.80 | 43,199.82 | 3,109.06 | 7,109.11 |
| 511000 | 511000 - Maintenance of Structures | 0.00 | 6,176.96 | 204,629.71 | | 0.00 | 23,219.73 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Sum of Budget Dollars | | | | | |
|---|---|---|---|---|---|---|---|
| Account Number | Account Description | Exempt | Non-exempt | Union | Exempt OT | Non-exempt OT | Union OT |
| 512000 | 512000 - Maintenance of Boiler Plant | 0.00 | 0.00 | 1,176,820.51 | 0.00 | 0.00 | 124,469.00 |
| 512030 | 512030 - Maint of Boiler Plant - FGD | | | 0.00 | | | |
| 512100 | 512100 - Removal - Boiler Plant | 0.00 | 0.00 | 0.00 | | | 0.00 |
| 512251 | 512251 - Maint of Boiler Plant-TM Over | 3,834.95 | | | 1,917.48 | | |
| 513000 | 513000 - Maintenance of Electric Plant | 0.00 | 0.00 | 242,373.91 | 0.00 | | 24,467.18 |
| 514000 | 514000 - Maint Misc Steam Plant | 17,808.16 | 0.00 | 113,067.71 | 2,624.64 | | 10,710.23 |
| 546000 | 546000 - Other Power - Supv/Engr Labor | 358,778.88 | 23,990.91 | | 3,971.69 | 0.00 | |
| 548000 | 548000 - Other Power-Ops Generation Exp | | 0.00 | 417,815.35 | | | 64,918.78 |
| 549000 | 549000 - Misc Other Power Gen Exp | 46,910.92 | | 148,743.86 | | | 7,437.43 |
| 551000 | 551000 - Other Pwr - Maint Supv/Engr | 21,021.72 | | | 1,640.96 | | |
| 552000 | 552000 - Other Pwr - Maint of Structure | | | 0.00 | | | 0.00 |
| 552100 | 552100 - Removal - Oth Pwr Structures | | | 0.00 | | | 0.00 |
| 553000 | 553000 - Other Pwr-Maint Genrating/Elec | 0.00 | | 178,606.17 | 0.00 | | 0.00 |
| 554000 | 554000 - Other Pwr - Maint Misc Equip | | | 0.00 | | | |
| 554100 | 554100 - Removal - Oth Pwr Misc Equip | | | 0.00 | | | |
| 556000 | 556000 - System Control / Load Dispatch | 36,844.21 | | | 1,105.35 | | |
| 560000 | 560000 - Operation Supervision/Engineer | 32,990.05 | 4,681.59 | 6,490.64 | 0.00 | 115.93 | |
| 561000 | 561000 - Load Dispatching | 169,843.31 | 779.53 | 2,304.38 | 6,015.42 | 56.66 | 371.17 |
| 562000 | 562000 - Station Expenses | 3,040.19 | 0.00 | 540.95 | | | 0.00 |
| 563000 | 563000 - Overhead Line Expenses | | | 0.00 | 0.00 | | 0.00 |
| 566000 | 566000 - Miscellaneous Transmission Exp | 16,749.04 | 229.98 | 0.00 | 670.57 | | 0.00 |
| 568000 | 568000 - Maintenance Superv/Engineeri | 23,918.80 | 2,409.43 | 35,206.90 | 0.00 | 72.28 | 2,594.38 |
| 569000 | 569000 - Maintenance of Structures | | | 54,533.37 | | | 2,626.81 |
| 570000 | 570000 - Maint Of Station Equipment | 0.00 | | 1,535.12 | | | 0.00 |
| 570100 | 570100 - Removal-Station Equip-Step-Up | 0.00 | | | | | |
| 570860 | 570860 - Maint Of Substation Equipment | | | 0.00 | | | 0.00 |
| 571000 | 571000 - Maintenance Of Overhead Lines | 11,974.18 | 1,132.53 | 59,293.46 | 359.23 | | 17,798.51 |
| 580000 | 580000 - Ops Supv/Engr - Distr Sys | 211,079.64 | 7,683.47 | 111,406.30 | 15,449.14 | 139.54 | 19,456.79 |
| 581000 | 581000 - Load Dispatch-Dist of Elec | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 582000 | 582000 - Station Exp-Distribution Sys | 0.00 | 0.00 | 16,522.72 | | | 2,478.35 |
| 583000 | 583000 - Ovhd Line Exp-Distribution Sys | 0.00 | 0.00 | 177,880.52 | 0.00 | | 53,343.14 |
| 584000 | 584000 - UG Line Exp - Distribution Sys | 10,369.71 | | 12,402.84 | | | 0.00 |
| 585000 | 585000 - Street Lighting/Signal System | | | 0.00 | | | |
| 586000 | 586000 - Meter Expenses | 71,914.92 | 4,418.95 | 278,366.66 | | 466.34 | 14,734.50 |
| 587000 | 587000 - Customer Installations Expense | | | 177,145.33 | | | 1,739.50 |
| 588000 | 588000 - Miscellaneous Distribution Exp | 75,985.39 | 6,373.36 | 69,406.67 | 1,925.81 | 139.54 | 580.36 |
| 590000 | 590000 - Maint Supv/Engr-Dist Sys | 196,564.09 | 7,465.02 | 46,050.93 | 14,675.85 | 72.28 | 9,759.77 |
| 591000 | 591000 - Maintenance of Structures | | 0.00 | 0.00 | | | 0.00 |
| 592000 | 592000 - Maint Of Station Equipment | 0.00 | | 33,500.39 | 0.00 | | 5,325.18 |
| 593000 | 593000 - Maintenance Of Overhead Lines | 0.00 | 0.00 | 772,763.09 | 0.00 | | 231,223.69 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| | | Sum of Budget Dollars | | | | | |
|---|---|---|---|---|---|---|---|
| Account Number | Account Description | Exempt | Non-exempt | Union | Exempt OT | Non-exempt OT | Union OT |
| 594000 | 594000 - Maint Of Underground Line | 0.00 | | 118,587.01 | 0.00 | | 35,597.05 |
| 595000 | 595000 - Maint Of Line Transformers | 0.00 | | 59,293.46 | | | 17,798.51 |
| 596000 | 596000 - Maint Of Street Lights/Signals | | | 0.00 | | | 0.00 |
| 597000 | 597000 - Maintenance Of Meters | 0.00 | 435.90 | 120,716.48 | | | 11,089.41 |
| 717000 | 717000 - Liq Petro Gas Exp-Vapor Proc | 21,536.14 | | 66,542.33 | 2,128.65 | | 15,530.33 |
| 735000 | 735000 - Gas Misc Production Exp | 0.00 | | 6,810.29 | | | 0.00 |
| 742000 | 742000 - Maint Gas Production Equipment | 0.00 | | 0.00 | 0.00 | | 0.00 |
| 807000 | 807000 - Gas Purchased Expenses | 199,683.58 | | 35,058.77 | 0.00 | | 0.00 |
| 859000 | 859000 - Other Exp-Trans Sys Equip/Exp | | | 0.00 | | | 0.00 |
| 870000 | 870000 - Distribution Sys Ops-Supv/Engr | 54,259.61 | 3,390.86 | 3,125.09 | 0.00 | | 387.12 |
| 871000 | 871000 - Distribution Load Dispatching | 79,656.26 | | 0.00 | 0.00 | | 0.00 |
| 874000 | 874000 - Mains And Services | 72,058.09 | | 562,323.07 | 2,128.65 | | 151,818.48 |
| 875000 | 875000 - Measuring And Reg Stations-Gen | 9,912.40 | | 20,200.37 | | | |
| 876000 | 876000 - Measuring & Reg Station-Indust | 4,425.18 | | 24,841.40 | | | 3,032.20 |
| 878000 | 878000 - Meter And House Regulator Exp | 2,283.54 | | 303,604.71 | 0.00 | | 42,700.92 |
| 879000 | 879000 - Customer Installation Expenses | 1,369.90 | | 353,264.29 | 27,781.42 | | 101,736.84 |
| 880000 | 880000 - Gas Distribution-Other Expense | 83,748.89 | 5,638.02 | 467,477.45 | 0.00 | 0.00 | 13,677.35 |
| 885000 | 885000 - Maint Dist Sys Fac- Supv/Engr | 139,116.89 | 1,545.70 | 10,642.08 | 0.00 | | 629.37 |
| 887000 | 887000 - Maintenance of Mains | 51,035.63 | | 499,690.33 | 0.00 | | 47,935.30 |
| 889000 | 889000 - Maint-Meas/Reg Stn Equip-Gas | 0.00 | | 20,146.58 | 0.00 | | 0.00 |
| 890000 | 890000 - Maint - Meas/Reg Stn Eq-Indust | | | 0.00 | | | |
| 892000 | 892000 - Maintenance of Services | 10,144.88 | | 100,533.49 | 0.00 | | 5,188.80 |
| 893000 | 893000 - Maint - Meters And House Regul | | | 145,887.18 | | | 25,269.12 |
| 894000 | 894000 - Maint-Other Distribution Equip | 0.00 | | 9,380.19 | 0.00 | | 1,214.76 |
| 901000 | 901000 - Supv Cust Bill / Collect | 60,519.90 | 0.00 | | | 0.00 | |
| 902000 | 902000 - Meter Reading | 66,308.81 | 6,389.93 | 1,202,471.51 | 0.00 | 537.11 | 16,034.64 |
| 903000 | 903000 - Cust Rec/Coll - Mrkt Ops | 906,056.54 | 316,945.94 | 2,005,269.93 | 0.00 | 11,756.92 | 265,944.41 |
| 905000 | 905000 - Cust Reltns Bill/Coll | 0.00 | | | | | |
| 908000 | 908000 - Corporate Planning Cust Asst | 138,346.72 | | 113,046.17 | 1,464.19 | | 0.00 |
| 910000 | 910000 - Misc Cust Serv And Info | 407,124.76 | 65,559.16 | 4,433.45 | 0.00 | 1,418.30 | |
| 920000 | 920000 - A/G Labor | 5,326,229.21 | 464,078.17 | 204,559.08 | 0.00 | 5,750.98 | 4,590.16 |
| 920450 | 920450 - A/G Labor - Elec -Billed DPL | | | (236,926.80) | | | |
| 921000 | 921000 - A/G Office Supplies and Exp | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 921100 | 921100 - A/G Operations Expense | 0.00 | | | | | |
| 923000 | 923000 - Outside Services | 0.00 | 0.00 | | | 0.00 | |
| 925000 | 925000 - Injuries And Damages | | | 0.00 | | | |
| 930202 | 930202 - A/G Misc General Expense | 0.00 | | 0.00 | 0.00 | | 0.00 |
| 935000 | 935000 - Maint of General Plant | | | 44,710.43 | | | 2,002.86 |
| Grand Total | | 19,171,654.36 | 1,369,690.84 | 30,791,701.03 | 242,752.76 | 26,130.95 | 2,794,315.85 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| Account Number | Account Description | Total Sum of Actl Dollars | Total Sum of Budget Dollars |
|---|---|---|---|
| 107000 | 107000 - Construct Work in Prog - Utility Plant | 12,133,357.20 | 21,119,299.68 |
| 107500 | 107500 - Construct Work in Progress-Non-reg Prodn | 1,486.20 | 7,529.35 |
| 107890 | 107890 - CWIP - nonregulated - No work order | 26.85 | 0.00 |
| 108410 | 108410 - Retirement Work in Prog - Utility Plant | 673,271.10 | 996,710.14 |
| 163000 | 163000 - Stores Expense - Non Production | 18,576.40 | 33,591.94 |
| 182401 | 182401 - Deferred DSM Costs | 80,125.55 | 74,794.21 |
| 182940 | 182940 - ULHP 2006 Electric Rate Case | 6,336.12 | 0.00 |
| 183112 | 183112 - Prelim Sur And Invest New Gen | 23,514.97 | 0.00 |
| 184100 | 184100 - Fringe Benefits Expense | 0.00 | 0.00 |
| 184410 | 184410 - Transportation Exp - Need Vehicle ID | 296,328.26 | 526,232.52 |
| 184420 | 184420 - Transportation Expense | 128,410.68 | 0.00 |
| 184600 | 184600 - Indirect Labor - Non-union | 133,127.07 | 397,939.27 |
| 184610 | 184610 - Indirect Labor - Union | 2,197,428.54 | 2,075,675.22 |
| 185000 | 185000 - Temporary Facilities | 103,520.19 | 19,374.53 |
| 186001 | 186001 - Misc Deferred Costs | 30,028.49 | 0.00 |
| 186500 | 186500 - Misc Deferred Debits | 5,423.29 | 0.00 |
| 415520 | 415520 - Othr Inc Electric Jobbing | 799.00 | 0.00 |
| 416000 | 416000 - Exp-Jobbing & Contract Work | 34,338.52 | 1,529.68 |
| 416100 | 416100 - Gas-Job&Contracts-Misc Gen Exp | 72,651.31 | 0.00 |
| 416140 | 416140 - GasJob-Cust Prop Third Pty Exp | 9,183.13 | 44,773.63 |
| 416150 | 416150 - Gas Job-Lighting Pilot Cu Exp | 509.19 | 0.00 |
| 416170 | 416170 - Gas Jobbing Renew Serv 2 Exp | 4,609.39 | 0.00 |
| 416180 | 416180 - Gas Job-Install Serv 2 Exp | 2,189.09 | 7,552.92 |
| 416320 | 416320 - Elec Jobbing - Specific T&M | 19,276.50 | 0.00 |
| 416330 | 416330 - Elec Job-Specific Flat Charge | 16,191.74 | 0.00 |
| 426410 | 426410 - Misc Inc Deduct - Civic/Poli | 7,805.27 | 98,841.13 |
| 426415 | 426415 - Misc Inc Deduct - Civic/Poli | 3,954.28 | 0.00 |
| 500000 | 500000 - Supervision And Engineering | 2,019,578.14 | 1,927,919.64 |
| 501008 | 501008 - Fuel Handling Expense | 252,813.85 | 402,863.86 |
| 501020 | 501020 - Fuel Procurement And Handling | 66,551.65 | 66,701.55 |
| 501300 | 501300 - Residual Disposal Costs | 177,135.65 | 245,269.67 |
| 501500 | 501500 - Fuel Handling Expense | 167,510.51 | 0.00 |
| 501501 | 501501 - Fuel Procurement And Handling | 2,908.59 | 0.00 |
| 501502 | 501502 - Residual Disposal Costs | 72,031.37 | 0.00 |
| 502000 | 502000 - Steam Expenses | 1,951,811.93 | 1,430,442.77 |
| 502050 | 502050 - Limestone Handling | 107.57 | 0.00 |
| 505000 | 505000 - Electric Expenses | 749,721.54 | 320,380.10 |
| 506000 | 506000 - Miscellaneous Steam Power Exp | 790,008.39 | 1,681,279.81 |
| 510000 | 510000 - Maint - Supervision/Engineer | 767,489.67 | 957,860.78 |
| 511000 | 511000 - Maintenance of Structures | 257,889.21 | 234,026.40 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| Account Number | Account Description | Total Sum of Actl Dollars | Total Sum of Budget Dollars |
|---|---|---|---|
| 512000 | 512000 - Maintenance of Boiler Plant | 2,033,104.79 | 1,301,289.51 |
| 512030 | 512030 - Maint of Boiler Plant - FGD | 741.02 | 0.00 |
| 512100 | 512100 - Removal - Boiler Plant | 3,227 45 | 0.00 |
| 512251 | 512251 - Maint of Boiler Plant-TM Over | 16,289.83 | 5,752.43 |
| 513000 | 513000 - Maintenance of Electric Plant | 310,647.24 | 266,841.09 |
| 514000 | 514000 - Maint Misc Steam Plant | 133,789.69 | 144,210.74 |
| 546000 | 546000 - Other Power - Supv/Engr Labor | 209,804.52 | 386,741.48 |
| 548000 | 548000 - Other Power-Ops Generation Exp | 445,750.46 | 482,734.13 |
| 549000 | 549000 - Misc Other Power Gen Exp | 96,252.61 | 203,092.21 |
| 551000 | 551000 - Other Pwr - Maint Supv/Engr | 16,827.97 | 22,662.68 |
| 552000 | 552000 - Other Pwr - Maint of Structure | 22,251.49 | 0.00 |
| 552100 | 552100 - Removal - Oth Pwr Structures | 562.73 | 0.00 |
| 553000 | 553000 - Other Pwr-Maint Genrating/Elec | 134,614.72 | 178,606.17 |
| 554000 | 554000 - Other Pwr - Maint Misc Equip | 1,297.52 | 0.00 |
| 554100 | 554100 - Removal - Oth Pwr Misc Equip | 746.05 | 0.00 |
| 556000 | 556000 - System Control / Load Dispatch | 90,125.65 | 37,949.56 |
| 560000 | 560000 - Operation Supervision/Engineer | 50,873.79 | 44,278.21 |
| 561000 | 561000 - Load Dispatching | 206,805.52 | 179,370.47 |
| 562000 | 562000 - Station Expenses | 11,357.70 | 3,581.14 |
| 563000 | 563000 - Overhead Line Expenses | 2,091.61 | 0.00 |
| 566000 | 566000 - Miscellaneous Transmission Exp | 5,892.79 | 17,649.59 |
| 568000 | 568000 - Maintenance Superv/Engineeri | 7,926.96 | 64,201.79 |
| 569000 | 569000 - Maintenance of Structures | 4,196.58 | 57,160.18 |
| 570000 | 570000 - Maint Of Station Equipment | 63,720.66 | 1,535.12 |
| 570100 | 570100 - Removal-Station Equip-Step-Up | 292.92 | 0.00 |
| 570860 | 570860 - Maint Of Substation Equipment | 2,991.68 | 0.00 |
| 571000 | 571000 - Maintenance Of Overhead Lines | 39,323.10 | 90,557.91 |
| 580000 | 580000 - Ops Supv/Engr - Distr Sys | 190,647.94 | 365,214.88 |
| 581000 | 581000 - Load Dispatch-Dist of Elec | 88,380.67 | 0.00 |
| 582000 | 582000 - Station Exp-Distribution Sys | 122,317.41 | 19,001.07 |
| 583000 | 583000 - Ovhd Line Exp-Distribution Sys | 261,148.45 | 231,223.66 |
| 584000 | 584000 - UG Line Exp - Distribution Sys | 47,308.66 | 22,772.55 |
| 585000 | 585000 - Street Lighting/Signal System | 1,222.38 | 0.00 |
| 586000 | 586000 - Meter Expenses | 130,920.80 | 369,901.37 |
| 587000 | 587000 - Customer Installations Expense | 276,348.30 | 178,884.83 |
| 588000 | 588000 - Miscellaneous Distribution Exp | 144,075.60 | 154,411.13 |
| 590000 | 590000 - Maint Supv/Engr-Dist Sys | 159,952.75 | 274,587.94 |
| 591000 | 591000 - Maintenance of Structures | 25,598.51 | 0.00 |
| 592000 | 592000 - Maint Of Station Equipment | 174,622.92 | 38,825.57 |
| 593000 | 593000 - Maintenance Of Overhead Lines | 751,038.27 | 1,003,986.78 |

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|---|---|
| ACTG PRD YEAR | 2006 |
| Resp Corp | 070 |
| LOB | (All) |
| LOB Name | (All) |
| Resource Code | (Multiple Items) |
| Resource Desc | (All) |
| Res Code | (All) |

| Account Number | Account Description | Total Sum of Actl Dollars | Total Sum of Budget Dollars |
|---|---|---|---|
| 594000 | 594000 - Maint Of Underground Line | 109,781.59 | 154,184.06 |
| 595000 | 595000 - Maint Of Line Transformers | 74,489.43 | 77,091.97 |
| 596000 | 596000 - Maint Of Street Lights/Signals | 92,046.78 | 0.00 |
| 597000 | 597000 - Maintenance Of Meters | 159,165.52 | 132,241.79 |
| 717000 | 717000 - Liq Petro Gas Exp-Vapor Proc | 139,807.45 | 105,737.45 |
| 735000 | 735000 - Gas Misc Production Exp | 14,897.43 | 6,810.29 |
| 742000 | 742000 - Maint Gas Production Equipment | 76,544.83 | 0.00 |
| 807000 | 807000 - Gas Purchased Expenses | 216,928.94 | 234,742.35 |
| 859000 | 859000 - Other Exp-Trans Sys Equip/Exp | 929.24 | 0.00 |
| 870000 | 870000 - Distribution Sys Ops-Supv/Engr | 118,074.28 | 61,162.68 |
| 871000 | 871000 - Distribution Load Dispatching | 95,633.81 | 79,656.26 |
| 874000 | 874000 - Mains And Services | 619,224.85 | 788,328.29 |
| 875000 | 875000 - Measuring And Reg Stations-Gen | 12,736.92 | 30,112.77 |
| 876000 | 876000 - Measuring & Reg Station-Indust | 22,899.59 | 32,298.78 |
| 878000 | 878000 - Meter And House Regulator Exp | 424,587.36 | 348,589.17 |
| 879000 | 879000 - Customer Installation Expenses | 455,165.79 | 484,152.45 |
| 880000 | 880000 - Gas Distribution-Other Expense | 648,620.90 | 570,541.71 |
| 885000 | 885000 - Maint Dist Sys Fac- Supv/Engr | 42,528.59 | 151,934.04 |
| 887000 | 887000 - Maintenance of Mains | 406,119.93 | 598,661.26 |
| 889000 | 889000 - Maint-Meas/Reg Stn Equip-Gas | 33,811.59 | 20,146.58 |
| 890000 | 890000 - Maint - Meas/Reg Stn Eq-Indust | 265.70 | 0.00 |
| 892000 | 892000 - Maintenance of Services | 77,216.03 | 115,867.17 |
| 893000 | 893000 - Maint - Meters And House Regul | 243,798.72 | 171,156.30 |
| 894000 | 894000 - Maint-Other Distribution Equip | 18,333.65 | 10,594.95 |
| 901000 | 901000 - Supv Cust Bill / Collect | 35,726.23 | 60,519.90 |
| 902000 | 902000 - Meter Reading | 1,287,711.31 | 1,291,742.00 |
| 903000 | 903000 - Cust Rec/Coll - Mrkt Ops | 3,367,608.20 | 3,505,973.74 |
| 905000 | 905000 - Cust Reltns Bill/Coll | 6,633.16 | 0.00 |
| 908000 | 908000 - Corporate Planning Cust Asst | 247,886.88 | 252,857.08 |
| 910000 | 910000 - Misc Cust Serv And Info | 453,381.70 | 478,535.67 |
| 920000 | 920000 - A/G Labor | 3,592,788.85 | 6,005,207.60 |
| 920450 | 920450 - A/G Labor - Elec -Billed DPL | (59,231.70) | (236,926.80) |
| 921000 | 921000 - A/G Office Supplies and Exp | 3,311.31 | 0.00 |
| 921100 | 921100 - A/G Operations Expense | 2,813.61 | 0.00 |
| 923000 | 923000 - Outside Services | 4,801.35 | 0.00 |
| 925000 | 925000 - Injuries And Damages | 698.17 | 0.00 |
| 930202 | 930202 - A/G Misc General Expense | 20,727.45 | 0.00 |
| 935000 | 935000 - Maint of General Plant | 222,440.37 | 46,713.29 |
| Grand Total | | 42,854,021.92 | 54,396,245.79 |

**STAFF-DR-01-034 PUBLIC**

**REQUEST:**

Provide a copy of all wage, compensation, and employee benefits studies, analyses, or surveys conducted since Duke Kentucky's last gas rate case or that are currently utilized by Duke Kentucky.

**RESPONSE:**

Duke Energy's basic compensation philosophy is to design a compensation program consisting of base salary and annual incentives that provides employees with an opportunity to earn total compensation competitive with the market. For exempt jobs, the focus is a national/regional market and for nonexempt jobs the focus is a local/regional market. This philosophy supports the Company's goal to attract, retain and motivate employees.

One source of information used to support Duke Energy's compensation strategy is the use of compensation surveys to analyze various components of the compensation program.

For Duke Energy Kentucky Gas Operations, the following compensation surveys have been used from 2006 - 2009:

| Survey Publisher | Survey Name | Survey Effective Date | Executive Summary Available |
|---|---|---|---|
| EAPDIS, LLC | ETCCS Energy Technical Craft Clerical | 4/1/08 | Upon Request |
| Towers Perrin | Towers Perrin Energy Marketing and Trading Survey | 4/1/08 | Upon Request |
| Towers Perrin | TPFC Executive (Energy Services) | 3/1/08 | Upon Request |
| Towers Perrin | TPFC MAPPS (Energy Services) | 3/1/08 | Upon Request |

Data from the compensation surveys represent job data covering a wide range of organization levels, positions, reward elements and industries. Many of the survey participants include the world's largest companies and the Fortune 1,000 U.S. companies.

Data is generally displayed for each job on a nationwide basis, as well as by revenue, assets, region, industry and individual cities where sufficient data is available. Data for base salary, total cash compensation, and total direct compensation are reported.

Also provided are compensation trends and practices.

Additional detail regarding survey participants, methodology, survey jobs and related compensation data may be provided upon request.

**CONDFIDENTIAL PROPRIETARY TRADE SECRET**

This response is filed with the Commission under a Petition for Confidential Treatment.

**PERSON RESPONSIBLE:** Jay R. Alvaro

**STAFF-DR-01-035**

**REQUEST:**

For each employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately, for merit increases granted or to be granted in 2007, 2008, the base period, and the forecasted test period.

**RESPONSE:**

| Time Period | Average Merit Exempt Employees - Gas Operations | Average Merit Nonunion Nonexempt - Gas Operations | Average General Increase for Union USW 12049 & 5541-06 Employees - Gas Operations | Average General Increase for Union UWUA/IUU Clerical Employees - Gas Operations | Average General Increase for Union UWUA/IUU Technical Employees - Gas Operations |
|---|---|---|---|---|---|
| 2007 | 3.50% | 3.50% | 3.50% | 2.50% | 3% |
| 2008 | 3.50% | 3.50% | 3.50% | 2.50% | 3% |
| Base Period | 0% * | 3.80% | 3.50% | 2.5% ** | 3% |
| Forecasted Period | 3.50% | 3.50% | 3.50% | 2.50% | 3% |

* Exempt first line craft supervisors received a 3.8% merit

** Employees received a 1% lump sum payment in addition to the 2.5% General Increase in 2009

**PERSON RESPONSIBLE:** Jay R. Alvaro

**STAFF-DR-01-036 PUBLIC**

**REQUEST:**

Provide a schedule reflecting the salaries and other compensation of each executive officer for the base period and three most recent calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each officer, and to whom each officer reports. For employees elected to executive officer status since the test year in Duke Kentucky's most recent gas rate case, provide the salaries for the persons they replaced.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET**

This response has been filed with the Commission under a Petitioin for Confidential Treatment.

**PERSON RESPONSIBLE:** N/A

**STAFF-DR-01-036 PUBLIC**

**REQUEST:**

Provide a schedule reflecting the salaries and other compensation of each executive officer for the base period and three most recent calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each officer, and to whom each officer reports. For employees elected to executive officer status since the test year in Duke Kentucky's most recent gas rate case, provide the salaries for the persons they replaced.

**RESPONSE:**

**CONFIDENTIAL PROPRIETARY TRADE SECRET**

This response has been filed with the Commission under a Petitioin for Confidential Treatment.

**PERSON RESPONSIBLE:** N/A

Duke Energy Kentucky
Executive Officer Salaries and Other Compensation

Case No. 2009-00202
Attachment Staff-DR-01-036

| Employee Name | Year 2006 | | | | | Year 2007 | | | | | Year 2008 | | | | | Base Period Ended September 2009 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Base Pay | Base Rate | % Increase | Rate Eff Date | Other Compensation | Base Pay | Base Rate | % Increase | Base Rate Eff Date | Other Compensation | Base Pay | Base Rate | % Increase | Base Rate Eff Date | Other Compensation | Base Rate | Other Compensation |
| Anderson,Paul M<br>Chairman of the Board<br>Terminated 2/28/2007 | [redacted] | | | | | | | | | | | | | | | | |
| Barron Jr,Henry B<br>Group Executive<br>Terminated 3/31/2008 | [redacted] | | | | | | | | | | | | | | | | |
| Barry,Paul H<br>SVP & ChiefDevelopment Officer<br>Terminated 7/31/2007 | [redacted] | | | | | | | | | | | | | | | | |
| De May,Stephen<br>G-SVP Treasurer & Cf Risk Offr<br>Reports to: Grp Exec & CFO<br>No. of Employees - 62 | [redacted] | | | | | | | | | | | | | | | | |
| Dill,Julie<br>Pl-President Union gas<br>Terminated 12/31/2007 | [redacted] | | | | | | | | | | | | | | | | |
| Fowler,Fred J<br>Pl-Pres & CEO Spectra Energy<br>Terminated 12/31/2007 | [redacted] | | | | | | | | | | | | | | | | |
| Good,Lynn J<br>Grp Exec & CFO<br>Reports to: Chairman, Pres & CEO<br>No. of Employees - 510 | [redacted] | | | | | | | | | | | | | | | | |
| Hauser,David L<br>Grp Exec & CFO<br>Terminated 6/30/2009 | [redacted] | | | | | | | | | | | | | | | | |
| Jamil,Dhiaa M<br>GrpExec& Chief Nuclear Offr<br>Reports to: Chairman, Pres & CEO<br>No. of Employees - 6,848 | [redacted] | | | | | | | | | | | | | | | | |
| Janson,Julia Smoot<br>Pres-Duke Energy Ohio&Kentucky<br>Reports to: GrpExec, Pres & COO of US FEG<br>No. of Employees - 19 | [redacted] | | | | | | | | | | | | | | | | |
| Manly,Marc E-GrpExec & Chief Legal Officer<br>Reports to: Chairman, Pres & CEO<br>No. of Employees - 1,461 | [redacted] | | | | | | | | | | | | | | | | |
| McCollum,Bill<br>GrpExec&ChiefRegGenerationOffr<br>Terminated 4/30/2007 | [redacted] | | | | | | | | | | | | | | | | |
| Mogg,Jimmy W<br>Advisor to Chairman<br>Terminated 8/31/2006 | [redacted] | | | | | | | | | | | | | | | | |
| O'Connor,Tom<br>Chair President & CEO - DCPM<br>Terminated 12/31/2007 | [redacted] | | | | | | | | | | | | | | | | |
| Rogers Jr,James Eugene<br>Chairman, Pres & CEO<br>Reports to: - NA<br>No. of Employees - 19,117 | [redacted] | | | | | | | | | | | | | | | | |
| Rolfe,Christopher C<br>GrpExec & Chief Admin Offr<br>Terminated 5/31/2009 | [redacted] | | | | | | | | | | | | | | | | |
| Shaw,Ruth G<br>Exec Advr to ChairmanPres&CEO<br>Terminated 4/30/2007 | [redacted] | | | | | | | | | | | | | | | | |
| Trent,B Keith<br>GrpExec&ChfStrat,&Pol&RegOffr<br>Reports to Chairman, Pres & CEO<br>No. of Employees - 2,190 | [redacted] | | | | | | | | | | | | | | | | |
| Turner,James L<br>GrpExec, Pres & COO of US FEG<br>Reports to Chairman, Pres & CEO<br>No. of Employees - 7,764 | [redacted] | | | | | | | | | | | | | | | | |
| Young,Steven K<br>SVP & Controller<br>Reports to Grp Exec & CFO<br>No. of Employees - 241 | [redacted] | | | | | | | | | | | | | | | | |
| Grand Total | [redacted] | | | | | | | | | | | | | | | | |

**Base Pay** - Actual regular wages paid
**Base Rate** - Reflects maximum annual base rate for that year.
**Base Rate Eff Date** - The first date within that year where that rate of pay was effective.

**STAFF-DR-01-037**

**REQUEST:**

Describe in detail how the base period capitalization rate was determined. If different rates were used for specific expenses (i.e., payroll, clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the capitalization rate and how the changes were determined.

**RESPONSE:**

For the actual months (October 2008 through March 2009) during the base period, labor is charged directly to expense or capital as deemed appropriate at that time. Any labor loadings (e.g., payroll taxes, clearing accounts, depreciation, etc.) on the direct labor cost is allocated to capital or expense based on the same proportion as the direct labor.

For the forecasted months (April 2009 through September 2009) of the base period, projected labor is split between capital and expense based on allocations used for the most recent calendar year for which actual data is available. For the base period used in this Application, actual data for 2007 was the basis for the expense/capital allocation. Again, labor loading costs are allocated in the same proportion.

The Company does not anticipate any changes to the capitalization rate.

**PERSON RESPONSIBLE:** David L. Doss
Stephen R. Lee

**STAFF-DR-01-038**

**REQUEST:**

Provide all current labor contracts and the most recent labor contracts previously in effect.

**RESPONSE:**

See Attachment STAFF-DR-01-0-38(a) for the current labor contracts between Duke Energy Kentucky, Inc. and Duke Energy Ohio, Inc. and the IBEW, UWUA and USW. See Attachement STAFF-DR-01-038(b) for the labor contracts between Duke Energy Kentucky and the IBEW, UWUA and USWA in effect previously.

**PERSON RESPONSIBLE:** Jay R. Alvaro

# MEMORANDUM OF AGREEMENT

This Agreement is made and entered into by and between Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc., hereinafter referred to as the "Company," and Local Union 1347 of The International Brotherhood of Electrical Workers, AFL-CIO, referred to hereinafter as the "Union."

The Company and the Union recognize that in order for the parties to meet the challenge of competition, the need for long term prosperity and growth, and establish employment security, each must be committed to a cooperative labor management relationship that extends from the bargaining unit members to the executive employees. The Company and the Union agree that employees at all levels of the Company must be involved in the decision making process and provide their input, commitment, and cooperation to improving productivity and helping the Company become the lowest cost producer and highest quality provider of energy service.

## ARTICLE I

Section 1. (a) The Company recognizes the Union, during the term of this Agreement, as the sole and exclusive representative of the employees in the bargaining unit defined as "The Electrical Workers Unit" by the National Labor Relations Board in its Decision and Direction of Election dated August 12, 1944, for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment.

(b) All new employees shall be classified as probationary employees for a period of one (1) year. Employees with six months or more of continuous service are eligible to receive supplemental industrial accident compensation, supplemental jury duty pay and will be entitled to bidding rights to other job classifications. Further, probationary employees shall have no recourse to the grievance procedure as set forth in Article II, Section 1 for the first six (6) months of the probationary period. However, after serving six (6) months of the probationary period, probationary employees will have recourse to the grievance procedure for any non-discipline related grievances.

Section 2. (a) This Agreement and the provisions thereof shall take effect on April 1, 2009 and shall be binding on the respective parties hereto until April 1, 2014 and from year to year thereafter unless changed by the parties.

(b) Either of the parties hereto desiring to change any section or sections of this Agreement and/or to terminate this Agreement shall notify the other party in writing of that intention at least sixty (60) days prior to April 1, 2014 or any subsequent anniversary date. If neither party gives such notice the Agreement shall continue from year to year. If such notice is given by either party the Agreement shall be open for consideration of the change or changes desired. Within fifteen (15) days from the date the first notice of intention to change is given by either party to the other, but not later than thirty (30) days prior to April 1, 2014 conferences shall commence for the purpose of considering the proposed changes. At the first such conference, each party will submit its proposed changes, in writing, to the other party.

(c) In case of failure to reach an agreement on the changes desired by either or both parties, within a period of thirty (30) days following commencement of conferences, but in no event later than the renewal date of this Agreement, the changes shall be referred to arbitration as

provided for in Article II, Section 2 hereof. Either party desiring to avail itself of arbitration in this case shall notify the other party in writing of its desire to arbitrate and at the same time name its arbitrator. The parties mutually agree that there shall be no strikes, work stoppages, slowdowns or lockouts pending the decision of the arbitrators. The provisions of this paragraph shall not apply in the event either party gives written notice to the other party at least sixty (60) days prior to April 1, 2014, of its desire to terminate the Agreement on April 1, 2014, if there remains at that time issues which the parties are unable to resolve.



(d) In the event agreement is reached on or before March 31, the 2009 - 2014 Agreement will be extended for a mutually agreed number of calendar days. The Union shall have one-half of the mutually agreed number of calendar days immediately following the date an agreement is reached in which to submit the Agreement to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the mutually agreed number of calendar days as notice before a strike or work stoppage commences. Providing the mutually satisfactory Agreement is ratified by the membership within the first one-half of the mutually agreed number of days following the date an agreement is reached, such Agreement will be made retroactive to the 31st day of March.

(e) It is agreed that this Agreement may be amended or added to at any time by written consent of both parties hereto.

Section 3. The Union agrees not to admit to membership or permit to retain membership for collective bargaining purposes any foreman or supervisory employee of the Company who is not employed in a classification within the unit now represented by the Union.

Section 4. (a) It is expressly understood and agreed that the services to be performed by the employees covered by this Agreement pertain to and are essential to the operation of a public utility and to the welfare of the public dependent thereon and in consideration thereof, as long as this Agreement and conditions herein be kept and performed by the Company, the Union agrees that under no conditions and in no event, whatsoever, will the employees covered by this Agreement, or any of them, be called upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under this Agreement. The Company agrees on its part to do nothing to provoke interruptions of or prevent such continuity of performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's property and that any difference that may arise between the above-mentioned parties shall be settled in the manner herein provided.

(b) The Company agrees that it will not attempt to hold Local Union 1347 of the International Brotherhood of Electrical Workers, financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem suitable, including discharge, without recourse to any other provision or provisions of the Agreement now in effect.

Section 5. (a) This Agreement covers all work done for the Company, including work performed by Duke Energy Shared Services, Inc., by the employees of the occupational classifications in the unit defined as "The Electrical Workers Unit" by the National Labor Relations Board Order dated August 12, 1944, which is covered by this Agreement. The unit so defined shall retain jurisdiction over such work as was normally performed by it prior to March 31, 1945, but such jurisdiction shall not be expanded except by mutual agreement of the parties hereto or through due process under the National Labor Relations Act.



Employees other than those covered by this Agreement shall continue to perform work normally performed by them prior to March 31, 1945, except where mutually agreed upon in specific instances as itemized in Departmental Rules of this Agreement.

(b) Except in case of emergency, work regularly done by employees in a classification shall be restricted to such work as is normally assigned to that classification, or work of a basically similar nature.

(c) Foremen's duties shall be restricted to direct supervision except in cases of emergency, for such incidental work as may occasionally be required or as may be otherwise outlined in the Departmental Work Rules.

Section 6. The Company and the Union agree to meet and deal with each other through their duly accredited representatives on matters relating to hours, wages and other conditions of employment of the employees of the Company covered by this Agreement.

Section 7. Respecting the subject of "Union Security," the parties mutually agree as follows:

(a) All regular employees of the Company as of the ratification of this Agreement, who are not members of the Union shall not be required as a condition of their continued employment to join the Union. However, after April 1, 2009, all regular employees of the Company within the bargaining unit represented by the Union who are members of the Union, and who are not more than six months in the arrears with dues, or who may become members of the Union, shall be required as a condition of their continued employment to maintain their membership in the Union in good standing, subject to the annual ten day escape period hereinafter described.

(b) The Union agrees that neither it nor any of its officers or members will intimidate or coerce any of the employees of the Company to join or become members of the Union, nor will said Union or any of its officers or members unfairly deprive any employee within the bargaining unit represented by the Union of union membership or of any opportunity to obtain union membership if said employee so desires. In this connection the Company agrees that it will not discriminate against any employee on account of activities or decisions in connection with the Union except as the same may become necessary on the part of the Company to carry out its obligations to the Union under this Agreement.

(c) If a dispute arises as to the actual union status of any employee at any time as to whether or not the employee has been unfairly deprived of or denied union membership, the dispute shall be subject to arbitration, in accordance with the arbitration provisions of Article II, Section 2 of this Agreement.

(d) Within thirty-one (31) days after the date of hire, all employees who are not members of the Union, except those employees mentioned in subsection (i) of this section, shall be required as a condition of continued employment to pay to the Union each month a service charge as a contribution toward the administration of this Agreement in an amount equal to the monthly dues

uniformly required by the Union Members. Such contributions shall be checked off upon proper written authority executed by the employee and remitted to the Union in the same manner as the dues of members.



(e) The Company agrees to dismiss any employee at the written request of the Union for non-payment of union dues or service charges or to discipline employees represented by the Union in the manner herein provided for violation of this Agreement, if requested to do so in writing by the Union. Nothing in this clause, however, shall be construed so as to require the Company to dismiss or discipline any employee in violation of any state or federal law.

(f) The Union agrees that any present or future employee who is now or may become a member of the Union may withdraw from membership in the Union between September 21st and September 30 inclusive of each year, by giving notice by registered or certified mail to the Labor Relations Department of the Company. After such withdrawal an employee shall not be required to rejoin the Union as a condition of continued employment.

(g) The Company agrees that after proper individual authorizations by means of written individual assignments in a form mutually agreeable to both parties to deduct Union dues and service charges, and the original initiation fee from members' pay. This deduction shall be made once each month and shall be forwarded within seven calendar days to the authorized agent of the Union.

(h) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by a group of employees in the bargaining unit represented by the Union this section of the contract is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company may, upon the presentation of proof satisfactory to the Company, within ten days thereafter, that the Union did not directly or indirectly authorize, permit, endorse, aid or abet said strike, work stoppage, slowdown, picketing or interference referred to, reinstate this section of the contract, which section, if reinstated will, from and after the date of reinstatement, be of the same validity, force and effect as if it had not been canceled. In this connection, it is the expressed intention of the parties that for the purpose of making this cancellation provision effective without affecting the other sections of the contract, this contract is to be considered a severable contract. Should the automatic cancellation of this section occur, it is the intention and agreement of the parties that all other sections and provisions of the contract remain in full force and effect as therein provided. The Company agrees that it will not deliberately arrange or incite such interference to the work or operations of the Company as are referred to in this section.

(i) The Company agrees that all persons, before they are employed as regular employees in any classification within the unit represented by the Union, shall be required to signify in writing their voluntary willingness and intention to join the Union not later than thirty-one (31) days after their employment by the Company.

Section 8. There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee because of membership or non-membership in the Union, because of lawful activities on behalf of the Union, or because of race, color, religion, sex or national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the female gender wherever they appear throughout the Agreement.

Section 9. (a) Except where expressly abridged by a specific provision of this Agreement, the Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of men it will employ or retain in each classification, and the right to hire, suspend, discharge, discipline, promote, demote or transfer, and to release employees because of lack of work or for other proper and legitimate reasons are vested in and reserved to the Company.



(b) The above rights of Management are not all-inclusive, but indicate the type of matters or rights which belong to and are inherent to Management. Any of the rights, powers, and authority the Company had prior to entering this Agreement are retained by the Company, except as expressly and specifically abridged, delegated, granted or modified by this Agreement.

(c) The Company may adopt or revise any work methods and procedures which are not in direct conflict with the provisions of this Agreement. The Company will notify the Union, in writing, of any new or revised Company work methods and procedures. Such new or revised Company work methods and procedures shall not be effective until such notice is given.

(d) The foregoing three paragraphs do not alter the employee's right of adjusting grievances as provided for in Article II, Section 1 of this Agreement.

(e) In order to avoid possible grievances, the Company will discuss in advance with the representatives of the Union, promotions, demotions, layoffs, transfers and rehiring of employees in all classifications governed by this Agreement, except in instances where the employee with the greatest length of classified seniority is selected for promotion, or the employee with the least classified seniority is selected for demotion or layoff. The Company agrees that the Department Management will notify in writing in advance or as promptly as possible the Master Steward or Business Manager of the Union of promotions, demotions or transfers of employees covered by this Agreement.

(f) Except as herein provided, promotions, demotions, transfers or layoffs of employees covered by this Agreement made by the Company without discussion in advance with the Union representatives will not be considered permanent, until so discussed.

Section 10. A copy of any letter constituting disciplinary action by the Company against any employee covered by this Agreement shall be furnished to the employee and the Union. In case of a grievance resulting from such a warning letter see Article II, Section 1.

Section 11. Employees shall not be required to cross a picket line except to perform work which is necessary to provide the normal services of the Company. A supervisor shall make the necessary arrangements with the picketing Union involved for the employee to cross the picket line. Whenever possible, the supervisor will attempt to have the employee enter the property through a non-picketed entrance.

## ARTICLE II

Section 1. GRIEVANCE PROCEDURE. (a) Any dispute or disagreement arising between an employee and the Company, or the Union and the Company may become the subject of a grievance. However, with respect to any claim or dispute involving the application or interpretation of an employee health, welfare or pension (including defined benefit, defined contribution and 401(k) plans) plan, initially the Employee and the Union will make a good faith effort to resolve those disputes in accordance with the terms and procedures set forth in the relevant plan document and applicable laws. Additionally, should the content of any communication relating to employee benefits conflict with the terms of the relevant plan document, the terms of the plan document shall govern. The time limit for filing a grievance will be suspended as long as the Employee and the Union are pursuing the appeal processes in the benefit plans.

Realizing the importance of avoiding delays in rendering decisions regarding grievances, the following procedure shall be followed. If after consultation between an employee covered by this Agreement and his or her immediate supervisor, the employee still feels that there is a grievance arising out of this Agreement, the avenue of adjustment for grievances shall be as follows:

### First Step

An employee or the Union must file any grievance, involving wages, hours of work, conditions of employment, or of any nature arising out of this Agreement with the employee's supervisor. The grievance shall first be taken up with the supervisor involved, within 30 days of its occurrence or 30 days from the time the employee or the Union became aware of the occurrence. The initial meeting shall be held between the supervisor and other management, the employee involved and the officially designated steward. Grievances in this step shall be answered verbally at the meeting or within 5 days of the conclusion of the meeting. The supervisor will also inform the Union of the appropriate management person to notify in the event that the Union wishes to pursue the grievance to the second step.

### Second Step

If the parties are unable to resolve the grievance following the first step, within 10 work days of the first step response, the Union may submit a written grievance to the management of the department designated in the first step. Department management will schedule a meeting with a small committee representing the Union within 20 workdays after receipt of the written grievance. The department management will render a written decision within 30 workdays after the date of the meeting.

### Third Step

If the parties are unable to resolve the grievance following the second step, within 30 workdays of the second step response, the Union may notify the Labor Relations Department in writing of its desire to advance the grievance to the third step of the grievance procedure. The Labor Relations Department will schedule a meeting with the appropriate management representatives and a small committee representing the Union within 20 workdays after receipt of the written request. The Labor Relations Department will render a written decision within 30 workdays of the date of the third step meeting.

The procedure outlined in this section may be altered at the request of the Union in a discharge case by filing the grievance in writing initially at the second step of the grievance procedure.

Employees engaged in the above grievance procedure during their working hours shall not suffer a loss of straight-time pay for that time.



Section 2. ARBITRATION PROCEDURE. (a) If the parties are unable to resolve the grievance following the third step, the Union, within 30 workdays of receipt of the third-step response, may notify the General Manager, Labor Relations in writing of its desire to advance the grievance to arbitration.

(b) Upon receipt of the Union's notification the parties will promptly petition the Federal Mediation and Conciliation Service (FMCS) for a panel of seven arbitrators and an arbitrator will be selected by the parties. In the event that no acceptable arbitrator appears on the panel of arbitrators submitted by FMCS either party may request an additional panel from FMCS.

(c) The arbitrator so selected shall hold a hearing as promptly as possible on a date satisfactory to the parties. If a stenographic record of the hearing is requested by either party, the initial copy of this record shall be made available for the use of the arbitrator and the party requesting the records. The cost of this initial copy and its own copy shall be borne by the requesting party, unless both parties desire a copy. If both parties desire a copy they shall equally share the cost of the arbitrator's copy, and shall each bear the cost of any copies of the record they desire.

(d) After completion of the hearing and the submission of the post-hearing briefs, the arbitrator shall render a decision and submit to the parties written findings that will be binding on both parties to the Agreement.

(e) The arbitrators' and other joint expenses mutually agreed upon shall be borne equally by both parties.

(f) Any grievance that is not taken to the next step within the time limits specified will be deemed to have been withdrawn and shall not set a binding precedent for any pending or future grievances. If at any step in the grievance procedure, the Company does not answer within the designated time frame, the Union may notify the Company of its desire to advance the grievance to the next step of the grievance procedure. Any time limits may be extended by written agreement between the parties.

(g) The arbitrator shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement. It is also mutually agreed that there shall be no work stoppage or lockouts pending the decision of the arbitrator or subsequent thereto.

## ARTICLE III

Section 1. System Service shall date from the time an employee first earns compensation in the employ of the Company, except as such continuous service record may be lost in accordance with Item (h), Section 5 of Article III of this Agreement.

Section 2. Division Seniority shall be the total seniority accumulated in a specific division.

Section 3. Classified Seniority shall date from the time an employee is employed in a specific classification.

Section 4. For the purpose of this Agreement the Divisions of the Company shall be considered as follows:

| | | |
|---|---|---|
| (1) | East Bend Station | - Regulated Coal Fleet |
| (2) | Miami Fort Station | - Non-Regulated Generation |
| (3) | Walter C. Beckjord Station | - Non-Regulated Generation |
| (4) | Wm. H. Zimmer Station | - Non-Regulated Generation |
| (5) | Woodsdale Station (including the Dicks Creek Station) | - Regulated Coal Fleet |
| (6) | Operators | - Midwest Field Operations |
| (7) | Substation | - Midwest Field Operations |
| (8) | Test & Relay | - Midwest Field Operations |
| (9) | Electric Trouble | - Midwest Field Operations |
| (10) | Electric Meter | - Midwest Field Operations |
| (11) | Overhead Transmission and Distribution, Construction | - Midwest Field Operations |
| (12) | Underground Cable and Equipment | - Midwest Field Operations |
| (13) | Service Division | - Midwest Field Operations |
| (14) | Power Delivery Warehouses | - Midwest Operations |
| (15) | Generation Supply Chain | - Midwest Warehouse Operations |
| (16) | Fleet Services | - Enterprise Fleet and Meter Operations |

Section 5. (a) Company System Service shall be used to determine the amount of vacation an employee is eligible to receive.

(b) There shall be no transfer of classified seniority rights for Power Operations' employees between the East Bend Station, the Miami Fort Station, the Walter C. Beckjord Station, the Wm. H. Zimmer Station and the Woodsdale Station.

(c) The Company shall maintain an up-to-date seniority list of all employees in each Division. Such list shall show System Service and Classified Seniority of each employee and shall be posted in a place or places accessible to all employees in such Divisions. If exception is not taken to the list as posted within thirty (30) days from the date of posting the list shall be

considered as correct and no change will be made thereafter except by mutual agreement between the Company and the Union. Copies of these lists shall be forwarded to the Union.



(d) An employee entering military service shall continue to accumulate full system service and full seniority for the time specified by applicable laws provided that he returns with a certificate of satisfactory completion of his active service and applies for work within the time specified by said laws after his release from active duty.

When a regular employee returns from military service, as defined in the previous paragraph of this section, he shall be given an opportunity and reasonable assistance to qualify for any job to which he would have progressed in the promotional sequence in which he was employed at the time of his entry into military service; and he will be promoted to that classification at the time he becomes qualified and provided he bids every opening in his promotional sequence at the time he becomes qualified after he returns from military service. His classified seniority shall then be adjusted.

(e) Leave of absence may be granted, if requested in writing, to an employee with the written consent of the Company. Employees on leave of absence for Military Service, illness, injury, or Union business shall accumulate system service and seniority. Employees on leave of absence granted for any other reason shall not accumulate system service or seniority but system service and seniority already accumulated shall not be forfeited. Where a leave of absence is granted to any employee covered by this Agreement, the Company shall notify the Union in writing without delay.

(f) Any member or members not to exceed three (3) members elected or employed by Local 1347 of the Union whose duties for the Local require their full time shall be granted a leave of absence by the Company for six (6) months and additional six (6) months' periods thereafter providing that each member is from a different promotional sequence or that the Company has granted permission for two (2) members to be from the same promotional sequence. On return to the employ of the Company such employees shall be employed at their previous classification or other higher classification within this unit for which they may be qualified.

Employees on leave of absence who are employed full time by the Local Union shall be eligible to participate, at no cost to the Company, in the Medical Insurance programs and the Group Life Insurance program.

(g) An employee losing time due to illness or injury shall be entitled, upon recovery, if physically and mentally qualified, to the position held prior to such accident or illness.

(h) Employees will lose their system service and seniority who:

(1) Quit of their own accord. If such employees should return to work with the Company on a full-time basis, those employees will recoup their system service seniority previously held before leaving the Company.

(2) Is discharged for cause.

(3) Fails to report their availability for work within three (3) scheduled working days, fails to report for work within seven (7) days after being recalled from layoff or fails to make other arrangements satisfactory to the Company within the first three (3) scheduled working days after notification.

Section 6. (a) In making promotions within the bargaining unit classified seniority, ability and qualifications shall be taken into consideration. Ability and qualifications being sufficient seniority shall prevail. Any employee promoted to a supervisory job outside the bargaining unit shall retain, for a period of nine months, all classified seniority accumulated up to the date of the promotion. Such seniority may be exercised, through the established bidding procedures, within the bargaining unit, should such job be jeopardized because of lack of work or any other reason except for dismissal for cause. If an employee, who was a supervisor for more than nine months, returns to the bargaining unit, he will receive a classified seniority date behind all incumbent employees in the job classification from which he originally promoted. No supervisor may return to a bargaining unit job classification, if it would result in the layoff or prevent the recall from layoff, of an employee represented by the Union.

(b) In the event of a layoff or work force reduction, layoffs, demotions, and transfers shall be made on the basis of classified seniority within a promotional sequence in a department. An employee shall have the right to be returned to any starting level job classification previously held by him in the course of his employment with the Company if his seniority is sufficient to qualify him for such job and an opening or job vacancy exists. An employee does not recoup any classified seniority in those job classifications higher than the one to which he is assigned, despite the fact he may have previously worked in the higher job classifications, until he is permanently promoted to the higher job classification through the established posting procedure. For purposes of this paragraph, if an employee has not worked in a lower classification in his promotional sequence, he will be credited with classified seniority in each such lower job classification for all time worked in a job classification at the same or higher wage level within his promotional sequence. An employee, however, shall not have the right to be demoted or transferred to any classification in another promotional sequence which he has not previously held, except as provided in Article III, Section 7(f). Under no circumstances will an employee be permitted to arbitrarily select a job where no vacancy or job opening exists.

(c) Except for temporary or probationary employees, the Company shall give not less than a 28 calendar day advance notice to the Union of any general reduction in forces.

(d) When increasing forces the Company agrees to recall employees previously laid off for lack of work. When recalling occurs it shall be done on the basis of classified seniority and no new employee shall be hired in that promotional sequence until all regular employees in that promotional sequence who have been laid off within three (3) years have been recalled or rehired, provided that such former regular employees are available for work and are qualified to perform the job. Such former employees shall make satisfactory arrangements for reporting to work in accordance with Article III, Section 5(h) (3) after notification through the United States Mail, or by telegraph, addressed to the address last given to the Company by the employee. A copy of such notice shall be given to the Business Manager at the time the notice is sent to the employee. Failure of the employee so notified to report to work or to supply a reason satisfactory to the Company for not doing so, within the time limit herein, shall be considered a waiver of re-employment rights by the employee. Employees who are on a layoff status from the Company shall be considered for hire, before other applicants, on the basis of all of their Division Seniority, into bargaining unit job classifications for which they do not have a recall right for a period of three (3) years.

(e) Should time constituting seniority of any two or more employees be equal, the respective seniority of such employees shall be determined by lot by the Union and the Company notified in writing by the Union.

Section 7. (a) When an opening in a job classification covered by this Agreement is to be filled, a notice shall be posted by the Company on all bulletin boards in the appropriate Division(s). A copy of such notice shall be mailed to the Business Manager of the Union. This notice shall be posted two weeks before the opening is permanently filled. This period of posting may be reduced to seven (7) days provided that any employees with greater seniority who may be off duty during the entire seven (7) day posting period are notified of the posting by a copy of the posting notice mailed, by registered or certified mail, to their home address on record with the Company. Where a notice is posted as provided above and the opening has not been filled sixty (60) days after the closing date of the posting, it shall be invalid and a new posting made before the opening is permanently filled. This shall not preclude the management from filling the opening by assignment if no qualified bids are received on the first posting of the opening. This procedure may be modified in departmental rules where mutually agreed upon.



(b) Subject to the approval of the Company and the Union any employee may waive his right to promotion or temporary advancement either within or outside the bargaining unit if such waiver does not prevent other employees from acquiring experience in the job held by him. Such waiver must be submitted to the Company and the Union in writing at least seven (7) days in advance. A request for withdrawal of such a waiver must be submitted in writing.

(c) When an employee waives his right to a position, the next employee shall be entitled to such position, on a seniority and sufficient qualification basis, and so on until the position is filled.

(d) An employee waiving his right under this provision cannot later claim that particular job as a seniority right; however, the employee making such waiver shall not prejudice his right to accept future vacancies or positions that may occur, on a basis of his classified seniority and qualifications.

(e) An employee permanently established in a classification under the provisions of this section of the Agreement shall not be replaced later by an employee who may have developed sufficient seniority or qualifications.

(f) Any Union employee who may make application to the Employment Office for transfer to a starting job within the Union for which the employee may be qualified will be given preference for consideration before an employee transferring from outside the Union or a new employee is hired for the job. Anyone transferring as provided herein shall not receive a reduction in rate unless the employee's rate of pay exceeds the maximum rate of the job to which the employee is transferred. In such case the employee's rate shall be reduced to the maximum rate of that job. For the first six (6) months after an employee transfers from outside the Union, the employee may be discharged without recourse to the grievance procedure of this Agreement.

(g) When an opening occurs in a job classification, employees already in that job classification within the Division may exercise their seniority rights to cross bid for the particular opening. The employee already in the job classification within the Division who cross bids and who can qualify will be selected; however, only one cross bid will be allowed. When an opening has been filled in accordance with the procedure outlined above, the resultant openings will be filled by promotion of employees from the next lower job classification in the particular promotional sequence in accordance with the provisions of this Agreement. An employee shall not have the right to bid on a demotion but may request in writing consideration for a demotion.

The procedure outlined above is not applicable to those Divisions where the multiple posting system is in use. In the Divisions where multiple posting is used, the employees are permitted to submit their applications for promotion or cross bid in advance of an opening. An employee shall not have the right to bid on a demotion but may request in writing consideration for a demotion. When openings occur, they will be posted on the bulletin boards at the various headquarters within the appropriate Division(s). In the Divisions where multiple posting is used and job openings exist cross bids will be permitted at each job classification level before promotions are made and until the posting is completed.



This Section of the Agreement shall not be interpreted in such a way as to enable employees to utilize seniority in the selection of a particular shift, working crew or job assignment, but supervisors may make such assignments on the basis of an employee's request with consideration to the requirements of the job to be filled and the seniority of the employee.

(h) All new employees and all employees transferring from other bargaining units into a job classification represented by the Union shall be classified as probationary employees for a period of one (1) year and shall have no system service and seniority rights during that period. After one (1) year continuous service as a probationary employee, such employees shall be classified as regular employees and their system service and seniority record shall include their previous employment as probationary employees and any other previous employment to which they are entitled. The Company shall have the right to lay off or discharge probationary employees for cause and there shall be no responsibility for re-employment of such employees after they are discharged or laid off during the probationary period.

(i) Employees hired for a specific temporary project of limited duration shall be classed as temporary employees and shall not acquire system service or seniority rights. The Union shall be notified in writing of the hiring of such employees and of the project and probable duration for which they are employed. The Union shall be notified in writing of any change in the employment status of such employees.

Section 8. An employee, when permanently assigned to a job classification and qualifying in all respects with the exception of time spent in the preceding classification as required in the qualification section of the job description, shall be considered as having the equivalent of such required time.

## ARTICLE IV

Section 1. VACATIONS. (a) Vacations for hourly rated employees will be granted with pay during the calendar year in which they complete the specified number of years of service on the following basis:

(1) Employees with less than one (1) year of service with the Company shall be entitled to one (1) day of vacation for each month worked, with a maximum of ten (10) days total.

(2) Employees with one (1) year of service with the Company shall be entitled to a vacation of two (2) weeks.

(3) Employees with seven (7) or more years of service with the Company shall be entitled to a vacation of three (3) weeks.

(4) Employees with fifteen (15) or more years of service with the Company shall be entitled to a four (4) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fourth week.

(5) Employees with twenty-one (21) or more years of service with the Company shall be entitled to a five (5) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fifth week.

(6) Employees with thirty-two (32) or more years of service with the Company shall be entitled to a six (6) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the sixth week if the employee has attained at least 34 years of service. The sixth week of vacation prior to 34 years of service will automatically be deposited in the employee's vacation bank and is intended for banking purposes unless specifically approved for time off by supervision. Effective January 1, 2014, employees will be granted a sixth week of vacation time off during their 32nd year of employment in lieu of a week of service credit.

(b) The normal vacation period shall be from Memorial Day to September 30, inclusive. An employee who is eligible for more than a two (2) week vacation may be required to take the vacation in excess of two (2) weeks outside the normal vacation period.

(c) An employee accrues entitlement to 1/12 of their current year's vacation for each month the employee is employed during the current calendar year or is on STD, or leave of absence. Any employee leaving the Company's service during any calendar year shall receive payment for any unused portion of accrued vacation for that current year, except that the maximum vacation payout for unused vacation, including vacation bank, cannot exceed 22 weeks of straight-time pay. Active employees may use current year vacation at any time during the year as approved by supervision.

(d) In order for an employee to qualify for a vacation, the employee must have been on the Company payroll as a full-time regular or probationary employee on the last day in the calendar year previous to the vacation, and must have been available whenever necessary for the Company medical examinations and reports.

(e) Every effort will be made to grant vacation at a time suitable to the employee, but should the number leaving on vacation in any one period handicap the operations of the Company, the Company reserves the right to limit the number receiving vacations. Preference for vacations shall be granted within a classification at a headquarters on a system service basis within the bargaining unit.

Vacations must be selected for full weeks. However, an employee entitled to two or more weeks of vacation in a calendar year may arrange to take five days of that vacation in one-day increments. Requests for these days must be made at least five calendar days prior to the date requested and must be approved by supervision. However, because of extenuating circumstances, a day off with less than a five calendar day notification may be approved by an employee's supervisor. An employee entitled to five or more weeks of vacation in a calendar year may arrange to take ten days of that vacation in one-day increments. However, because of extenuating circumstances a day off may be taken with less than the five calendar day notification with approval by supervision. Requests for at least five of these ten days must be made five or more calendar days prior to the date requested and must be approved by supervision. The Company reserves the right to limit the number of employees who can be off on a specific day and may, but cannot be required to, grant a one day increment on a work day preceding or following a

holiday or other vacation. Such one-day increments must be utilized before an employee's scheduled vacation in a particular year is exhausted.

(f) The estate of an employee who dies shall receive all current year vacation pay earned in accordance with Article IV, Section 1(a).

(g) Time lost because of a leave of absence due to injury or illness shall not be considered as a break in continuous service, providing the employee is available whenever necessary for the Company medical examinations and reports during the leave of absence. Vacation will be granted in accordance with Article IV, Section 1(d).

(h) Employees returning from military service in a subsequent calendar year will receive all vacation pay they have earned in accordance with Article IV, Section 1(a).

(i) When a holiday falls within an employee's vacation such employee shall receive either eight (8) hours additional pay to compensate for the loss of such holiday or one additional vacation day shall be allowed immediately before or immediately after the vacation period at the discretion of the Company.

An employee leaving the Company, except due to retirement, will not receive holiday pay for a holiday which occurs after the employee's last day worked.

An employee leaving the Company due to retirement and drawing vacation pay will receive eight (8) hours straight time holiday pay in addition to regular vacation pay when a holiday falls within the vacation pay period.

(j) An employee required by the Company to work during his normal vacation period shall be paid at his regular rate for all such time worked as provided in this Agreement and in addition shall receive such pay as he would normally have received for the vacation period.

The Company will not require an employee to work during his scheduled vacation period unless the absence of such employee would jeopardize the maintenance of continuous service by the Company. The Company agrees to notify the Union in writing of each instance where an employee is required to work during his scheduled vacation, outlining the nature of the emergency requiring such action.

(k) Any employee who becomes legitimately ill immediately before his scheduled vacation shall not be required to take his vacation during such an illness. If, however, an employee becomes ill after his vacation period has begun he shall not be entitled to sick pay during his vacation period. All vacations will be taken within the calendar year that they become due, except for vacation the employee or the Company deposits in the employee's retirement vacation bank or unused vacation time that an employee carries over. An employee may carryover unused vacation hours from one calendar year to the next not to exceed eighty (80 hours. Vacation bank time and unused vacation carry-over time will be paid to the employee upon termination of employment.

An employee's vacation will start when the employee is released from duty on his last regularly scheduled working day prior to the scheduled vacation, and shall end at the start of his first regularly scheduled working day following the scheduled vacation. However, prior to the beginning of his scheduled vacation, an employee may indicate, in writing to his supervisor, that he desires to be considered for work on what would have been normal off days at the beginning or end of his scheduled vacation.

Section 2. (a) An employee who has completed six months of continuous service shall be entitled to four compensated personal days off each calendar year. Requests for personal days must be made at least four calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a four calendar day notification may be approved by an employee's supervisor. Arrangements for all personal days must be made with supervision on or before November 1 of each year or it shall be lost. The Company reserves the right to limit the number of employees who can be off on a specific day. If a personal day is not used during a year, it shall be lost and no additional compensation shall be granted.

(b) An employee who has completed six months of continuous service shall be entitled to one compensated Diversity Day off each calendar year. Requests for this day must be made at least four calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, less than a four-calendar day notification may be approved by an employee's supervisor. The Company reserves the right to limit the number of employees who can be off on a specific day for business needs. However, every effort will be made by supervision to honor an employee's request for this Diversity Day. If the Diversity Day is not used during a year, it shall be lost and no additional compensation shall be granted.

Section 3. ABSENCE DUE TO SICKNESS OR ACCIDENT. (a) Regular employees who are actively working on January 1, regular employees who return to work from an authorized extended absence on or after January 1, probationary employees who become regular employees on or after January 1, shall be paid as gross wages, for absent time due to bona fide illness or injury, a maximum annual amount equal to 40 hours at their regular Straight Time Pay. Such payment shall be made by the Company on the nearest practicable regular payday following the date such employee becomes eligible.

(b) After an employee has been continuously disabled, subject to medical determination, and unable to return to work for more than seven consecutive calendar days, the employee will receive Short Term Disability compensation in accordance with the following table for up to twenty-six (26) weeks or until the employee is able to return to work, whichever occurs first. During the seven consecutive calendar day waiting period, it is intended that no employee will incur a loss of more than forty hours of straight time pay.

The administration of Short Term Disability compensation will be as follows:

| Years of Service | Maximum Weeks at 100% Pay per Rolling 24 Months | Weeks at 66 2/3% Pay |
|---|---|---|
| 0-1 | None | All |
| 1-5 | 10 | Balance |
| 6-10 | 15 | Balance |
| 11-14 | 20 | Balance |
| 15-20 | 26 | Balance |
| 21 or more | All | N/A |

For example, if a 14-year employee is on leave in January for 15 weeks and then another 15 weeks in March of the following year, the first illness and five weeks of the 2nd illness will be paid at 100%. The remainder of the weeks will be paid at 66 2/3%.

Failure to present a certificate from a physician licensed to practice medicine prior to the end of the seventh (7th) consecutive calendar day or failure to provide a legitimate excuse will cause the employee's Short Term Disability to be denied until the time such certificate is received.



(c) After an employee has been continuously disabled, subject to medical determination, and is unable to return to work for more than twenty-seven (27) consecutive weeks, and has exhausted Short Term Disability Benefits, the employee will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

(d) In order to facilitate the scheduling of the work forces, an employee who will be absent from work is expected to notify the Company as soon as possible. Unless an employee submits a legitimate excuse for not reporting the cause of his absence before the end of the first scheduled working day of such absence, the employee's claim for Short Term Disability shall not begin until such notice is received.

(e) No wages will be paid under Article IV, Section 3 for illness caused by use of drugs, intoxication, or willful intention to injure oneself or others, by the commission of any crime by the employee, procedures not covered by the medical plan, the employee's refusal to adopt remedial measures as may be commensurate with the employee's disability or permit reasonable examinations and inquiries by the Company as in its judgment may be necessary to ascertain the employee's condition.

(f) The Company agrees that on an employee's return from illness, or disability of any kind, an effort will be made to find a less strenuous type of work for such employee until such time as the Company's and the employee's physician agree that he is capable of taking up his former duties. During this temporary period the employee shall be paid his regular classified rate of pay.

(g) If employees with twenty-five (25) or more years of service become physically unable to satisfactorily and safely perform the regular duties of their classification, an effort will be made by the Company to find work of a less strenuous nature for which they are qualified and to which the employees will be retrogressed. At the time of their assignment to a job of a lower classification their hourly wage rate will be reduced by ten cents (10¢) per hour and at six month periods will be reduced by ten cent (10¢) steps until their hourly wage rate conforms to the maximum hourly wage rate of the job classification to which they are assigned.

(h) If employees with twenty (20) to twenty-four (24) years of service become physically unable to satisfactorily and safely perform the regular duties of their job classification, they may request a demotion to a lower classification requiring work of a less strenuous nature for which they are qualified to perform. If such a demotion is granted by the Company, these employees will be assigned to a lower classification and will have their hourly wage rate red-circled until it is equal to the maximum hourly wage rate of the job classification to which they have been demoted. Employees whose wages have been red-circled and who subsequently achieve twenty-five (25) years of service will become retrogressed in accordance with paragraph (g) above.

If employees with less than twenty (20) years of service become physically unable to satisfactorily and safely perform the regular duties of their job classification, they may request a demotion to a lower classification requiring work of a less strenuous nature for which they are qualified to perform. If such a demotion is granted by the Company, these employees will be assigned to a lower classification and will have their hourly wage rate red-circled at 50% of the differential between the maximum wage rate of the job classification to which they are demoted and their former job classification. Two years after being assigned to the lower paying job, the employee's wage rate will be reduced to the maximum wage rate of the employee's current job classification.



Section 4. INDUSTRIAL ACCIDENTS. (a) An injured employee who is unable to work because of an industrial accident will be paid a supplement in an amount equal to 100% of their weekly wage (40 hours), less the state mandated compensation. This supplemental industrial accident compensation will begin after an initial seven (7) calendar day waiting period and will continue for not more than twenty-six (26) weeks of continuous disability. However, if an industrial accident disability continues for fourteen (14) or more calendar days, the employee will receive this supplemental industrial accident compensation for the initial seven (7) day waiting period.

(b) An injured employee who has been continuously disabled due to an industrial accident, subject to medical determination, and is unable to return to work for more than twenty-six (26) consecutive weeks, and has exhausted Short Term Disability benefits, will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

Section 5. SURPLUS EMPLOYEES. Should an employee be declared a surplus employee, an effort will be made by the Company to find another job classification for which the employee is qualified. An employee assigned to a job of a lower classification as a result of his being a surplus employee will maintain his present hourly rate until the maximum hourly wage rate for the job classification to which he has been assigned is equal to the employee's present hourly wage rate or until the employee is promoted into a job opening for which he is qualified.

## ARTICLE V

Section 1. (a) Definitions of Workers:

Day Worker - An employee whose Regular Scheduled Work Period falls between the hours of 6:00 a.m. and 6:30 p.m. and whose Regular Scheduled Work Week does not vary.

Straight Shift Worker - An employee whose Regular Scheduled Work Period does not vary, but whose Regular Scheduled Work Week varies according to a prearranged schedule.

Fixed Shift Worker - An employee whose Regular Scheduled Work Period and whose Regular Scheduled Work Week do not vary but who may work any of three shifts.

Modified Shift Worker - An employee whose Regular Scheduled Work Period varies but whose Regular Scheduled Work Week remains constant.

Rotating Shift Worker - An employee whose Regular Scheduled Work Period and Regular Scheduled Work Week both vary according to a prearranged schedule.

(b) These definitions attempt to define the types of schedules of the employees, however, it is not meant to limit the hours that an employee may be scheduled by existing practices or future schedules that may be developed by mutual agreement of the parties.

(c) The Regular Scheduled Work Period for Day Workers, Straight Shift Workers, Fixed Shift Workers, and Modified Shift Workers will consist of eight (8) or ten (10) consecutive hours exclusive of the lunch period.



(d) The Regular Scheduled Work Period for Rotating Shift Workers shall be eight (8) or ten (10) consecutive hours comprising his regularly scheduled shift, except where modified by the Work Rules.

(e) For payroll purposes, the regular Work Week for all workers shall begin at midnight Sunday, and employees working on a shift beginning two (2) hours or less before midnight will be considered as having worked their hours following midnight.*

*For exceptional shifts varying more than two (2) hours from a midnight origin or termination and where the shift overlaps from one day into another day the time shall be reported and paid for on the basis of the calendar day in which the shift begins, except on a holiday. Where a shift overlaps by more than two (2) hours from one day into another on a holiday, the time shall be paid for on a calendar day basis which will begin and end at the respective midnight periods.

Schedules for all employees will be based on the time prevailing in the City of Cincinnati.

(f) The Regular Scheduled Work Week for Day Workers, Fixed Shift Workers and for Modified Shift Workers shall begin on Monday and shall consist of five (5) consecutive days from Monday to Friday, inclusive, except as otherwise mutually agreed to by the parties.

(g) The Regular Scheduled Work Week for both Straight Shift Workers and Rotating Shift Workers shall begin on Monday and end on Sunday.

(h) Off-days for both Rotating Shift Workers and Straight Shift Workers shall be consecutive but not necessarily in the same work week.

(i) Time and one-half shall be paid for overtime; for all time worked outside of the Regular Scheduled Work Day; for all time worked on a scheduled off-day, except the second (2nd) off-day.

Time and one-half shall be paid for the first eight (8) hours worked on a holiday in addition to Holiday Pay.

(j) Double time shall be paid for the time worked on an employee's second scheduled off-day. Day workers and employees who work four (4) day ten (10) hour schedules between the hours of 6:00 a.m. and 6:30 p.m. only, will have Sunday as their double time day.

Double time shall be paid for all time worked in excess of eight (8) hours on a holiday.

**Emergency Work**

Time and one-half shall be paid for all emergency time worked for other utilities at their respective operating locations. Emergency work performed at any location or facility owned and/or operated by the Company, or its parent and related subsidiaries/affiliates shall be paid as follows:

For continuous emergency work performed at any location or facility owned and/or operated by the Company, or its parent and related subsidiaries/affiliates, for which the employees depart from their home headquarters and return back to the home headquarters thereafter without an overnight lodging stay, the straight time rate will be paid during regular working hours. The rate of time and one-half will be paid for hours of continuous work over the regularly scheduled hours. After 16 consecutive hours of work, subsection (k) will apply.

For emergency work performed at any location or facility owned and/or operated by the Company, or its parent and related subsidiaries/affiliates, that requires a lodging stay away from home, on the first day of the assignment the straight time rate will be paid during regular working hours and the time and one-half rate will be paid for hours of continuous work over the regularly scheduled hours. Beginning with the second day and for the remaining consecutive days of such an assignment, the rate of time and one-half will be paid for all hours worked. After 16 consecutive hours of work, subsection (k) will apply.

(k) Employees required to work more than 16 consecutive hours will be paid double time for all time worked in excess of, and contiguous with, the 16 consecutive hours.

(l) In no case will an employee be forced to take time off in lieu of overtime. Should an employee elect not to work during his Regular Scheduled Work Day he shall not receive pay for such time. A Day Worker's Regular Scheduled Work Day may be changed, at the applicable premium rate of pay, for projects or operations that exceed one (1) day's duration.

(m) The Company shall be the sole judge as to the necessity for overtime work and the employee shall be obligated to work overtime when requested to do so. Overtime shall be divided as equally and impartially as possible among all employees within a job classification of a headquarters or as may be contained in the work rules unless an employee designates, in writing, that he does not wish to be called for overtime. Such waiver does not excuse an employee from overtime work when requested to do so. Overtime lists showing overtime hours paid for and overtime hours waived shall be posted weekly on the Company bulletin boards in each headquarters.

(n) Employees temporarily upgraded to a job classification shall not be scheduled to work planned overtime when a qualified employee established in the job classification in that headquarters is available for work.

(o) When an employee changes headquarters or job classifications, the total of his overtime hours, including overtime hours worked or waived, will be canceled. The employee will then be charged with the same number of hours as the average of combined overtime hours worked and waived by all employees within that classification at the headquarters. When averaging overtime, omit the hours of any ill or injured employee whose hours have dropped below the lowest man for the group. Upon his return to work, his hours will not be included in the average until they are equal to those of the lowest man in the classification. However, an employee who is off work due to an injury or illness for 90 consecutive calendar days or more will have the option, upon returning to unrestricted duty, of being averaged in as described above on the current overtime list.

(p) The Union recognizes the need for shift work and weekend work in order to provide for continuous operation. Premium rates will apply as set forth in Article V, Section 1, (i), (j) and (k).

(q) The Company reserves the right to temporarily change the schedule of any employee upon notice to the employee of not less than forty-eight (48) hours, subject to the exceptions outlined in the Departmental and Divisional Working Rules in Exhibit A of this Agreement.



(r) The hours of any employee assigned to a training program may be adjusted to a uniform day schedule so that all employees involved in a particular program will be working on a consistent schedule.

Section 2. It is agreed that the Scheduled Work Week shall consist of five (5) eight-hour or four (4) ten-hour days and forty (40) hours per week.

Section 3. (a) The following days are observed as regular holidays which will be recognized on the indicated dates. The Company may change the date for recognizing a holiday if the date indicated is changed by a legislative enactment or if the prevailing community practice is not consistent with the indicated date.

| **Holiday** | **Date Recognized** |
|---|---|
| New Year's Day | January 1 |
| Memorial Day | Last Monday - May |
| Independence Day | July 4 |
| Labor Day | First Monday – September |
| Thanksgiving Day | Fourth Thursday – November |
| Day after Thanksgiving | Friday after Thanksgiving |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |

(b) If the recognized date of a holiday occurs on a Saturday or Sunday the Company will have the option of observing that holiday on another date which the Company determines to be consistent with the community practice or paying eight (8) hours of regular straight time pay in lieu thereof for the holiday.

(c) Regular employees whose duties do not require them to work on holidays will be paid straight time; regular employees who are required to work on a recognized holiday for a period of four (4) hours or less not contiguous with hours worked into or out of the holiday will be paid for four (4) hours at time and one-half in addition to their straight time holiday pay. Employees who are required to work on a recognized holiday for more than four (4) hours not contiguous with hours worked into or out of the holiday but less than eight (8) hours will be paid for eight (8) hours at time and one-half in addition to their regular straight time holiday pay. Employees required to work on a holiday which is also their second off day will be paid at the rate of double time for the first eight (8) hours worked on the holiday. Employees who are required to work beyond their regularly scheduled work day on a recognized holiday or on the actual calendar date of the New Year's Day, Independence Day, Christmas Eve or Christmas Day holidays will be paid at the rate of double time for all such work in excess of their regularly scheduled work day. Employees must work either their full scheduled day before, or their full scheduled day after a holiday to be entitled to receive holiday pay.

(d) An employee will not be compensated for travel time on a call-out which occurs on a regular holiday.

(e) Employees who are on a four (4) day-ten (10) hour schedule will receive ten (10) hours of straight time pay if a holiday falls within their regular scheduled work week but they are not required to work the holiday. Employees whose regular scheduled work week does not include the paid holiday will receive eight (8) hours of straight time holiday pay.



Section 4. (a) An employee called out for overtime work shall receive a minimum of four (4) hours' pay at time and one-half, and double time if on an employee's second scheduled off-day.

(b) Employees called out, ahead of their regularly scheduled starting time, for other than planned overtime, shall be paid a minimum of four (4) hours at the appropriate overtime rate. A call-out shall be defined as notice to report for unscheduled work given to an employee by telephone or messenger after he has left his headquarters or place of reporting. Travel time of one-half hour each way, at the appropriate overtime rate of pay, will be allowed on a call-out when such call-out exceeds four (4) hours of continuous work that is not contiguous with a regularly scheduled shift. Employees will not be compensated for any travel time on a call-out when the employee is not released from work before his regularly scheduled shift, nor will travel time be allowed when overtime is worked continuously at the end of a regularly scheduled shift.

An employee shall be compensated for two (2) hours, at the straight time rate, if before reporting to work, a call-out overtime assignment is canceled later than one (1) hour after the original notification.

(c) Planned overtime shall be defined as time worked upon notice to an employee given before leaving his headquarters or place of reporting, or in case of an off-day, during or before what would have been his scheduled hours on that day, that he is to report outside of his regular schedule on any succeeding day. Such time worked shall be paid for at the appropriate overtime rate but not for less than four (4) hours unless such planned overtime extends into or directly follows the employee's regularly scheduled work day, when it shall be paid for at the appropriate overtime rate for the actual hours worked.

(d) When planned overtime is canceled, notice shall be given before an employee leaves his headquarters or place of reporting, or by telephone during or before what would have been his scheduled hours on the day preceding the planned overtime.

(e) An employee, who is scheduled for planned overtime and who is not notified of the cancellation of the planned overtime, within the prescribed period of time, but is notified by telephone before he reports for work, or cannot be notified by telephone and reports for work, shall receive two (2) hours pay at straight time. If planned overtime is rescheduled to begin more than eight (8) hours after the original starting time, the employee shall receive two (2) hours pay at straight time.

Section 5. (a) Except as otherwise provided, when performing work within the southwest Ohio and northern Kentucky (DEO/DEK) service territories, employees, required to work ten consecutive hours (excluding time taken out for meals), shall be furnished a meal compensation allowance and an additional meal compensation allowance for each contiguous five hour interval worked thereafter until released from duty. Employees who work a four day-ten hour schedule shall be furnished a meal compensation allowance whenever they work one hour or more in excess of their normal work day, and an additional meal compensation allowance for each contiguous five hour interval worked thereafter until released from duty.

Except as otherwise provided, when performing work outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories, employees required to work ten consecutive hours (excluding time taken out for meals), shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty. Employees who work a four day-ten hour schedule shall be furnished a meal or compensation in lieu thereof whenever they work one hour or more in excess of their normal work day, and an additional meal, or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty.



(b) When employees are called out to perform work within the southwest Ohio and northern Kentucky (DEO/DEK) service territories, on either their scheduled off day, or four or more hours before their regularly scheduled starting time, they shall be furnished a meal compensation allowance for each contiguous five hour interval worked even though they work into their regularly scheduled work day.

When employees are called out to perform work outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories, on either their scheduled off day, or four or more hours before their regularly scheduled starting time, they shall be furnished a meal, or compensation in lieu thereof, for each contiguous five hour interval worked even though they work into their regularly scheduled work day.

(c) Employees scheduled to work a double shift within the southwest Ohio and northern Kentucky (DEO/DEK) service territories (two consecutive eight hour shifts on different work days) shall be entitled to meal compensation allowances during this 16 hour period.

Employees scheduled to work a double shift outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories (two consecutive eight hour shifts on different work days) shall be entitled to meals, or compensation in lieu thereof, during this 16 hour period.

(d) The meal compensation allowance referred to throughout this Agreement shall be as follows:

| **Current** | **Effective** | **Effective** | **Effective** | **Effective** |
|---|---|---|---|---|
| | **4-1-10** | **4-1-11** | **4-1-12** | **4-1-13** |
| $10.50 | $10.65 | $10.75 | $10.85 | $11.00 |

Section 6. Excluding planned projects and appointments prompted by customer requests, no field construction, field maintenance or routine customer service work shall be performed by employees included in this Agreement on actual calendar holidays for Labor Day, Thanksgiving Day and Christmas Day, except that which is necessary to protect life, property or continuity of service.

Section 7. Pay-day for employees covered by this Agreement shall be on Friday of every other week. When it is reasonably possible, checks will be delivered to the employees not later than quitting time on Thursday.

Section 8. (a) When conditions require that an employee shall work at such a distance from his regular headquarters that returning to his headquarters each day would be impracticable, the Company at its option shall either provide transportation, meals and lodging or reimburse the employee to a reasonable amount for expenses incurred. If such an employee is not required to work on his regular off-days, the Company shall provide transportation to his regular headquarters or shall pay him straight time for eight (8) hours in each twenty-four (24) hours in each such off-day and shall furnish meals and lodging for each such off-day.



(b) Employees required to train outside the Company's service area as part of a training program will be paid at their regular straight time rate when participating in the training program and, in addition, will be provided reasonable expenses for transportation, meals and lodging

Section 9. (a) Each employee shall have a specific headquarters for reporting for work. However, the right of the Company to temporarily assign employees to other locations to properly run its business is recognized.

(b) When it is necessary to temporarily assign employees to a headquarters other than their own or to a job site reporting location that is farther from their home than their regular headquarters, such employees will be paid mileage at the amount per mile approved by the Internal Revenue Service, based on the additional round trip mileage employees are required to drive. No mileage compensation will be paid for the temporary assignment if the other reporting location is closer to the employee's home.

(c) Job site reporting and other temporary assignments will be offered on a voluntary basis. If there is an insufficient number of volunteers, assignments will be made on a junior qualified basis. When assigning the junior qualified, unusual or extenuating circumstances will be taken into consideration.

(d) Employees may be assigned to drive Company vehicles from and to the job site from home or sites close to home. If Company vehicles are used in such a manner, the mileage provisions for job site reporting are not applicable. During a job site reporting assignment, depending on Company vehicle availability, employees at their option, may pick up and return such Company vehicle to their regular headquarters, provided such travel is on their own time.

(e) Employees in the Power Delivery Warehouses, Generation Supply Chain, Transportation, and Power Generation Departments will not be subject to job site reporting. However, if employees from these departments are temporarily assigned to a headquarters other than their own, the provisions of this section will apply.

Section 10. (a) The Company will not require employees to do construction or maintenance work in exposed locations out of doors during heavy or continuous storms or excessively cold weather, unless such work is necessary to protect life, property or continuity of service.

(b) Employees covered by this Agreement shall not be required to lose time due to such weather conditions, but the Company may provide work indoors at their regular rate of pay.

(c) Employees will be permitted to waive overtime when planned outages have been prearranged with the customer wherein the outage may not be deferred due to inclement weather, however, if the desired number of employees, from each of the required job classifications, are not acquired on a voluntary basis the qualified employees with the lowest accumulated overtime will be assigned. This work, when possible, will be performed "dead" and the employees will be furnished with the appropriate weather gear when necessary.



Section 11. Any employee covered by this Agreement who is eligible to vote in any City, County, State or National election shall be allowed a reasonable time off with pay, if necessary, to vote if he so desires.

Section 12. Upon the death of the designated relatives of an employee, the employee, upon request, may be entitled to the stipulated maximum number of calendar days off for which he is entitled to receive regular pay for not more than the indicated number of consecutive working days, including the day of the funeral. If prior arrangements are made, an employee may include a maximum of one (1) day following the funeral as one of the consecutive working days off, and in the case of a spouse, child, mother, father, brother or sister, two (2) days following the funeral. No pay will be granted for regular scheduled off days.

| Relationship | Maximum Consecutive Calendar Days Off | Maximum Consecutive Working Days Off With Pay |
|---|---|---|
| Spouse or Domestic Partner | 7 | 5 |
| Child, Stepchild or Foster Child | 7 | 5 |
| Mother, Stepmother or Foster Mother | 7 | 5 |
| Father, Stepfather or Foster Father | 7 | 5 |
| Brother, Stepbrother or Foster Brother | 7 | 5 |
| Sister, Stepsister or Foster Sister | 7 | 5 |
| In-laws (father, mother, brother sister, son or daughter) | 5 | 3 |
| Grandchild | 6 | 4 |
| Grandparent/Spouse's Grandparent | 4 | 2 |

If an employee has worked four (4) hours or more and is notified of a death in his family, and leaves the job, the day will not be charged as one of the consecutive working days. If, however, he has not worked four (4) hours, the day will be charged as one of the consecutive working days for which he is entitled to receive regular pay.

Section 13. (a) Employees required to serve on a jury shall be compensated on the basis of their regular wage. Employees will be required to report to their headquarters following their daily release from jury service if there are at least four hours of work time remaining.

(b) An employee working on either a night or afternoon shift at a time when he is scheduled for jury duty, who is unable to postpone the jury duty until a time when he will be working on a day shift, may request the Company to assign him to a day shift schedule. Such a request must be made at least seven (7) working days before the jury duty service is scheduled to begin. When the term of jury duty for such an employee has ended, he shall return to his normal working schedule.

Section 14. Regular pay and reasonable or required expenses will be allowed employees who may be summoned to testify for the Company in lawsuits.

Section 15. The person elected by the Union to represent them as Business Manager shall be permitted, after proper arrangements have been made with the appropriate department manager of the Company, or his authorized representative, to enter all buildings and areas where men covered by this Agreement are working when such visits are necessary to carry out the terms of this Agreement in connection with questions arising out of this Agreement.



Section 16. (a) The Company shall have the right to require examinations, either oral, written, or practical, to determine the fitness of employees for promotional opportunities. Such examinations shall be uniformly administered and shall be required of all successful employee-applicants for new positions. The equipment and facilities necessary for such examinations will be provided by the Company. The Company shall compensate the employees engaged in examinations for the time spent in such examinations at their regular rate of pay. An employee can indicate, within five days after receiving the results of an examination, that he feels the examination was not fairly administered. If the employee submits a valid reason, the Company will administer a second examination with a Union designated witness present. If this second examination is administered it will not be subject to the grievance procedure.

(b) An employee who has successfully completed an examination for a new position shall be reclassified and paid the proper rate for the new classification as soon as he begins work in the new classification, in accordance with the terms of this Agreement. Any employee failing to pass such examination shall be eligible to retake that examination after a period of three (3) months, provided an opening exists in the classifications for which the examination has been taken. Any employee failing the examination a second time will not be eligible for reexamination for a twelve (12) month period and for subsequent two (2) year intervals thereafter except that departmental tests may be retaken after subsequent twelve (12) month intervals.

Section 17. The Company agrees to furnish bulletin boards at all division headquarters for the use of the Union. The use of these boards is restricted to the following: notices of union meetings, notices of union elections, notice of changes within the union affecting its membership, or any other official notices issued on the stationery of the Union and signed by the Business Manager or other duly elected or appointed officer. There shall be no other general distribution or posting by members of the Union of pamphlets or literature of any kind except as provided for herein.

Section 18. The Company agrees to guarantee employment of not less than forty (40) hours per week for fifty-two (52) weeks of each year to employees covered by this Agreement who are ready and available and able to work, and who are regular full-time employees of the Company, provided nothing in this section shall be construed to prevent the Company from releasing employees because of lack of work or for other proper and legitimate reasons, as provided for in Article I, Section 9.

Section 19. (a) The Company agrees to notify the Business Manager of the Union, on a quarterly basis, of the hiring of any outside contractors to do planned work normally done by the regular employees covered by this Agreement that may exceed 500 hours of time. It is the Company's intention that any contractors performing work on behalf of the Company do so safely and competently.

(b) In instances where it is necessary to contract for equipment, during periods of emergency, such equipment will be manned by regular Company employees if and when they are available and qualified to operate such equipment.

(c) It is the sense of this provision that the Company will not contract any work which is ordinarily done by its regular employees, if as a result thereof, it would become necessary to lay off any such employees.



Section 20. (a) The Company agrees that any employee covered by this Agreement who is temporarily advanced to a higher classification for one hour or more shall receive either the minimum rate of pay applicable to that classification or twenty-five cents (25¢) per hour, whichever is greater, but no more than the maximum wage rate of the job to which the employee is upgraded. If such work is for more than four (4) hours the employee shall receive this upgrade pay for the remainder of the normal day worked. When an employee covered by this Agreement is temporarily advanced to a non-supervisory position outside his bargaining unit, he shall be paid the established hourly wage rate for such position if such work is for one (1) hour or more. When an employee is temporarily required to perform work in a lower-paid classification, he is to suffer no reduction in pay.

(b) In the administration of this section of the Agreement a temporary assignment shall be construed to mean any job assignment which is not expected to continue for more than ninety (90) days.

(c) When an employee in this bargaining unit is temporarily advanced to a supervisory position outside the bargaining unit, the employee shall be paid the same rate of their classified assignment at the time of the temporary assignment. The temporary advancement of any individual is intended to be of a limited duration and not to exceed a maximum of six months total within a rolling twelve month period. Employees temporarily advanced to a supervisory position will not be assigned to supervise contractors completing work normally performed by IBEW 1347 represented employees.

Section 21. (a) Company Group Life Insurance carried by employees entering military service will be canceled ninety (90) days after employee enters such service. Advance premium paid by employee beyond date of cancellation will be refunded to employee. Insurance of employees re-entering Company service within ninety (90) days after their release from active duty will be reinstated without physical examination or waiting period.

(b) Employees on layoff will be entitled to continue to participate in the Company Group Life Insurance coverage at no cost to the Company. Employees on layoff must pay the total monthly premium for their coverage by the first of each month. Such insurance coverage will be terminated when employees do not pay the total premium as stated above; when they accept full time employment elsewhere; or when they lose their system service in accordance with Article III, Section 5(h). Employees will have their prior Group Life Insurance coverage reinstated without physical examination or waiting period upon returning to Company service from a layoff.

Section 22. (a) The Company shall furnish the employees with the proper safety devices as required by the Company for protection of life and property in the performance of their duties. The employees shall at all times use every means for the preservation of such safety appliances and shall use them when necessary.

(b) The Company will notify promptly the Union Business Manager or the Union Business Office of any accident resulting in serious injury or death to an employee.

(c) The Union may investigate any serious accident with its Union Committee and at its own expense and the management representative on the site will cooperate with the Union Committee. This shall not be construed to mean a joint investigating committee.

It is further agreed that the Company will not provide the Union Committee with the report made by the Company. It is further agreed that the Union investigation will not interfere with or interrupt the normal operation of the job.



(d) The Company and the Union agree to the establishment of a Joint Safety Advisory Committee which shall meet quarterly or more frequently upon the call of the Chairman of the Committee.

It is further agreed that employees engaged in such meetings during their working hours shall suffer no loss in pay for such time.

(e) The purpose of the Joint Safety Advisory Committee is to give consideration to those general accident prevention programs and policies that affect the safety of the employees in the bargaining unit represented by Local Union 1347 of the International Brotherhood of Electrical Workers. The Joint Safety Advisory Committee shall not deal with individual or group grievances. The administration of the accident prevention policies, programs and procedures are vested in and reserved to the management of the Company.

Section 23. The Company reserves the right to arrange at its own expense for medical examinations of any employee at any time. When practical, the examinations will occur while employees are on duty.

Section 24. (a) The Union shall furnish the Company with a list of Department Stewards and this list shall be kept current. It is further agreed that only regular employees of the Company who are covered by this Agreement shall be designated as stewards.

(b) When in the judgment of the Company the absence of a Steward from his regular duties will not interfere with the operations of the Company, he may be available for handling grievances, witnessing an examination or an investigation of an employee within this unit.

Section 25. (a) The wage schedules described in the Agreement in effect immediately prior to the date of this Agreement shall be amended as follows:

Maximum Hourly Wage Rates

| Wage Level | Effective March 31, 2009 | Effective April 1, 2009* | Effective April 1, 2010** | Effective April 1, 2011*** | Effective April 1, 2012**** | Effective April 1, 2013***** |
|---|---|---|---|---|---|---|
| | Includes $.10 COLA | 2.0% | 2.0% | 2.0% | 3.0% | 3.0% |
| 1 | $12.92 | $13.18 | $13.44 | $13.71 | $14.12 | $14.54 |
| 2 | $14.90 | $15.20 | $15.50 | $15.81 | $16.28 | $16.77 |
| 3 | $18.92 | $19.30 | $19.69 | $20.08 | $20.68 | $21.30 |
| 4 | $19.31 | $19.70 | $20.09 | $20.49 | $21.10 | $21.73 |
| 5 | $19.72 | $20.11 | $20.51 | $20.92 | $21.55 | $22.20 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | $20.67 | $21.08 | $21.50 | $21.93 | $22.59 | $23.27 |
| 7 | $21.97 | $22.41 | $22.86 | $23.32 | $24.02 | $24.74 |
| 8 | $22.63 | $23.08 | $23.54 | $24.01 | $24.73 | $25.47 |
| 9 | $23.03 | $23.49 | $23.96 | $24.44 | $25.17 | $25.93 |
| 10 | $23.52 | $23.99 | $24.47 | $24.96 | $25.71 | $26.48 |
| 11 | $24.68 | $25.17 | $25.67 | $26.18 | $26.97 | $27.78 |
| 12 | $25.01 | $25.51 | $26.02 | $26.54 | $27.34 | $28.16 |
| 13 | $25.34 | $25.85 | $26.37 | $26.90 | $27.71 | $28.54 |
| 14 | $25.95 | $26.47 | $27.00 | $27.54 | $28.37 | $29.22 |
| 15 | $26.56 | $27.09 | $27.63 | $28.18 | $29.03 | $29.90 |
| 16 | $27.68 | $28.23 | $28.79 | $29.37 | $30.25 | $31.16 |
| 17 | $27.89 | $28.45 | $29.02 | $29.60 | $30.49 | $31.40 |
| 18 | $28.41 | $28.98 | $29.56 | $30.15 | $31.05 | $31.98 |
| 19 | $29.17 | $29.75 | $30.35 | $30.96 | $31.89 | $32.85 |
| 20 | $30.71 | $31.32 | $31.95 | $32.59 | $33.57 | $34.58 |
| 21 | $31.19 | $31.81 | $32.45 | $33.10 | $34.09 | $35.11 |
| 22 | $31.50 | $32.13 | $32.77 | $33.43 | $34.43 | $35.46 |
| 23 | $31.79 | $32.43 | $33.08 | $33.74 | $34.75 | $35.79 |
| 24 | $32.12 | $32.76 | $33.42 | $34.09 | $35.11 | $36.16 |
| 25 | $32.43 | $33.08 | $33.74 | $34.41 | $35.44 | $36.50 |
| 26 | $32.82 | $33.48 | $34.15 | $34.83 | $35.87 | $36.95 |

* The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 3.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2008 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2009, July 1, 2009, October 1, 2009, January 1, 2010, based on the indexes of January 2009, April 2009, July 2009 and October 2009, respectively.

** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 3.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2009 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2010, July 1, 2010, October 1, 2010, January 1, 2011, based on the indexes of January 2010, April 2010, July 2010 and October 2010, respectively.

*** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 3.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2010 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2011, July 1, 2011, October 1, 2011, January 1, 2012, based on the indexes of January 2011, April 2011, July 2011 and October 2011, respectively.

**** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2011 Index as the zero base and percentage increases calculated from

that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2012, July 1, 2012, October 1, 2012, January 1,2013, based on the indexes of January 2012, April 2012, July 2012 and October 2012, respectively.

***** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2012 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2013, July 1, 2013, October 1, 2013, January 1, 2014, based on the indexes of January 2013, April 2013, July 2013 and October 2013, respectively.

No adjustments, retroactive or otherwise, shall be made due to any revisions which may later be made in the published figures in the Consumer Price Index for the months indicated above.

Employees are eligible for an incentive lump sum bonus up to a maximum of 2% or 5% of straight time and overtime wages per year in accordance with the 2009 negotiations letter of agreement entitled, "Union Employee Incentive Plan (UEIP), based on the achievement of goals during the previous year, as determined by the Company.

(b) Effective April 1, 2009, any employee who was on or below the maximum hourly wage rate of his job classification on April 1, 2009, shall receive the hourly wage rate increase in accordance with the increase applicable to the maximum wage rate of their job classification.

The hourly wage rate increases shall not apply to the minimum hourly wage rates of starting job classifications.

(c) Employees shall be provided the higher of a twenty-five cent (25¢) promotional increase above the maximum wage rate of the job classification from which they promote, or the minimum wage rate of the job classification to which they promote. This provision will not apply when the maximum wage rate of a job is not at least twenty-five cents (25¢) above the maximum wage rate of the job classification from which it promotes.

(d) Whenever the difference between the minimum and maximum wage rates of any hourly rated job classification is not divisible by ten, the hourly wage rates will be by ten cent (10¢) steps with the exception of the last step to the maximum hourly wage rate of the job classification. In such case the increase to the maximum hourly wage rate will include the ten cent (10¢) increment plus the odd amount necessary to equal the maximum hourly wage rate, provided, however, that the total amount of this increase is less than twenty cents (20¢).

(e) Employees who are below the maximum hourly wage rate of their job classification shall continue to receive such length of service increases as they may be entitled to under the operation of the job classification and wage evaluation plan.

(f) Employees who are on physical retrogressions shall receive the increase applicable to their present individual hourly wage rates.

(g) The shift differentials to be paid employees on scheduled shifts on classified jobs shall be as follows:

| Name of Shift | Definition of Shift | Differential Shift Cents Per Hour | | | | |
|---|---|---|---|---|---|---|
| | | Current | 4/1/10 | 4/1/11 | 4/1/12 | 4/1/13 |
| Day Shift | Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m. | 0 | 0 | 0 | 0 | 0 |
| Afternoon Shift | Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight. | $1.50 | $1.55 | $1.60 | $1.65 | $1.70 |
| Night Shift | Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m. | $1.55 | $1.60 | $1.65 | $1.70 | $1.75 |

(h) When the majority of the hours in a shift are on Sunday, a Sunday premium in the amount of $1.75 per hour will be paid to an employee for all scheduled straight time hours worked on that shift. On April 1, 2010 this amount will increase to $1.80 per hour; on April 1, 2011 to $1.85 per hour; on April 1, 2012 to $1.90 per hour; and on April 1, 2013 to $1.95 per hour.

(i) In conjunction with the letter of Patrick P. Gibson of 2000, which is the preamble to the Company's job classification and evaluation system, the Company shall prepare occupational classifications and job descriptions which will define, as nearly as possible, the nature of the work involved under each payroll classification. The Company will initiate all new and revised job classifications or promotional sequences.

(j) When the management of a department has written or revised a job description, a representation of union employees within that department will be given an opportunity to suggest changes to the job description. The union representative will also be requested to complete a job questionnaire. The completed job questionnaire must be signed by the union representative and approved by the management of the department. After the management of the department has reviewed the suggested changes to the job description and approved the job questionnaire, this job documentation will be submitted to the Company's Evaluation Committee. The union representative will be invited to the Company's evaluation Committee meeting to present information about the job classification. There will be no recourse to the grievance and arbitration procedure because of the language of a job description or the evaluation of a job classification.

(k) The Company's Evaluation Committee will be responsible for evaluating all new and revised job classifications. The Union will appoint two (2) members to the Company's Evaluation Committee. The evaluation that is established by this Committee is used to determine the maximum wage rate for each new or revised job classification. Results of the evaluation will be communicated to the Union two weeks before the new or revised job classification becomes effective.

(l) The Union shall maintain a Job Evaluation Advisory Committee consisting of not more than five members who may review the evaluation and wage rate of any job classification which undergoes a substantial change in qualifications or duties. The Union's Committee may, by

request, meet with the Company's Committee, at a mutually convenient time within thirty (30) days after the effective date of the new or revised job classification, to present any information relevant to the evaluation of the job classification which has been included in the previous written comments of the Union representative. The Union will be notified after the Company's Committee has reviewed the additional information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached. The Company will not be required to maintain, establish or discontinue any job classification covered by this Agreement.



(m) Members of the Union's Job Evaluation Advisory Committee shall not suffer a loss of pay when engaged in meetings during their working hours with the Company's Job Evaluation Committee.

(n) Where the Union deems an employee, or employees, to be improperly classified, it will be considered as a grievance and shall be handled under the grievance procedure of this Agreement.

Section 26. (a) Eligible employees represented by the Union will participate, or continue to participate, in the existing Cinergy Corp. Union Employees' Retirement Income Plan (the "Retirement Income Plan") as amended and restated effective January 1, 2009, and subsequently amended to make legally-required changes or technical changes that do not reduce the benefits formula.

(b) It is agreed that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until the expiration of the Agreement on April 1, 2014.

(c) The Company and the Union shall enter into the attached side letter ("Retirement Plan Agreement") relating to mandatory and voluntary opportunities to convert to the "New Duke Retirement Program.

(d) For the term of this Agreement, post-retirement health care under the health care plans sponsored by Duke Energy Corporation will be made available to eligible Union employees hired prior to January 1, 2010 in accordance with correspondence from the Company to the Union dated July 22, 2004 and the applicable plan documents. Union employees who are hired on or after January 1, 2010 will not be eligible for either the Traditional Option (as defined in the correspondence from the Company to the Union dated July 22, 2004) or the HRA Option (as defined in the correspondence from the Company to the Union dated July 22, 2004), but such employees shall be eligible for access (at unsubsidized rates) to post-retirement healthcare under the Duke Energy Corporation Medical Plan if they have attained age 50 and completed 5 years of vesting service under the Retirement Income Plan as of the date of their retirement.

Section 27. The Company will provide each employee with Term Life Insurance in the amount of two (2) times the employee's straight time annual salary. Effective January 1, 2010, employees will have the opportunity to purchase supplemental coverage during each annual enrollment and under the same terms offered to other non-represented employee groups.

Section 28. (a) Health care coverage shall consist of the specially negotiated Exclusive Provider Organization ("EPO") option offered under the Duke Energy Corporation Medical Plan with the design, covered service, premiums and other employee costs memorialized in the 2009 negotiations letter of agreement entitled "Health Care Benefits", which option initially shall be offered on January 1, 2010, and shall continue to be offered for the term of the 2009 – 2014 Agreement. Any other health care options (medical, dental, or vision) that the Company unilaterally implements under the Duke Energy Corporation Medical Plan, the Duke Energy Corporation Dental Plan and/or the Duke Energy Corporation Vision Plan at its sole discretion for the general non-exempt non-represented employee population shall also be offered to the bargaining unit employees during the term of the 2009-2014 Agreement at the same costs and with the same plan design structure as applies to the general non-exempt, non-represented employee population. It is expressly understood that the right to add, eliminate, alter and/or to make any other changes to the health care options offered to the general non-exempt, non-represented employee population or to the employee costs for these options, is reserved to the Company, in its sole discretion.



(b) Employees on layoff will be entitled to continue to participate in the health care plan and dental plan coverages that they had at the time of layoff, at no cost to the Company. Employees on layoff must pay, in advance, the total monthly premium for their coverage by the fifteenth of each month for the following month's coverage. Such insurance coverage will be terminated when employees do not pay the total premium as stated above; when they accept full time employment elsewhere; or when they lose their system service in accordance with Article III, Section 5(h).

Section 29. (a) The Company agrees to maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans. Eligible Union employees will participate or continue to participate in the existing Duke Energy Retirement Savings Plan for Legacy Cinergy Union Employees (Midwest), successor plan to the Cinergy Corp. Union Employees' Savings Incentive Plan hereinafter called the "Retirement Savings Plan."

(b) The Retirement Savings Plan is memorialized in the plan document entitled the "Duke Energy Retirement Savings Plan for Legacy Cinergy Union Employees (Midwest)," which, as amended includes the complete text of the Retirement Savings Plan.

(c) The Company hopes and expects to continue the Retirement Savings Plan indefinitely but it must reserve the right to alter or amend it or to discontinue Company contributions to it at any time. However, under no circumstances shall any part of the corpus or income held by the Trustee of the Retirement Savings Plan be recoverable by the Company or be used for or diverted to any purposes other than for the exclusive benefit of the employee participants or their beneficiaries as provided in the Retirement Savings Plan.

(d) The Company and the Union shall enter into the attached side letter ("Retirement Plan Agreement") which references certain enhancements to the Retirement Savings Plan related to the mandatory and voluntary opportunities to convert to the "New Duke Retirement Program".

## ARTICLE VI

Section 1. (a) With the exception of shift differential premium, and a holiday occurring during an employee's vacation or second off day, it is agreed that under no circumstances shall any Section of this Agreement be interpreted to provide the pyramiding of a benefit or premium payment

to employees covered by this Agreement. For example, no employee may claim sick pay while receiving vacation pay or holiday pay while receiving sick pay.



(b) It is further agreed that there shall be no interruption in the payment of one benefit in order that the employee may receive payment for another benefit. For example, no employee may interrupt vacation to begin sick leave or interrupt sick leave to include a holiday. The only exceptions to this provision are that an employee's sick pay may be interrupted to include vacation pay and that vacation pay may be interrupted to include death in family pay as set forth in the Agreement. In the event that any vacation days are unused as a result of a death in the family situation, the use of these unused vacation days must be approved in advance by supervision and shall not apply to the administration of vacation in one-day increments as provided under Article IV, Section 1(e) of the Agreement.

Section 2. This Agreement shall remain binding upon successors, assigns or transferees of the Company in the event of a merger, acquisition, divestiture, asset swap or sale, or other similar transaction announced or begun during the Agreement. The Company will require the Buyer, or any transferee, to recognize the Union as the collective-bargaining agent for bargaining-unit employees the Buyer employs and assume provisions identical to provisions of the Agreement applicable to those bargaining-unit employees.

The Union will support and it will not oppose, or in any way support or encourage opposition to the Company's position regarding any mergers, acquisitions, divestitures or similar transactions or any regulatory matters (including rate cases or stranded cost determinations) or environmental matters announced or begun during the term of the Agreement.

IN WITNESS WHEREOF, Local Union 1347 of the International Brotherhood of Electrical Workers and Duke Energy Ohio, LLC and Duke Energy Kentucky, LLC ("Company"), do hereby, by their duly authorized agents, in the premises, execute and sign this 2009 – 2014 Agreement between Duke Energy Ohio, LLC, and Duke Energy Kentucky, LLC and Local Union 1347, in duplicate, this _____th day of May, 2009.

**FOR THE UNION**
Local Union No. 1347 of the
International Brotherhood
Of Electrical Workers

_____
Stephen H. Feldhaus
Business Agent

_____
Kenneth M. Gross
President

**FOR THE COMPANY**
Duke Energy Ohio, LLC
Duke Energy Kentucky, LLC

_____
Julie S. Janson
President

_____
Jim O'Connor
VP, Employee & Labor Relations

Mike Ciccarella
Labor Relations Consultant

EXHIBIT "A"

DEPARTMENTAL AND DIVISIONAL WORKING RULES

POWER OPERATIONS DEPARTMENT

GENERAL WORK RULES

APPLICABLE TO:
EAST BEND STATION
MIAMI FORT STATION
WALTER C. BECKJORD STATION
WM. H. ZIMMER STATION
WOODSDALE STATION
(including the Dick's Creek Station)

1. Shift Schedules shall be established in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

2. A list of the employees in each Production Team and Support Team of each Division shall be posted by the Company each week showing the overtime worked by each employee during the previous week.

3. The meal period for employees, whose schedule provides a non-compensated one-half hour's meal period, will be defined in each Section. If the meal period is not granted between the time period designated in each Section, the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

4. There shall be no Working Foreman or supervisors in any Section except when designated for the fifteen (15) minute relief periods.

5. On Shift Work Schedules, subject to the approval of the Company, employees will be permitted to trade shifts on the same job and jobs on the same shift, if both are qualified and agreeable.

6. On Shift Work Schedules, a list of employees in these Sections shall be posted by the Company showing the current job assignment and the progressive scheduled off-days where applicable.

7. No employee working on a Shift Work Schedule may be relieved and leave his job more than 30 minutes before his scheduled quitting time, unless he has received prior approval from his supervisor.

8. The Company will not require employees to furnish tools.

9. All thirty (30) minute unpaid meal periods may begin a half-hour before or after the normal meal period, at the discretion of supervision.

10. When employees are assigned to training classes they may be required to work eight (8) hours exclusive of an unpaid lunch period.

11. Those Production Team employees who are assigned to work for one or more days on other Teams will work the same designated hours as the Team to which they are assigned.

12. Personnel may be required to work ten (10) and twelve (12) hour shifts at the appropriate straight time and overtime rates for outages and/or as needs dictate:

| | | |
|---|---|---|
| Division | 1 | East Bend Station |
| Division | 2 | Miami Fort Station |
| Division | 3 | W. C. Beckjord Station |
| Division | 4 | WM. H. Zimmer Station |
| Division | 5 | Woodsdale Station (including the Dick's Creek Station) |

(a) Production Teams will work on a Rotating Shift Schedule or as described in General Work Rule 1.

(b) Support Teams will work schedules as required to support the Production Teams, as described in General Work Rule 1.

## MIDWEST FIELD OPERATIONS

Division 6: OPERATORS

(a) MOBILE OPERATORS SECTION

1. These employees shall operate on a Rotating Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   Relief Operators work on all shifts.

   For the purpose of determining shift differential wages, all employees in this group including Relief Operators shall be designated Shift Workers.

2. There shall be no Working Foremen in this group.

3. Mobile Operators assigned to relief shall be entitled to not less than a twenty-four (24) hour notice of changes in shift assignments or scheduled days off.

Division 7: SUBSTATION

(a) ELECTRIC MAINTENANCE SECTION

1. This Section shall work on a Fixed Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The supervisor, at his discretion, may designate the thirty (30) minute meal period to begin one-half hour before the Normal Meal Period or may delay the beginning of the thirty (30) minute meal period to the time when the Normal Meal Period is scheduled to end.

(b) ELECTRIC REPAIR SECTION

1. This Section shall operate on a Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

(c) CONSTRUCTION SECTION

1. This Section shall operate on a seasonally adjusted Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The Manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to employees and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

2. The Company shall not require an employee to furnish tools.

Division 8: TEST & RELAY

1. This Division shall operate on a Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

2. The Company shall not require an employee to furnish tools.

MIDWEST FIELD OPERATIONS

GENERAL WORK RULES
APPLICABLE TO DIVISION 9 THROUGH 13

1. Shift Schedules shall be defined in each section in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

2. The normal meal period for divisions which operate on a day schedule will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

3. The Company shall not require an employee to furnish tools.

4. Employees who bid, qualify and are accepted for posting openings in a Division shall receive a classified seniority date based on the date they enter the job opening and shall be eligible for merit increases at six (6) month intervals regardless of the wage rate of any other employee in the job classification, but in no event will an employee receive a wage rate that is higher than the maximum rate of the job classification which he is entering.

5. Employees hired after April 1, 2006, into any job classification within Divisions 9, 11, 12 and 13 (c) must reside within a 30-mile radius of the Company's headquarters located at Fourth & Main Streets, Cincinnati, Ohio.

Division 9: ELECTRIC TROUBLE

1. The Electric Trouble Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.

2. The Manual work of the Foremen in this Section shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

3. Extra Linepersons "A"-Trouble shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.

4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

   Employees assigned to work on the storm working schedule within the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal compensation allowance and an additional meal compensation allowance for each five hour interval thereafter, until released from storm duty.

   Employees assigned to work on the storm working schedule outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five hour interval thereafter, until released from storm duty.

Division 10: ELECTRIC METER

1. The Electric Meter Section will operate on a Day Schedule or as described in General Work Rule 1.

   The Premise Service Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.

2. There shall be no working Foremen in this Section.

3. Extra Premise Troubleshooters shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.

4. Extra Premise Troubleshooters will be used to fill assigned shifts at their respective headquarters.

5. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

   Employees assigned to work on the storm working schedule who have completed five (5) hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five (5) hour interval thereafter, until released from storm duty.



Division 11: OVERHEAD TRANSMISSION AND DISTRIBUTION CONSTRUCTION DIVISION

1. The Overhead Transmission and Distribution Section shall operate on a Day Schedule or as described in General Work Rule 1.

2. The Manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

3. Additional help will be supplied small line crews setting poles and transformers when conditions are such that the normal crews need additional help in the setting of poles and transformers in a safe and workmanlike manner.

4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

   Employees assigned to work on the storm working schedule within the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal compensation allowance and an additional meal compensation allowance for each five hour interval thereafter, until released from storm duty.

   Employees assigned to work on the storm working schedule outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five hour interval thereafter, until released from storm duty.

Division 12: UNDERGROUND CABLE AND EQUIPMENT

1. This Division shall operate on a Day Schedule and when required, a Fixed Shift Schedule or as described in General Work Rule 1.

2. There shall be no working Foremen in this Division.

3. When an opening occurs in a job classification within the Cable; Transformer & Equipment; and Test & Operation Sections of the Underground Cable and Equipment Division, job openings will be filled by the multiple posting system as outlined in Article III, Section 7(g).

4. Overtime shall be divided as equally and impartially as possible among all employees within a job classification in each Section of Division 12, such as Cable Section; Transformer & Equipment Section; and the Test & Operation Section.

Division 13: SERVICE DIVISION

(a) MATERIAL AND REPAIR SECTION

The Material and Repair Section shall operate on a Day Shift Schedule and when required on a Modified Shift Schedule or as described in General Work Rule 1.

(b) MACHINE SHOP SECTION

This Section shall operate on a Day Schedule or as described in General Work Rule 1.

(c) BRECON HEAVY EQUIPMENT AND REPAIR SECTION

This Section shall operate on a Day Schedule or as described in General Work Rule 1.

The manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to employees and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

Division 14: POWER DELIVERY WAREHOUSES

1. This Division shall operate on a Modified and a Fixed Shift Schedule (Monday - Friday) in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   Each shift will include a one-half hour meal period.

2. The Company shall not require an employee to furnish tools.

Division 15: GENERATION SUPPLY CHAIN

This Division shall operate on a Modified Shift Schedule and, where necessary, a Rotating Shift Schedule in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

Each shift will include a one-half hour meal period.

a) At Woodsdale Storeroom a one-day notice is required to change a schedule from day-to-day.

b) At Woodsdale Storeroom any schedule can start thirty (30) minutes earlier and end thirty (30) minutes earlier with a one-day notice of a schedule change.



Division 16: FLEET SERVICES

1. This Department shall operate on a Fixed Shift Schedule in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   Each shift will include a one-half hour meal period.

Employees in the following listed job classifications on January 1 of each year will be granted a tool allowance applicable to their classification as follows:

| | Current | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Transportation Senior Hydraulic, Transportation Senior Mechanic, Transportation Senior Body Mechanic, Transportation Mechanic "A" and Transportation Mechanic "B" | $325 | $350 | $375 | $400 | $425 |

# AGREEMENT

Between the

Utility Workers Union of America, AFL-CIO, Local 600

and

Duke Energy Ohio, Inc.
Duke Energy Kentucky, Inc.

THIS AGREEMENT is entered into between the Utility Workers Union of America, AFL-CIO, Local 600, formerly the Independent Utilities Union, hereinafter referred to as the "Union," and Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., hereinafter referred to as the "Company," through and by their duly authorized representatives.

WITNESSETH: Whereas, the parties to the Agreement as are mentioned above are desirous of maintaining collective bargaining between the Employer and its Employees, as are represented by the Union as bargaining agent, and are desirous of stabilizing employment, eliminating strikes, lockouts, curtailment of employment, and the peaceful settlement of all employer and employee disputes, and of making an honest effort to improve the conditions of both the employer and the employees.

WHEREAS, it is deemed desirable and necessary that definite operations and practices between the Company and the employees of the Company represented by the Union be formally set forth and described, with a desire that uniformity of working conditions exist between the aforementioned Companies and such employees.

WHEREAS, the Company and the Union recognize that in order for the parties to meet the challenge of competition, the need for long term prosperity and growth, and establish employment security, each must be committed to a cooperative labor management relationship that extends from the bargaining unit members to the executive employees. The Company and the Union agree that employees at all levels of the Company must be involved in the decision making process and provide their input, commitment, and cooperation to improving productivity and helping the Company become the lowest cost producer and highest quality provider of energy service.

NOW, THEREFORE, the Company and the Union do hereby agree to the following terms and conditions, to-wit:

## ARTICLE I

**Section 1.** (a) The Company hereby recognizes the Union during the term of this Agreement as the sole and exclusive representative of all regular full-time and part-time employees of the occupational classifications in the units defined as "The Office, Clerical and Technical Unit" and "The Residual Unit," as described in the Order issued by the National Labor Relations Board dated August 12, 1944 and amended by the National Labor Relations Board Order dated February 24, 1967. The units so defined shall retain jurisdiction over such work as was normally performed by them prior to this Agreement but such jurisdiction shall not be expanded except by mutual agreement of the parties hereto or through due processes under the National Labor Relations Act. A-14 A-19

(b) The Company recognizes the Union as the sole bargaining agent of the units contained in the preceding paragraph for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, or other conditions of employment, and the Company agrees to attempt to adjust any and all disputes, and any other matters, arising out of or pursuant to this Agreement, with the Union.

(c) This Agreement shall be final and binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company.

**Section 2.** (a) The Company agrees not to interfere, restrain, coerce, or discriminate against any of the members of the Union, because of his or her membership in the Union, or because of their activity as a member or officer of the Union. Should reasonable proof of any such interference, restraining, coercion or discrimination by any person in a supervisory capacity against a member of the Union be shown to the Company by the Union, the Company agrees to take immediate corrective action in connection with such complaint. It is further agreed that no member shall be discharged because of his or her service, or lawful activity as a member of the Union, nor will the Company at any time attempt to discourage membership in the Union.

(b) There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee because of race, color, religion, sex, disability, national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the feminine gender wherever they appear throughout the Agreement.

(c) The Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of men it will employ or retain in each classification, and the right to hire, suspend, discharge, discipline, promote, demote or transfer, and to release employees because of lack of work or for other proper and legitimate reasons are vested in and reserved to the Company. A-9

(d) The above rights of Management are not all-inclusive, but indicate the type of matters or rights which belong to and are inherent to Management. Any of the rights, powers, and authority the Company had prior to entering this Agreement are retained by

the Company, except as expressly and specifically abridged, delegated, granted or modified by this Agreement.

(e) The foregoing two paragraphs do not alter the employee's right of adjusting grievances as provided for in Article VII, Section 1 of this Agreement.

**Section 3.** Respecting the subject of "Union Security," the parties mutually agree as follows:

(a) All regular employees of the Company as of March 31, 2008, who are not members of the Union, shall not be required as a condition of their continued employment to join the Union. However, after April 1, 2008, all regular employees of the Company within the bargaining unit represented by the Union who are members of the Union, or who may become members of the Union, shall be required as a condition of their continued employment to maintain their membership in the Union in good standing, subject to the annual 10 day escape period described in subsection (f) of this section.

(b) The Union agrees that neither it nor any of its officers or members will intimidate or coerce any of the employees of the Company to join or become members of the Union, nor will said Union or any of its officers or members unfairly deprive any employee within the bargaining unit represented by the Union of union membership or of any opportunity to obtain union membership if said employee so desires. In this connection the Company agrees that it will not discriminate against any employee on account of activities or decisions in connection with the Union, except as the same may become necessary on the part of the Company to carry out its obligations to the Union under this Agreement.

(c) If a dispute arises as to the actual union status of any employee, at any time, as to whether or not the employee has been unfairly deprived of or denied union membership, the dispute shall be subject to arbitration, in accordance with the arbitration provisions of Article VII of this Agreement.

(d) The Company agrees that after April 1, 2008, and as long as this section of the Agreement shall remain in full force and effect, that all persons, before they are employed as regular employees in any classification within the unit represented by the Union, shall be required to signify, in writing, their voluntary willingness and intention to join the Union 31 days after being employed in a job classification represented by the Union. During new employee orientation, employees hired into job classifications represented by the Union, shall be required to sign the "Membership Application" and the "Payroll Deduction Authorization" cards for the Union, so that enrollment will be effective 31 days after being hired.

(e) Except for those employees mentioned in subsection (d) of this section and subject to all state and federal laws, all employees who are not members of the Union shall be required, as a condition of their continued employment, to pay to the Union a service charge as a contribution towards the administration of the Agreement in an

amount equal to the dues uniformly required by Union members.

(f) The Union agrees that any present or future employee who is now or may become a member of the Union may withdraw from membership in the Union between September 16th and September 25th inclusive of each year by giving notice by registered mail to the Labor Relations Department of the Company. However, the Union will not impose restrictions, which are prohibited by law, on employees who wish to withdraw from Union membership. The Company will forward a copy of any such withdrawal to the President of the Union. After such withdrawal, an employee shall not be required to rejoin the Union as a condition of continued employment.

(g) The Company agrees to dismiss any employee represented by the Union, at the written request of the Union, for nonpayment of union dues or service charges or to discipline employees represented by the Union in the manner herein provided for violation of this Agreement, if requested to do so, in writing, by the Union. Nothing in this clause, however, shall be construed so as to require the Company to dismiss or discipline any employee in violation of any state or federal law.

(h) The Company agrees, after receiving proper individual authorizations by means of written individual assignments in a form mutually agreeable to both parties, to deduct Union dues or service charges and initiation fees from employees' pay. This deduction shall be made a mutually agreed upon number of times each year and shall be forwarded to the Treasurer of the Union.

(i) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by any individual employee or group of employees in the bargaining unit represented by the Union this section of the Agreement is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company shall upon the presentation of proof satisfactory to the Company, within ten days thereafter, that the Union did not directly or indirectly authorize, permit, endorse, aid or abet said strike, work stoppage, slowdown, picketing or interference referred to, reinstate this section of the Agreement, which section, if reinstated will, from and after the date of reinstatement, be of the same validity, force and effect as if it had not been canceled. In this connection, it is the expressed intention of the parties that for the purpose of making this cancellation provision effective without affecting the other sections of the Agreement, this Agreement is to be considered a severable agreement. Should the automatic cancellation of this section occur, it is the intention and agreement of the parties that all other sections and provisions of the Agreement remain in full force and effect as therein provided. The Company agrees that it will not deliberately arrange or incite such interference to the work or operations of the Company as are referred to in this section.

**Section 4.** The Company agrees that it will not attempt to hold the Union financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that, in the event of an unauthorized work stoppage, it will in good faith

and without delay exert itself to bring the work stoppage to a quick termination and insist that the employee(s) involved cease their unauthorized activities. To that end, the Union will promptly take whatever affirmative action is necessary. Furthermore, the Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem suitable, including discharge, without recourse to any other provision or provisions of the Agreement now in effect.

## ARTICLE II

**Section 1.** The Company agrees to designate and authorize a representative or representatives to meet with The General Board of the Union. It is agreed that these meetings shall be held quarterly, at a time mutually agreed upon, and at any other time upon the written request of either party to this Agreement. These meetings will be held within seven days after such request is made. A-32

**Section 2.** The Company agrees to meet and confer with any special committee of the Union, duly appointed by the President to administer any activity relating to the welfare of the members of the Union.

## ARTICLE III

**Section 1.** (a) This Agreement and the provisions thereof, shall become effective April 1, 2008 and shall continue in full force and effect until April 1, 2012, and from year-to-year thereafter unless changed by the parties.

(b) Either of the parties hereto desiring to change any section or sections of this Agreement and/or to terminate this Agreement shall notify the other party in writing of the desired changes at least 60 days prior to April 1, 2012 or any subsequent anniversary date. During this 60-day period, conferences shall be held by and between the parties hereto, with a view to arriving at a further Agreement, and in all events this Agreement shall remain in full force and effect during the period of negotiations. A-32

(c) In the event agreement is reached on or before April 1, the 2008 -- 2012 Agreement will be extended for a mutually agreed number of calendar days. The Union shall have one-half of the mutually agreed number of calendar days immediately following the date an agreement is reached in which to submit the Agreement to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the mutually agreed number of calendar days as notice before a strike or work stoppage commences. Providing the mutually satisfactory Agreement is ratified by the membership within the first one-half of the mutually agreed number of days following the date an agreement is reached, such Agreement will be made retroactive to the 1st day of April and any agreed upon wage adjustments will be made retroactive to the 31st day of March.

Steve Bowermaster

Gary Tuttle

John Waits

Stephen Fields III

# Appendix A

## Historical Documents Preserved

## And Made A Part Of This Agreement

## For Interpretation And Application

The index and marginal references in the Labor Agreement to documents in Appendix A are intended only for convenience in administering the Labor Agreement. The index and marginal references and Appendix A are not intended to list every document that could be applicable to any factual situation arising under a given Article or Section of the Labor Agreement. It is also not intended that each document referenced in an Article or Section will be applicable to any or all factual situations covered by the referenced Article or Section. No inferences, presumptions, or conclusions shall be drawn by the Company, the Union, or any arbitrator from the indexing of, a marginal reference to, or failure to reference any document listed in Appendix A.

# Appendix A

## HISTORICAL DOCUMENTS PRESERVED AND MADE PART OF THIS AGREEMENT FOR INTERPRETATION AND APPLICATION INDEX BY CONTRACT CLAUSE

| A-DOC # | CLAUSE | ISSUE | DATE |
|---|---|---|---|
| A-41 | Article II, Section 1 | Union Security – Company Neutrality | 10/07/96 |
| A-28 | Article V, Section 1 | Training Union on Job Evaluation Procedure | 05/13/94 |
| A-62 | Article V, Section 2 | Supervisory Upgrades | 08/01/07 |
| A-27 | Article VI, Section 3 | Notification to the Union of Posted Job Openings | 05/13/94 |
| A-61 | Article VI, Section 3(b) | Promotional Retraining | 01/18/02 (10/07/96) (05/13/94) |
| A-4 | Article VII, Section 1 | Continuity of Work and Overtime | 07/05/79 |
| A-8 | Article VII, Section 1 | Inspecting Mechanic Job Class – No Shift Rotation | 05/17/82 |
| A-12 | Article VII, Section 1 | Work Week for Gas Plant Operators | 05/19/88 |
| A-52 | Article VII, Section 1 | Work Hours | 01/18/02 (10/07/96) (05/13/94) |
| A-18 | Article VII, Section 1(j) | Scheduling Make-up Overtime | 05/23/91 |
| A-63 | Article VII, Section 1(j) | Overtime Guidelines – Construction Maintenance, Corrosion System Operations, Gas Production and Measurement Center | 06/14/07 |
| A-64 | Article VII, Section 1(j) | Service Delivery Overtime Guidelines | 06/15/07 |
| A-60 | Article VII, Section 1(m) | Call Out Pay | 01/18/02 |
| A-3 | Article VIII, Section 2 | Reassignment of Employees in Supply, Production and Control of Gas Operating | 06/11/73 |
| A-37 | Article VIII, Section 2 | Logical Job Site Reporting Assignments | 10/07/96 |
| A-54 | Article VIII, Section 2 | Voluntary Transfers Between Headquarters | 01/18/02 (10/07/96) (05/13/94) |
| A-13 | Article VIII, Section 5 | Company Monitor Contractor Safety | 05/23/91 |
| A-34 | Article VIII, Section 5 | Information Concerning Contractors | 05/13/94 |
| A-36 | Article VIII, Section 5 | Inspecting Mechanics | 10/07/96 (05/13/94) (05/23/91) |
| A-1 | Article VIII, Section 8 | Witness Pay for Criminal Cases | 06/11/73 |
| A-5 | Article VIII, Section 13 | One-time Use of Sick Pay for Chemical Addiction Rehab. | 07/05/79 |
| A-6 | Article VIII, Section 13 | Provide Union List of Employees Off Work for Illness | 07/05/79 |
| A-9 | Article VIII, Section 13 | Employee Notification of Absence Expectations | 05/24/85 (05/18/76) |
| A-66 | Article VIII, Section 14(a) | Heath Care Benefits | 08/01/07 |
| A-14 | Article VIII, Section 14(b) | Company May Replace Health Care Plans | 05/23/91 |
| A-71 | Article VIII, Section 14(d) | Retirement Plan and HRA Conversion Agreement | 08/01/07 |
| A-76 | Article VIII, Section 14(d) | Post-Retirement Medical Benefits | 04/04/05 |
| A-68 | Article VIII, Section 15 | $9,000.00 Paid-Up Post-Retirement Life Insurance Coverage | 08/01/07 |

| A-DOC # | CLAUSE | ISSUE | DATE |
|---|---|---|---|
| A-7 | Article VIII, Section 17 | Inclement Weather | 07/05/79 |
| A-65 | Article VIII, Section 17 | Inclement Weather – Service Delivery | 08/01/07 |
| A-40 | Article VIII, Section 23 | Participative Management Team Guidelines | 10/07/96 (05/13/94) |
| A-15 | Article IX, Section 1 | Personal Attorneys During Grievances and Arbitrations | 05/23/91 |
| A-21 | Article IX, Section 1 | Timeliness of Grievance Procedure | 05/13/94 |
| A-10 | Article XII, Section 1 | No Holiday Pay Eligibility for Unavailability | 05/24/85 |
| A-16 | Article XII, Section 1 | Double Time Rate and Consecutive Holidays | 05/23/91 |
| A-17 | Article XIII, Section 1 | Holiday Occurs During Scheduled Vacation Period | 05/23/91 |
| A-74 | Article XIII, Sections 1(c) | Vacation Payout | 04/04/05 |
| A-2 | Misc. | Customer Service Route Bidding | 06/11/73 |
| A-11 | Misc. | Meter Reads and Non-pay Work on Customer Premises | 05/24/85 |
| A-19 | Misc. | Non-Pay Disconnect Work Group | 05/23/91 |
| A-20 | Misc. | Procedure for Employees Who Become Pregnant | 05/23/91 |
| A-22 | Misc. | Family and Medical Leave Act | 05/13/94 |
| A-23 | Misc. | Construction Assistants – Duties and Pay Rate | 05/13/94 (05/23/91) |
| A-25 | Misc. | Inspecting Mechanics To Not Cross Union Local Areas | 05/13/94 |
| A-35 | Misc. | Mechanic III Pay Rate and Work CG&E Wide | 10/07/96 |
| A-38 | Misc. | Combination Workers (Service Delivery) | 10/07/96 |
| A-49 | Misc. | Wage or Benefit Enhancements | 01/18/02 |
| A-50 | Misc. | Incentive Bonus Pay | 01/18/02 |
| A-51 | Misc. | Downbidding to Entry-Level Jobs | 01/18/02 (10/07/96) (05/13/94) (05/23/91) |
| A-55 | Misc. | Pay for Non-Industrial Medical Appointments | 01/18/02 (10/07/96) (05/13/94) |
| A-57 | Misc. | Paid Lunch Periods | 01/18/02 (10/07/96) (05/24/85) |
| A-58 | Misc. | Martin Luther King, Jr. Day | 01/18/02 (10/07/96) (05/13/94) |
| A-67 | Misc. | Union Employee Annual Incentive Program (UEIP) | 08/01/07 |
| A-69 | Misc. | Sabbatical Vacation Bank and Vacation Credit Programs | 08/01/07 |
| A-70 | Misc. | Sale of Assets | 08/01/07 |
| A-72 | Misc. | Discontinue Automatic Progression | 08/01/07 |
| A-73 | Misc. | Benefit Claims Disputes | 04/04/05 |
| A-75 | Misc. | Clothing Allowance | 04/04/05 |

# Appendix A

## HISTORICAL DOCUMENTS PRESERVED AND MADE PART OF THIS AGREEMENT FOR INTERPRETATION AND APPLICATION INDEX BY DOCUMENT NUMBER

| A-DOC # | CLAUSE | ISSUE | DATE |
|---|---|---|---|
| A-1 | Article VIII, Section 8 | Witness Pay for Criminal Cases | 06/11/73 |
| A-2 | Misc. | Customer Service Route Bidding | 06/11/73 |
| A-3 | Article VIII, Section 2 | Reassignment of Employees in Supply, Production and Control of Gas Operating | 06/11/73 |
| A-4 | Article VII, Section 1 | Continuity of Work and Overtime | 07/05/79 |
| A-5 | Article VIII, Section 13 | One-time Use of Sick Pay for Chemical Addiction Rehab. | 07/05/79 |
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| A-51 | Misc. | Downbidding to Entry-Level Jobs | 01/18/02<br>(10/07/96)<br>(05/13/94)<br>(05/23/91) |
| A-52 | Article VII, Section 1 | Work Hours | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-54 | Article VIII, Section 2 | Voluntary Transfers Between Headquarters | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-55 | Misc. | Pay for Non-Industrial Medical Appointments | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-57 | Misc. | Paid Lunch Periods | 01/18/02<br>(10/07/96)<br>(05/24/85) |
| A-58 | Misc. | Martin Luther King, Jr. Day | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-60 | Article VII, Section 1(m) | Call Out Pay | 01/18/02 |
| A-61 | Article VI, Section 3(b) | Promotional Retraining | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-62 | Article V, Section 2 | Supervisory Upgrades | 08/1/07 |
| A-63 | Article VII, Section 1(j) | Overtime Guidelines -- Construction Maintenance, Corrosion System Operations, Gas Production and Measurement Center | 6/14/07 |
| A-64 | Article VII, Section 1(j) | Service Delivery Overtime Guidelines | 06/15/07 |
| A-65 | Article VIII, Section 17 | Inclement Weather – Service Delivery | 08/01/07 |
| A-66 | Article VIII, Section 14(a) | Heath Care Benefits | 08/01/07 |
| A-67 | Misc. | Union Employee Annual Incentive Program (UEIP) | 08/01/07 |
| A-68 | Article VIII, Section 15 | $9,000.00 Paid-Up Post-Retirement Life Insurance Coverage | 08/01/07 |
| A-69 | Misc. | Sabbatical Vacation Bank and Vacation Credit Programs | 08/01/07 |
| A-70 | Misc. | Sale of Assets | 08/01/07 |
| A-71 | Article VIII, Section 14(d) | Retirement Plan and HRA Conversion Agreement | 08/01/07 |
| A-72 | Misc. | Discontinue Automatic Progression | 08/01/07 |
| A-73 | Misc. | Benefit Claims Disputes | 04/04/05 |
| A-74 | Article XIII, Sections 1(c) | Vacation Payout | 04/04/05 |
| A-75 | Misc. | Clothing Allowance | 04/04/05 |
| A-76 | Article VIII, Section 14(d) | Post-Retirement Medical Benefits | 04/04/05 |

# IBEW 1347
# 2000-2006

*Click on a link below to retrieve an Article.*


| Article/Subject | Article/Subject |
|---|---|
| Employee Representative Team Mission Statement | Division 13 – Service Division |
| Article I – Union Recognition, Contract Dates, Security & Discrimination | Division 14 – Inventory Services |
| Article II – Grievance Procedure and Arbitration | Division 15 – Power Plant Stores |
| Article III – Seniority, Leave of Absence and Promotion | Division 16 – Transportation Services |
| Article IV – Vacation, Personal Leave and Absence | Exhibit "B" Power Operation Team Guidelines |
| Article V – Worker Definitions, Schedules, Shift Pay, Overtime, Holidays, Weather, Bereavement, Jury Duty, Promotional Exams, Contractors, Notification, Step-Up Pay, Safety Devices, Life Insurance, Wage Rates and Healthcare Coverage | Production Team Staffing |
| Article VI – Pyramiding Benefits | Support Team Staffing |
| Exhibit "A" General Work Rules, Divisions 1-5 Power Operations | Skills Acquisition and Compensation Process |
| Division 6 – Operators | Apprenticeship Program |
| Division 7 – Substation | Bidding Between Production/Support Teams |
| Division 8 – Electric Test | Team Rules/Guidelines |
| Division 9 – Electric Trouble | Attachment "A" Fractional Slotting |
| Division 10 – Electric Meter | Attachment "B" East Welding Skill Agreement |
| Division 11 – Overhead T&D Construction Division | Attachment "C" Skills Qualification Point System |
| Division 12 – Underground Cable and Equipment | Qualification Issues and Review Committee (QUIRC) |


## MEMORANDUM OF AGREEMENT

This Agreement made and entered into by and between The Cincinnati Gas & Electric Company and its Affiliate, The Union Light, Heat and Power Company, hereinafter referred to as the "Company", wholly owned subsidiaries of Cinergy Corp., and Local Union 1347 of The International Brotherhood of Electrical Workers, AFL-CIO, referred to hereinafter as the "Union".

The Company and the Union recognize that in order for the parties to meet the challenge of competition, the need for long term prosperity and growth, and establish employment security, each must be committed to a cooperative labor management relationship that extends from the bargaining unit members to the executive employees. The Company and the Union agree that employees at all levels of the Company must be involved in the decision making process and provide their input, commitment, and cooperation to improving productivity and helping Cinergy become the lowest cost producer and highest quality provider of energy service.

### Employee Representative Team Mission Statement

The Employee Representative Team (ERT) is recognized as a Union/Management partnership whose joint mission is to:

- Make labor relations at the Cincinnati Gas and Electric Company a participative effort to oversee relationships between Union and Management personnel.

- Work toward the dissemination of information necessary to make decisions, manage changes, and move decisions to the most effective level possible.

- Develop a total commitment from each Employee to improve the working environment and support the organization's efforts to prosper and grow.

For the purpose of facilitating the peaceful adjustment of differences that may arise from time to time and to promote harmony and efficiency to the end that the Company, the Union and the general public may mutually benefit, the parties hereto contract and agree with each other as follows:

## ARTICLE I

Section 1. (a) The Company recognizes the Union, during the term of this Agreement, as the sole and exclusive representative of the employees in the bargaining unit defined as "The Electrical Workers Unit" by the National Labor Relations Board in its Decision and Direction of Election dated August 12, 1944, for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment.

(b) All new employees shall be classified as probationary employees for a period of one (1) year. Employees with six months or more of continuous service are eligible to receive supplemental industrial accident compensation, supplemental jury duty pay and will be entitled to bidding rights to other job classifications. Further, probationary employees shall have no recourse to the grievance procedure as set forth in Article II, Section 1 for the first six (6) months of the probationary period. However, after serving six (6) months of the probationary period, probationary employees will have recourse to the grievance procedure for any non-discipline related grievances.

Section 2. (a) This Agreement and the provisions thereof shall take effect on February 3, 2000 and shall be binding on the respective parties hereto until April 1, 2006 and from year to year thereafter unless changed by the parties.

(b) Either of the parties hereto desiring to change any section or sections of this Agreement and/or to terminate this Agreement shall notify the other party in writing of that intention at least sixty (60) days prior to April 1, 2006 or any subsequent anniversary date. If neither party gives such notice the Agreement shall continue from year to year. If such notice is given by either party the Agreement shall be open for consideration of the change or changes desired. Within fifteen (15) days from the date the first notice of intention to change is given by either party to the other,

but not later than thirty (30) days prior to April 1, 2006 conferences shall commence for the purpose of considering the proposed changes. At the first such conference each party will submit its proposed changes, in writing, to the other party.



(c) In case of failure to reach an agreement on the changes desired by either or both parties, within a period of thirty (30) days following commencement of conferences, but in no event later than the renewal date of this Agreement, the changes shall be referred to arbitration as provided for in Article II, Section 2 hereof. Either party desiring to avail itself of arbitration in this case shall notify the other party in writing of its desire to arbitrate and at the same time name its arbitrator. The parties mutually agree that there shall be no strikes, work stoppages, slowdowns or lockouts pending the decision of the arbitrators. The provisions of this paragraph shall not apply in the event either party gives written notice to the other party at least sixty (60) days prior to April 1, 2006, of its desire to terminate the Agreement on April 1, 2006, if there remains at that time issues which the parties are unable to resolve.

(d) In the event agreement is reached on or before March 3l, the 2000 - 2006 Agreement will be extended for a mutually agreed number of calendar days. The Union shall have one-half of the mutually agreed number of calendar days immediately following the date an agreement is reached in which to submit the Agreement to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the mutually agreed number of calendar days as notice before a strike or work stoppage commences. Providing the mutually satisfactory Agreement is ratified by the membership within the first one-half of the mutually agreed number of days following the date an agreement is reached, such Agreement will be made retroactive to the 31st day of March.

(e) It is agreed that this Agreement may be amended or added to at any time by written consent of both parties hereto.

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Section 3. The Union agrees not to admit to membership or permit to retain membership for collective bargaining purposes any foreman or supervisory employee of the Company who is not employed in a classification within the unit now represented by the Union.

Section 4. (a) It is expressly understood and agreed that the services to be performed by the employees covered by this Agreement pertain to and are essential to the operation of a public utility and to the welfare of the public dependent thereon and in consideration thereof, as long as this Agreement and conditions herein be kept and performed by the Company, the Union agrees that under no conditions and in no event, whatsoever, will the employees covered by this Agreement, or any of them, be called upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under this Agreement. The Company agrees on its part to do nothing to provoke interruptions of or prevent such continuity of performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's property and that any difference that may arise between the above-mentioned parties shall be settled in the manner herein provided.

(b) The Company agrees that it will not attempt to hold Local Union 1347 of the International Brotherhood of Electrical Workers, financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem

suitable, including discharge, without recourse to any other provision or provisions of the Agreement now in effect.

Section 5. (a) This Agreement covers all work done for the Company, including work performed by Cinergy Services, Inc., by the employees of the occupational classifications in the unit defined as "The Electrical Workers Unit" by the National Labor Relations Board Order dated August 12, 1944, which is covered by this Agreement. The unit so defined shall retain jurisdiction over such work as was normally performed by it prior to March 31, 1945, but such jurisdiction shall not be expanded except by mutual agreement of the parties hereto or through due process under the National Labor Relations Act.



Employees other than those covered by this Agreement shall continue to perform work normally performed by them prior to March 31, 1945, except where mutually agreed upon in specific instances as itemized in Departmental Rules of this Agreement.

(b) Except in case of emergency, work regularly done by employees in a classification shall be restricted to such work as is normally assigned to that classification, or work of a basically similar nature.

(c) Foremen's duties shall be restricted to direct supervision except in cases of emergency, for such incidental work as may occasionally be required or as may be otherwise outlined in the Departmental Work Rules.

Section 6. The Company and the Union agree to meet and deal with each other through their duly accredited representatives on matters relating to hours, wages and other conditions of employment of the employees of the Company covered by this Agreement.

Section 7. Respecting the subject of "Union Security," the parties mutually agree as follows:

(a) All regular employees of the Company as of the ratification of this Agreement, who are not members of the Union shall not be required as a condition of their continued employment to join the Union. However, after April 1, 2000, all regular employees of the Company within the bargaining unit represented by the Union who are members of the Union, and who are not more than six months in the arrears with dues, or who may become members of the Union, shall be required as a condition of their continued employment to maintain their membership in the Union in good standing, subject to the annual ten day escape period hereinafter described.

(b) The Union agrees that neither it nor any of its officers or members will intimidate or coerce any of the employees of the Company to join or become members of the Union, nor will said Union or any of its officers or members unfairly deprive any employee within the bargaining unit represented by the Union of union membership or of any opportunity to obtain union membership if said employee so desires. In this connection the Company agrees that it will not discriminate against any employee on account of activities or decisions in connection with the Union except as the same may become necessary on the part of the Company to carry out its obligations to the Union under this Agreement.

(c) If a dispute arises as to the actual union status of any employee at any time as to whether or not the employee has been unfairly deprived of or denied union membership, the dispute shall be subject to arbitration, in accordance with the arbitration provisions of Article II, Section 2 of this Agreement.

(d) Within thirty-one (31) days after July 1, 1967, or after the date of hire whichever is later, all employees who are not members of the Union, except those employees mentioned in subsection (i) of this section, shall be required as a condition of continued employment to pay to the Union each month a service charge as a contribution toward the administration of this Agreement in an amount equal to the monthly dues uniformly required by the Union Members. Such contributions shall be checked off upon proper written authority executed by the employee and remitted to the Union in the same manner as the dues of members.

(e) The Company agrees to dismiss any employee at the written request of the Union for non-payment of union dues or service charges or to discipline employees represented by the Union in the manner herein provided for violation of this Agreement, if requested to do so in writing by the Union. Nothing in this clause, however, shall be construed so as to require the Company to dismiss or discipline any employee in violation of any state or federal law.

(f) The Union agrees that any present or future employee who is now or may become a member of the Union may withdraw from membership in the Union between September 21st and September 30 inclusive of each year, beginning with September 21, 2000, by giving notice by registered or certified mail to the Employee Relations and Safety Department of this Company. After such withdrawal an employee shall not be required to rejoin the Union as a condition of continued employment.

(g) The Company agrees that after proper individual authorizations by means of written individual assignments in a form mutually agreeable to both parties to deduct Union dues and service charges, and the original initiation fee from members' pay. This deduction shall be made once each month and shall be forwarded within seven calendar days to the authorized agent of the Union.

(h) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by a group of employees in the bargaining unit represented by the Union this section of the contract is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company may, upon the presentation of proof satisfactory to the Company, within ten days thereafter, that the Union did not directly or indirectly authorize, permit, endorse, aid or abet said strike, work stoppage, slowdown, picketing or interference referred to, reinstate this section of the contract, which section, if reinstated will, from and after the date of reinstatement, be of the same validity, force and effect as if it had not been canceled. In this connection, it is the expressed intention of the parties that for the purpose of making this cancellation provision effective without affecting the other sections of the contract, this contract is to be considered a severable contract. Should the automatic cancellation of this section occur, it is the intention and agreement of the parties that all other sections and provisions of the contract remain in full force and effect as therein provided. The Company agrees that it will not deliberately arrange or incite such interference to the work or operations of the Company as are referred to in this section.

(i) The Company agrees that after February 3, 2000, and as long as this section of the contract shall remain in full force and effect, that all persons, before they are employed as regular employees in any classification within the unit represented by the Union, shall be required to signify in writing their voluntary willingness and intention to join the Union not later than thirty-one (31) days after their employment by the Company.

Section 8. There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee because of membership or non-

membership in the Union, because of lawful activities on behalf of the Union, or because of race, color, religion, sex or national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the female gender wherever they appear throughout the Agreement.



Section 9. (a) Except where expressly abridged by a specific provision of this Agreement, the Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of men it will employ or retain in each classification, and the right d, discharge, discipline, promote, demote or transfer, and to release employees of work or for other proper and legitimate reasons are vested in and reserved to the Company.

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(b) The above rights of Management are not all-inclusive, but indicate the type of matters or rights which belong to and are inherent to Management. Any of the rights, powers, and authority the Company had prior to entering this Agreement are retained by the Company, except as expressly and specifically abridged, delegated, granted or modified by this Agreement.

(c) The Company may adopt or revise any work methods and procedures which are not in direct conflict with the provisions of this Agreement. The Company will notify the Union, in writing, of any new or revised Company work methods and procedures. Such new or revised Company work methods and procedures shall not be effective until such notice is given.

(d) The foregoing three paragraphs do not alter the employee's right of adjusting grievances as provided for in Article II, Section 1 of this Agreement.

(e) In order to avoid possible grievances, the Company will discuss in advance with the representatives of the Union, promotions, demotions, layoffs, transfers and rehiring of employees in all classifications governed by this Agreement, except in instances where the employee with the greatest length of classified seniority is selected for promotion, or the employee with the least classified seniority is selected for demotion or layoff. The Company agrees that the Department Management will notify in writing in advance or as promptly as possible the Master Steward or Business Manager of the Union of promotions, demotions or transfers of employees covered by this Agreement.

(f) Except as herein provided, promotions, demotions, transfers or layoffs of employees covered by this Agreement made by the Company without discussion in advance with the Union representatives will not be considered permanent, until so discussed.

Section 10. A copy of any letter constituting disciplinary action by the Company against any employee covered by this Agreement shall be furnished to the employee and the Union. In case of a grievance resulting from such a warning letter see Article II, Section 1.

Section 11. In making promotions to any job outside the bargaining unit first consideration shall be given by the Company to employees with seniority and ability. The definition of the qualifications required for such a job and the determination as to whether any individual is qualified for the job is solely the responsibility of the Company.

Section 12. Employees shall not be required to cross a picket line except to perform work which is necessary to provide the normal services of the Company. A supervisor shall make the necessary arrangements with the picketing Union involved for the employee to cross the picket line.

## ARTICLE II

Section 1. GRIEVANCE PROCEDURE (a) Realizing the importance of avoiding delays in rendering decisions regarding grievances, the following procedure shall be followed. If after consultation of an employee covered by this Agreement with his immediate supervisor the employee still feels that he has a grievance arising out of this Agreement, the avenue of adjustment for such grievances shall be as follows:

First - Between the employee, the officially designated steward and the foreman or supervisor involved.

Second - Between the Steward or Business Manager and the District or Departmental Section Management.

Third - Between the Business Manager and, if necessary, a small committee representing the Union; and the Department Manager or another designated representative of the Department.

Fourth - Between the Business Manager and if necessary the officers of the Local Union and the officers of the Company or a designated representative of the Company.

(b) The procedure outlined in this section may be altered at the request of the Union in a discharge case by filing the grievance in writing initially at the third step of the grievance Top of Doc

(c) Employees engaged in the above grievance procedure during their working hours shall not suffer a loss of pay for such time.

(d) If a satisfactory settlement cannot be reached before the third phase of the procedure outlined above, the grievance shall be reduced to writing, in triplicate, by representatives of the Union.

(e) The aggrieved party shall have thirty (30) days after the postmarked date of the written decision of the fourth step grievance meeting to request arbitration as provided for in Section 2 of Article II of the Agreement. Failure to refer, in writing, the grievance to the arbitration procedure within the specified thirty (30) days' time limit will constitute settlement of the grievance.

Section 2. ARBITRATION PROCEDURE (a) Should a mutually agreeable settlement of a difference arising out of this Agreement between the Company and the Union be impossible and either party desires to submit such a question to arbitration, that party shall notify the other party, in writing, of the questions to be arbitrated and shall also name their arbitrator within fifteen (15) days of the failure of both parties to agree. The other party shall name its arbitrator within ten (10) days after receiving such notice of the desire of the other party to arbitrate. The two arbitrators shall meet within ten (10) days after their appointment in an attempt to settle the questions referred to them and if they fail to reach a settlement then the two arbitrators selected by the parties shall try to agree on the third and neutral arbitrator. If no agreement can be reached within five (5) days on the selection of the third arbitrator the parties shall jointly request a list of seven (7) names of persons eligible to act as a third arbitrator from either the Director of the Federal Mediation and Conciliation Service or the local Regional Director of the American Arbitration Association. If the agency to be used cannot be mutually agreed to, the selection shall be by the flip of a coin. In the event of the failure of the two arbitrators to select the third arbitrator from said

list of eligible persons, the two arbitrators shall jointly apply to the selected agency for an additional list of seven (7) names of persons eligible to act as a third arbitrator. In the event of the failure of the two arbitrators to select the third arbitrator from the second list of eligible persons, the two arbitrators, beginning with the arbitrator as determined by the flip of a coin, shall cross off names in turn until only one remains, whereupon the remaining name shall be acceptable to both parties as the neutral arbitrator and Chairman of the Arbitration Board.

(b) Matters referred to the three-man arbitration board shall be settled by the board with reasonable dispatch and decisions rendered by the board shall be final and binding on the parties hereto. The three-man arbitration board shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement. It is also mutually agreed that there shall be no work stoppage or lockouts pending the decisions of the arbitrator or subsequent thereto.

(c) In the case of arbitration each party shall bear the expense of its own arbitrator. The neutral arbitrator's and other joint expenses mutually agreed upon shall be born equally by both parties.

## ARTICLE III

Section 1. System Service shall date from the time an employee first earns compensation in the employ of the Company, except as such continuous service record may be lost in accordance with Item (h), Section 5 of Article III of this Agreement.

Section 2. Division Seniority shall be the total seniority accumulated in a specific division.

Section 3. Classified Seniority shall date from the time an employee is employed in a specific classification.

Section 4. For the purpose of this Agreement the Divisions of the Company shall be considered as follows:

| | |
|---|---|
| (1) East Bend Station | - Energy Commodities |
| (2) Miami Fort Station | - Energy Commodities |
| (3) Walter C. Beckjord Station | - Energy Commodities |
| (4) Wm. H. Zimmer Station | - Energy Commodities |
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| (5) Woodsdale Station (including the Dicks Creek Station) | - Energy Commodities |
| (6) Operators | - Energy Delivery |
| (7) Substation | - Energy Delivery |
| (8) Electric Test | - Energy Delivery |
| (9) Electric Trouble | - Energy Delivery |
| (10) Electric Meter | - Energy Delivery |

| | |
|---|---|
| (11) Overhead Transmission and Distribution, Construction | - Energy Delivery |
| (12) Underground Cable and Equipment | - Energy Delivery |
| (13) Service Division | - Energy Delivery |
| (14) Inventory Services | - Energy Delivery |
| (15) Power Plant Stores | - Energy Commodities |
| (16) Transportation Services | - Energy Delivery |

Section 5. (a) Company System Service shall be used to determine the amount of vacation an employee is eligible to receive.

(b) There shall be no transfer of classified seniority rights for Power Operations' employees between the East Bend Station, the Miami Fort Station, the Walter C. Beckjord Station, the Wm. H. Zimmer Station and the Woodsdale Station.

(c) The Company shall maintain an up-to-date seniority list of all employees in each Division. Such list shall show System Service and Classified Seniority of each employee and shall be posted in a place or places accessible to all employees in such Divisions. If exception is not taken to the list as posted within thirty (30) days from the date of posting the list shall be considered as correct and no change will be made thereafter except by mutual agreement between the Company and the Union. Copies of these lists shall be forwarded to the Union.

(d) An employee entering military service shall continue to accumulate full system service and full seniority for the time specified by applicable laws provided that he returns with a certificate of satisfactory completion of his active service and applies for work within the time specified by said laws after his release from active duty.

When a regular employee returns from military service, as defined in the previous paragraph of this section, he shall be given an opportunity and reasonable assistance to qualify for any job to which he would have progressed in the promotional sequence in which he was employed at the time of his entry into military service; and he will be promoted to that classification at the time he becomes qualified and provided he bids every opening in his promotional sequence at the time he becomes qualified after he returns from military service. His classified seniority shall then be adjusted.

(e) Leave of absence may be granted, if requested in writing, to an employee with the written consent of the Company. Employees on leave of absence for Military Service, illness, injury, or Union business shall accumulate system service and seniority. Employees on leave of absence granted for any other reason shall not accumulate system service or seniority but system service and seniority already accumulated shall not be forfeited. Where a leave of absence is granted to any employee covered by this Agreement, the Company shall notify the Union in writing without delay.

(f) Any member or members not to exceed three (3) members elected or employed by Local 1347 of the Union whose duties for the Local require their full time shall be granted a leave of

absence by the Company for six (6) months and additional six (6) months' periods thereafter providing that each member is from a different promotional sequence or that the Company has granted permission for two (2) members to be from the same promotional sequence. On return to the employ of the Company such employees shall be employed at their previous classification or other higher classification within this unit for which they may be qualified.



Employees on leave of absence who are employed full time by the Local Union shall be eligible to participate, at no cost to the Company, in the Medical Insurance programs and the Group Life Insurance program.

(g) An employee losing time due to illness or injury shall be entitled, upon recovery, if physically and mentally qualified, to the position held prior to such accident or illness.

(h) Employees will lose their system service and seniority who:

(1) Quit of their own accord. If such employees should return to work with the Company on a full-time basis, those employees will recoup their system service seniority previously held before leaving the Company.

(2) Is discharged for cause.

(3) Fails to report their availability for work within three (3) scheduled working days, fails to report for work within seven (7) days after being recalled from layoff or fails to make other arrangements satisfactory to the Company within the first three (3) scheduled working days after notification.

Section 6. (a) In making promotions within the bargaining unit classified seniority, ability and qualifications shall be taken into consideration. Ability and qualifications being sufficient seniority shall prevail. If any employee is promoted to a supervisory job outside the bargaining unit, he shall retain, for a period of one year, all classified seniority accumulated up to the date of his promotion. Such seniority may be exercised, through the established bidding procedures, within the bargaining unit, should such job be jeopardized because of lack of work or any other reason except for dismissal for cause. If an employee, who was a supervisor for more than one year, returns to the bargaining unit, he will receive a classified seniority date behind all incumbent employees in the job classification from which he originally promoted. No supervisor may return to a bargaining unit job classification, if it would result in the layoff or prevent the recall from layoff, of an employee represented by the Union.

(b) In the event of a layoff or work force reduction, layoffs, demotions, and transfers shall be made on the basis of classified seniority within a promotional sequence in a department. An employee shall have the right to be returned to any starting level job classification previously held by him in the course of his employment with the Company if his seniority is sufficient to qualify him for such job and an opening or job vacancy exists. An employee does not recoup any classified seniority in those job classifications higher than the one to which he is assigned, despite the fact he may have previously worked in the higher job classifications, until he is permanently promoted to the higher job classification through the established posting procedure. For purposes of this paragraph, if an employee has not worked in a lower classification in his promotional sequence, he will be credited with classified seniority in each such lower job classification for all time worked in a job classification at the same or higher wage level within his promotional sequence. An employee, however, shall not have the right to be demoted or transferred to any classification in another promotional sequence which he has not previously held, except as provided in Article III,

Section 7(f). Under no circumstances will an employee be permitted to arbitrarily select a job where no vacancy or job opening exists.

(c) Except for temporary or probationary employees, the Company shall give a two (2) weeks' advance notice to the Union of any general reduction in forces.

(d) When increasing forces the Company agrees to recall employees previously laid off for lack of work. When recalling occurs it shall be done on the basis of classified seniority and no new employee shall be hired in that promotional sequence until all regular employees in that promotional sequence who have been laid off within three (3) years have been recalled or rehired, provided that such former regular employees are available for work and are qualified to perform the job. Such former employees shall make satisfactory arrangements for reporting to work in accordance with Article III, Section 5(h) (3) after notification through the United States Mail, or by telegraph, addressed to the address last given to the Company by the employee. A copy of such notice shall be given to the Business Manager at the time the notice is sent to the employee. Failure of the employee so notified to report to work or to supply a reason satisfactory to the Company, or not doing so, within the time limit herein, shall be considered a waiver of re-employment rights by the employee. Employees who are on a layoff status from the Company shall be considered for hire, before other applicants, on the basis of system service, into job classifications for which they do not have a recall right for a period of three (3) years.

(e) Should time constituting seniority of any two or more employees be equal, the respective seniority of such employees shall be determined by lot by the Union and the Company notified in writing by the Union.

Section 7. (a) When an opening in a job classification covered by this Agreement is to be filled, a notice shall be posted by the Company on all bulletin boards in the appropriate Division(s). A copy of such notice shall be mailed to the Business Manager of the Union. This notice shall be posted two weeks before the opening is permanently filled. This period of posting may be reduced to seven (7) days provided that any employees with greater seniority who may be off duty during the entire seven (7) day posting period are notified of the posting by a copy of the posting notice mailed, by registered or certified mail, to their home address on record with the Company. Where a notice is posted as provided above and the opening has not been filled sixty (60) days after the closing date of the posting, it shall be invalid and a new posting made before the opening is permanently filled. This shall not preclude the management from filling the opening by assignment if no qualified bids are received on the first posting of the opening. This procedure may be modified in departmental rules where mutually agreed upon.

(b) Subject to the approval of the Company and the Union any employee may waive his right to promotion or temporary advancement either within or outside the bargaining unit if such waiver does not prevent other employees from acquiring experience in the job held by him. Such waiver must be submitted to the Company and the Union in writing at least seven (7) days in advance. A request for withdrawal of such a waiver must be submitted in writing.

(c) When an employee waives his right to a position, the next employee shall be entitled to such position, on a seniority and sufficient qualification basis, and so on until the position is filled.

(d) An employee waiving his right under this provision cannot later claim that particular job as a seniority right; however, the employee making such waiver shall not prejudice his right to accept future vacancies or positions that may occur, on a basis of his classified seniority and qualifications.

(e) An employee permanently established in a classification under the provisions of this section of the Agreement shall not be replaced later by an employee who may have developed sufficient seniority or qualifications.

(f) Any employee who may make application to the Employment Office for transfer to a starting job for which he may be qualified will be given preference for consideration before a new employee is hired for the job. Anyone transferring as provided herein shall not receive a reduction in rate unless his rate of pay exceeds the maximum rate of the job to which he is transferred. In such case his rate shall be reduced to the maximum rate of that job. For the first six (6) months after an employee transfers as provided herein, he may be discharged without recourse to the grievance procedure of this Agreement.

(g) When an opening occurs in a job classification, employees already in that job classification within the Division may exercise their seniority rights to cross bid for the particular opening. The employee already in the job classification within the Division who cross bids and who can qualify will be selected; however, only one cross bid will be allowed. When an opening has been filled in accordance with the procedure outlined above, the resultant openings will be filled by promotion of employees from the next lower job classification in the particular promotional sequence in accordance with the provisions of this Agreement. An employee shall not have the right to bid on a demotion but may request in writing consideration for a demotion.

The procedure outlined above is not applicable to those Divisions where the multiple posting system is in use. In the Divisions where multiple posting is used, the employees are permitted to submit their applications for promotion or cross bid in advance of an opening. An employee shall not have the right to bid on a demotion but may request in writing consideration for a demotion. When openings occur, they will be posted on the bulletin boards at the various headquarters within the appropriate Division(s). In the Divisions where multiple posting is used and job openings exist cross bids will be permitted at each job classification level before promotions are made and until the posting is completed.

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on of the Agreement shall not be interpreted in such a way as to enable employees to utilize seniority in the selection of a particular shift, working crew or job assignment, but supervisors may make such assignments on the basis of an employee's request with consideration to the requirements of the job to be filled and the seniority of the employee.

(h) All new employees and all employees transferring from other bargaining units into a job classification represented by the Union shall be classified as probationary employees for a period of one (1) year and shall have no system service and seniority rights during that period. After one (1) year continuous service as a probationary employee, such employees shall be classified as regular employees and their system service and seniority record shall include their previous employment as probationary employees and any other previous employment to which they are entitled. The Company shall have the right to lay off or discharge probationary employees for cause and there shall be no responsibility for re-employment of such employees after they are discharged or laid off during the probationary period.

(i) Employees hired for a specific temporary project of limited duration shall be classed as temporary employees and shall not acquire system service or seniority rights. The Union shall be notified in writing of the hiring of such employees and of the project and probable duration for which they are employed. The Union shall be notified in writing of any change in the employment status of such employees.

Section 8. An employee, when permanently assigned to a job classification and qualifying in all respects with the exception of time spent in the preceding classification as required in the qualification section of the job description, shall be considered as having the equivalent of such required time.

## ARTICLE IV

Section 1. VACATIONS. (a) Vacations for hourly rated employees will be granted with pay during the calendar year in which they complete the specified number of years of service on the following basis:

(1) Employees with less than one (1) year of service with the Company shall be entitled to one (1) day of vacation for each month worked, with a maximum of ten (10) days total.

(2) Employees with one (1) year of service with the Company shall be entitled to a vacation of two (2) weeks.

(3) Employees with seven (7) or more years of service with the Company shall be entitled to a vacation of three (3) weeks.

(4) Employees with fifteen (15) or more years of service with the Company shall be entitled to a four (4) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fourth week.

(5) Employees with twenty-one (21) or more years of service with the Company shall be entitled to a five (5) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fifth week.

(6) Employees with thirty-two (32) or more years of service with the Company shall be entitled to a six (6) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the sixth week if the employee has attained at least 34 years of service. The sixth week of vacation prior to 34 years of service will automatically be deposited in the employee's vacation bank and is intended for banking purposes unless specifically approved for time off by supervision.

(b) The normal vacation period shall be from Memorial Day to September 30, inclusive. An employee who is eligible for more than a two (2) week vacation may be required to take the vacation in excess of two (2) weeks outside the normal vacation period.

(c) An employee accrues entitlement to 1/12 of their current year's vacation for each month the employee is employed during the current calendar year or is on STD, or leave of absence. Any employee leaving the Company's service during any calendar year shall receive payment for any unused portion of accrued vacation for that current year, except that the maximum vacation payout for unused vacation, including vacation bank, cannot exceed 22 weeks of straight-time pay. Active employees may use current year vacation at any time during the year as approved by supervision.

(d) In order for an employee to qualify for a vacation, the employee must have been on the Company payroll as a full-time regular or probationary employee on the last day in the calendar

year previous to the vacation, and must have been available whenever necessary for the Company medical examinations and reports.



(e) Every effort will be made to grant vacation at a time suitable to the employee, but should the number leaving on vacation in any one period handicap the operations of the Company, the Company reserves the right to limit the number receiving vacations. Preference for vacations shall be granted within a classification at a headquarters on a system service basis within the bargaining unit.

Vacations must be selected for full weeks. However, an employee entitled to two or more weeks of vacation in a calendar year may arrange to take five days of that vacation in one-day increments. Requests for these days must be made at least five calendar days prior to the date requested and must be approved by supervision. However, because of extenuating circumstances, a day off with less than a five calendar day notification may be approved by an employee's supervisor. An employee entitled to five or more weeks of vacation in a calendar year may arrange to take ten days of that vacation in one-day increments. However, because of extenuating circumstances a day off may be taken with less than the five calendar day notification with approval by supervision. Requests for at least five of these ten days must be made five or more calendar days prior to the date requested and must be approved by supervision. The Company reserves the right to limit the number of employees who can be off on a specific day and may, but cannot be required to, grant a one day increment on a work day preceding or following a holiday or other vacation. Such one-day increments must be utilized before an employee's scheduled vacation in a particular year is exhausted.

(f) The estate of an employee who dies shall receive all current year vacation pay earned in accordance with Article IV, Section 1.

(g) Time lost because of a leave of absence due to injury or illness shall not be considered as a break in continuous service, providing the employee is available whenever necessary for the Company medical examinations and reports during the leave of absence. Vacation will be granted in accordance with Article IV, Section 1(d).

(h) Employees returning from military service in a subsequent calendar year will receive all vacation pay they have earned in accordance with Article IV, Section 1.

(i) When a holiday falls within an employee's vacation such employee shall receive either eight (8) hours additional pay to compensate for the loss of such holiday or one additional vacation day shall be allowed immediately before or immediately after the vacation period at the discretion of the Company.

An employee leaving the Company, except due to retirement, will not receive holiday pay for a holiday which occurs after the employee's last day worked.

An employee leaving the Company due to retirement and drawing vacation pay will receive eight (8) hours straight time holiday pay in addition to regular vacation pay when a holiday falls within the vacation pay period.

(j) An employee required by the Company to work during his normal vacation period shall be paid at his regular rate for all such time worked as provided in this Agreement and in addition shall receive such pay as he would normally have received for the vacation period.

The Company will not require an employee to work during his scheduled vacation period unless the absence of such employee would jeopardize the maintenance of continuous service by the Company. The Company agrees to notify the Union in writing of each instance where an employee is required to work during his scheduled vacation, outlining the nature of the emergency requiring such action.



(k) Any employee who becomes legitimately ill immediately before his scheduled vacation shall not be required to take his vacation during such an illness. If, however, an employee becomes ill after his vacation period has begun he shall not be entitled to sick pay during his vacation period. All vacations must be taken within the calendar year that they become due, except for sabbatical vacation.

An employee's vacation will start when the employee is released from duty on his last regularly scheduled working day prior to the scheduled vacation, and shall end at the start of his first regularly scheduled working day following the scheduled vacation. However, prior to the beginning of his scheduled vacation, an employee may indicate, in writing to his supervisor, that he desires to be considered for work on what would have been normal off days at the beginning or end of his scheduled vacation.

Section 2. (a) An employee who has completed six months of continuous service shall be entitled to four compensated personal days off each calendar year. Requests for personal days must be made at least four calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a four calendar day notification may be approved by an employee's supervisor. Arrangements for all personal days must be made with supervision on or before November 1 of each year or it shall be lost. The Company reserves the right to limit the number of employees who can be off on a specific day. If a personal day is not used during a year, it shall be lost and no additional compensation shall be granted.

(b) An employee who has completed six months of continuous service shall be entitled to one compensated Diversity Day off each calendar year. Requests for this day must be made at least four calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, less than a four-calendar day notification may be approved by an employee's supervisor. The Company reserves the right to limit the number of employees who can be off on a specific day for business needs. However, every effort will be made by supervision to honor an employee's request for this Diversity Day. If the Diversity Day is not used during a year, it shall be lost and no additional compensation shall be granted.

Section 3. ABSENCE DUE TO SICKNESS OR ACCIDENT:

(a) Regular employees who are actively working on January 1, regular employees who return to work from an authorized extended absence on or after January 1, probationary employees who become regular employees on or after January 1, shall be paid as gross wages, for absent time due to bona fide illness or injury, a maximum annual amount equal to 40 hours at their regular Straight Time Pay. Such payment shall be made by the Company on the nearest practicable regular payday following the date such employee becomes eligible.

(b) After an employee has been continuously disabled, subject to medical determination, and unable to return to work for more than seven consecutive calendar days, the employee will receive Short Term Disability consisting of full compensation for up to twenty-six (26) weeks or until the employee is able to return to work, whichever occurs first. During the seven consecutive

calendar day waiting period, it is intended that no employee will incur a loss of more than five scheduled days of straight time pay.

(c) The administration of Short Term Disability compensation for employees hired 1-1-05 or after will be as follows:



| Years of Service | Weeks at 100% Pay | Weeks at 66 2/3% Pay |
|---|---|---|
| 0 – 1 | None | All |
| 1 – 5 | 10 | Balance |
| 6 – 10 | 20 | Balance |
| 11 – 14 | 26 | Balance |
| 15 or more | All | |

***Upon the commencement of an illness, employees are eligible to receive the portion of the total listed weeks at 100% pay not used over the previous two-year rolling time period.**

Failure to present a certificate from a physician licensed to practice medicine prior to the end of the seventh (7th) consecutive calendar day or failure to provide a legitimate excuse will cause the employee's Short Term Disability to be denied until the time such certificate is received.

(d) In order to facilitate the scheduling of the work forces, an employee who will be absent from work is expected to notify the Company as soon as possible. Unless an employee submits a legitimate excuse for not reporting the cause of his absence before the end of the first scheduled working day of such absence, the employee's claim for Short Term Disability shall not begin until such notice is received.

(e) No wages will be paid under Article IV, Section 3 for illness caused by venereal disease, use of drugs, intoxication, or willful intention to injure oneself or others, by the commission of any crime by the employee, or his refusal to adopt such remedial measures as may be commensurate with his disability or permit such reasonable examinations and inquiries by the Company as in its judgment may be necessary to ascertain the employee's condition.

(f) The Company agrees that on an employee's return from illness, or disability of any kind, an effort will be made to find a less strenuous type of work for such employee until such time as the Company's and the employee's physician agree that he is capable of taking up his former duties. During this temporary period the employee shall be paid his regular classified rate of pay.

(g) If employees with twenty-five (25) or more years of service become physically unable to satisfactorily and safely perform the regular duties of their classification, an effort will be made by the Company to find work of a less strenuous nature for which they are qualified and to which the employees will be retrogressed. At the time of their assignment to a job of a lower classification their hourly wage rate will be reduced by ten cents (10¢) per hour and at six month periods will be reduced by ten cent (10¢) steps until their hourly wage rate conforms to the maximum hourly wage rate of the job classification to which they are assigned.

(h) If employees with twenty (20) to twenty-four (24) years of service become physically unable to satisfactorily and safely perform the regular duties of their job classification, they may request a demotion to a lower classification requiring work of a less strenuous nature for which they are qualified to perform. If such a demotion is granted by the Company, these employees will be assigned to a lower classification and will have their hourly wage rate red-circled until it is equal to the maximum hourly wage rate of the job classification to which they have been demoted. Employees whose wages have been red-circled and who subsequently achieve twenty-five (25) years of service will become retrogressed in accordance with paragraph (g) above.

(i) If employees with less than twenty (20) years of service become physically unable to satisfactorily and safety perform the regular duties of their job classification, they may request a demotion to a lower classification requiring work of a less strenuous nature for which they are qualified to perform. If such a demotion is granted by the Company, these employees will be assigned to a lower classification and will have their hourly wage rate red-circled at 50% of the differential between the maximum wage rate of the job classification to which they are demoted and their former job classification. Two years after being assigned to the lower paying job, the employee's wage rate will be reduced to the maximum wage rate of the employee's current job classification.

Section 4. INDUSTRIAL ACCIDENTS (a) An injured employee who is unable to work because of an industrial accident will be paid a supplement in an amount equal to 100% of their weekly wage (40 hours), less the state mandated compensation. This supplemental industrial accident compensation will begin after an initial seven (7) calendar day waiting period and will continue for not more than twenty-six (26) weeks of continuous disability. However, if an industrial accident disability continues for fourteen (14) or more calendar days, the employee will receive this supplemental industrial accident compensation for the initial seven (7) day waiting period.

(b) An injured employee who has been continuously disabled due to an industrial accident, subject to medical determination, and is unable to return to work for more than twenty-six (26) consecutive weeks, and has exhausted Short Term Disability benefits, will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

Section 5. SURPLUS EMPLOYEES. Should an employee be declared a surplus employee, an effort will be made by the Company to find another job classification for which the employee is qualified. An employee assigned to a job of a lower classification as a result of his being a surplus employee will maintain his present hourly rate until the maximum hourly wage rate for the job classification to which he has been assigned is equal to the employee's present hourly wage rate or until the employee is promoted into a job opening for which he is qualified.

## ARTICLE V

Section 1. (a) Definitions of Workers:

Day Worker - An employee whose Regular Scheduled Work Period falls between the hours of 6:00 a.m. and 6:30 p.m. and whose Regular Scheduled Work Week does not vary.

Straight Shift Worker - An employee whose Regular Scheduled Work Period does not vary, but whose Regular Scheduled Work Week varies according to a prearranged schedule.

Fixed Shift Worker - An employee whose Regular Scheduled Work Period and whose Regular Scheduled Work Week do not vary but who may work any of three shifts.

Modified Shift Worker - An employee whose Regular Scheduled Work Period varies but whose Regular Scheduled Work Week remains constant.

Rotating Shift Worker - An employee whose Regular Scheduled Work Period and Regular Scheduled Work Week both vary according to a prearranged schedule.

(b) These definitions attempt to define the types of schedules of the employees, however, it is not meant to limit the hours that an employee may be scheduled by existing practices or future schedules that may be developed by mutual agreement of the parties.

(c) The Regular Scheduled Work Period for Day Workers, Straight Shift Workers, Fixed Shift Workers, and Modified Shift Workers will consist of eight (8) or ten (10) consecutive hours exclusive of the lunch period.

(d) The Regular Scheduled Work Period for Rotating Shift Workers shall be eight (8) or ten (10) consecutive hours comprising his regularly scheduled shift, except where modified by the Work Rules.

(e) For payroll purposes, the regular Work Week for all workers shall begin at midnight Sunday, and employees working on a shift beginning two (2) hours or less before midnight will be considered as having worked their hours following midnight.*

*For exceptional shifts varying more than two (2) hours from a midnight origin or termination and where the shift overlaps from one day into another day the time shall be reported and paid for on the basis of the calendar day in which the shift begins, except on a holiday. Where a shift overlaps by more than two (2) hours from one day into another on a holiday, the time shall be paid for on a calendar day basis which will begin and end at the respective midnight periods.

Schedules for all employees will be based on the time prevailing in the City of Cincinnati.

(f) The Regular Scheduled Work Week for Day Workers, Fixed Shift Workers and for Modified Shift Workers shall begin on Monday and shall consist of five (5) consecutive days from Monday to Friday, inclusive, except as otherwise mutually agreed to by the parties.

(g) The Regular Scheduled Work Week for both Straight Shift Workers and Rotating Shift Workers shall begin on Monday and end on Sunday.

(h) Off-days for both Rotating Shift Workers and Straight Shift Workers shall be consecutive but not necessarily in the same work week.

(i) Time and one-half shall be paid for overtime; for all time worked outside of the Regular Scheduled Work Day; for all time worked on a scheduled off-day, except the second (2nd) off-day.

Time and one-half shall be paid for the first eight (8) hours worked on a holiday in addition to Holiday Pay.

(j) Double time shall be paid for the time worked on an employee's second scheduled off-day. Day workers and employees who work four (4) day ten (10) hour schedules between the hours of 6:00 a.m. and 6:30 p.m. only, will have Sunday as their double time day.

Double time shall be paid for all time worked in excess of eight (8) hours on a holiday.

Double time shall be paid for all emergency time worked for other utilities at their respective operating locations. Work performed at any location or facility owned and/or operated by Cinergy Corp., or its subsidiaries is excluded from this double time provision.

(k) Employees required to work more than 16 consecutive hours will be paid double time for all time worked in excess of, and contiguous with, the 16 consecutive hours.

(l) In no case will an employee be forced to take time off in lieu of overtime. Should an employee elect not to work during his Regular Scheduled Work Day he shall not receive pay for such time. A Day Worker's Regular Scheduled Work Day may be changed, at the applicable premium rate of pay, for projects or operations that exceed one (1) day's duration.

(m) The Company shall be the sole judge as to the necessity for overtime work and the employee shall be obligated to work overtime when requested to do so. Overtime shall be divided as equally and impartially as possible among all employees within a job classification of a headquarters or as may be contained in the work rules unless an employee designates, in writing, that he does not wish to be called for overtime. Such waiver does not excuse an employee from overtime work when requested to do so. Overtime lists showing overtime hours paid for and overtime hours waived shall be posted once each month on the Company bulletin boards in each headquarters.

(n) Employees temporarily upgraded to a job classification shall not be scheduled to work planned overtime when a qualified employee established in the job classification in that headquarters is available for work.

(o) When an employee changes headquarters or job classifications, the total of his overtime hours, including overtime hours worked or waived, will be canceled. The employee will then be charged with the same number of hours as the average of combined overtime hours worked and waived by all employees within that classification at the headquarters. When averaging overtime, omit the hours of any ill or injured employee whose hours have dropped below the lowest man for the group. Upon his return to work, his hours will not be included in the average until they are equal to those of the lowest man in the classification.

(p) The Union recognizes the need for shift work and weekend work in order to provide for continuous operation. Premium rates will apply as set forth in Article V, Section 1, (i), (j) and (k).

(q) The Company reserves the right to temporarily change the schedule of any employee upon notice to the employee of not less than forty-eight (48) hours, subject to the exceptions outlined in the Departmental and Divisional Working Rules in Exhibit A of this Agreement.

(r) The hours of any employee assigned to a training program may be adjusted to a uniform day schedule so that all employees involved in a particular program will be working on a consistent schedule.

Section 2. It is agreed that the Scheduled Work Week shall consist of five (5) eight-hour or four (4) ten-hour days and forty (40) hours per week.

Section 3. (a) The following days are observed as regular holidays which will be recognized on the indicated dates. The Company may change the date for recognizing a holiday if the date indicated is changed by a legislative enactment or if the prevailing community practice is not consistent with the indicated date.



| Holiday | Date Recognized |
|---|---|
| New Year's Day | January 1 |
| Memorial Day | Last Monday - May |
| Independence Day | July 4 |
| Labor Day | First Monday – September |
| Thanksgiving Day | Fourth Thursday – November |
| Day after Thanksgiving | Friday after Thanksgiving |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |

(b) If the recognized date of a holiday occurs on a Saturday or Sunday the Company will have the option of observing that holiday on another date which the Company determines to be consistent with the community practice or paying eight (8) hours of regular straight time pay in lieu thereof for the holiday.

(j) Regular employees whose duties do not require them to work on holidays will be paid straight time; regular employees who are required to work on a recognized holiday for a period of four (4) hours or less not contiguous with hours worked into or out of the holiday will be paid for four (4) hours at time and one-half in addition to their straight time holiday pay. Employees who are required to work on a recognized holiday for more than four (4) hours not contiguous with hours worked into or out of the holiday but less than eight (8) hours will be paid for eight (8) hours at time and one-half in addition to their regular straight time holiday pay. Employees required to work on a holiday which is also their second off day will be paid at the rate of double time for the first eight (8) hours worked on the holiday. Employees who are required to work more than eight (8) hours on a recognized holiday will be paid at the rate of double time for all such work in excess of eight (8) hours. An employee must work either his full scheduled day before, or his full scheduled day after a holiday to be entitled to receive holiday pay.

(d) An employee will not be compensated for travel time on a call-out which occurs on a regular holiday.

(e) Employees who are on a four (4) day-ten (10) hour schedule will receive ten (10) hours of straight time pay if a holiday falls within their regular scheduled work week but they are not required to work the holiday. Employees whose regular scheduled work week does not include the paid holiday will receive eight (8) hours of straight time holiday pay.

Section 4. (a) An employee called out for overtime work shall receive a minimum of four (4) hours' pay at time and one-half, and double time if on an employee's second scheduled off-day.

(b) Employees called out, ahead of their regularly scheduled starting time, for other than planned overtime, shall be paid a minimum of four (4) hours at the appropriate overtime rate. A call-out shall be defined as notice to report for unscheduled work given to an employee by telephone or messenger after he has left his headquarters or place of reporting. Travel time of one-half hour each way, at the appropriate overtime rate of pay, will be allowed on a call-out when such call-out exceeds four (4) hours of continuous work that is not contiguous with a regularly scheduled shift. Employees will not be compensated for any travel time on a call-out when the employee is not released from work before his regularly scheduled shift, nor will travel time be allowed when overtime is worked continuously at the end of a regularly scheduled shift.

An employee shall be compensated for two (2) hours, at the straight time rate, if before reporting to work, a call-out overtime assignment is canceled later than one (1) hour after the original notification.

(c) Planned overtime shall be defined as time worked upon notice to an employee given before leaving his headquarters or place of reporting, or in case of an off-day, during or before what would have been his scheduled hours on that day, that he is to report outside of his regular schedule on any succeeding day. Such time worked shall be paid for at the appropriate overtime rate but not for less than four (4) hours unless such planned overtime extends into or directly follows the employee's regularly scheduled work day, when it shall be paid for at the appropriate overtime rate for the actual hours worked.

(d) When planned overtime is canceled, notice shall be given before an employee leaves his headquarters or place of reporting, or by telephone during or before what would have been his scheduled hours on the day preceding the planned overtime.

(e) An employee, who is scheduled for planned overtime and who is not notified of the cancellation of the planned overtime, within the prescribed period of time, but is notified by telephone before he reports for work, or cannot be notified by telephone and reports for work, shall receive two (2) hours pay at straight time. If planned overtime is rescheduled to begin more than eight (8) hours after the original starting time, the employee shall receive two (2) hours pay at straight time.

Section 5. (a) Except as otherwise provided, when employees are required to work ten (10) consecutive hours (excluding time taken out for meals), he shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked thereafter until released from duty. Employees who work a four (4) day-ten (10) hour schedule shall be furnished a meal, or compensation in lieu thereof whenever they work one hour or more in excess of their normal work day, and an additional meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked thereafter until released from duty.

(b) When an employee is called out on either his scheduled off day, or four (4) or more hours before his regularly scheduled starting time, he shall be furnished a meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked even though he works into his regularly scheduled work day.

(c) Employees scheduled to work a double shift (two consecutive eight (8) hour shifts on different work days) shall be entitled to meals, or compensation in lieu thereof, during this sixteen (16) hour period.

(d) The meal compensation allowance referred to throughout this Agreement shall be as follows:

| Current | Effective |
|---|---|
| | 4/01/05 |
| $9.50 | $9.75 |



Section 6. No construction work shall be performed by employees included in this Agreement on Labor Day, except that which is necessary to protect life, property or continuity of service.

Section 7. Pay-day for employees covered by this Agreement shall be on Friday of every other week. When it is reasonably possible, checks will be delivered to the employees not later than quitting time on Thursday.

Section 8. (a) When conditions require that an employee shall work at such a distance from his regular headquarters that returning to his headquarters each day would be impracticable, the Company at its option shall either provide transportation, meals and lodging or reimburse the employee to a reasonable amount for expenses incurred. If such an employee is not required to work on his regular off-days, the Company shall provide transportation to his regular headquarters or shall pay him straight time for eight (8) hours in each twenty-four (24) hours in each such off-day and shall furnish meals and lodging for each such off-day.

(b) Employees required to train outside the Company's service area as part of a training program will be paid at their regular straight time rate when participating in the training program and, in addition, will be provided reasonable expenses for transportation, meals and lodging.

Section 9. (a) Each employee shall have a specific headquarters for reporting for work. However, the right of the Company to temporarily assign employees to other locations to properly run its business is recognized.

(b) When it is necessary to temporarily assign employees to a headquarters other than their own or to a job site reporting location that is farther from their home than their regular headquarters, such employees will be paid mileage at the amount per mile approved by the Internal Revenue Service, based on the additional round trip mileage employees are required to drive. No mileage compensation will be paid for the temporary assignment if the other reporting location is closer to the employee's home.

(c) Job site reporting and other temporary assignments will be offered on a voluntary basis. If there is an insufficient number of volunteers, assignments will be made on a junior qualified basis. When assigning the junior qualified, unusual or extenuating circumstances will be taken into consideration.

(d) Employees may be assigned to drive Company vehicles from and to the job site from home or sites close to home. If Company vehicles are used in such a manner, the mileage provisions for job site reporting are not applicable. During a job site reporting assignment, depending on Company vehicle availability, employees at their option, may pick up and return such Company vehicle to their regular headquarters, provided such travel is on their own time.

(e) Employees in the Inventory Services, Power Plant Stores, Transportation, and Power Operations Departments will not be subject to job site reporting. However, if employees from these departments are temporarily assigned to a headquarters other than their own, the provisions of this section will apply.



Section 10. (a) The Company will not require employees to do construction or maintenance work in exposed locations out of doors during heavy or continuous storms or excessively cold weather, unless such work is necessary to protect life, property or continuity of service.

(b) Employees covered by this Agreement shall not be required to lose time due to such weather conditions, but the Company may provide work indoors at their regular rate of pay.

(c) Employees will be permitted to waive overtime when planned outages have been prearranged with the customer wherein the outage may not be deferred due to inclement weather, however, if the desired number of employees, from each of the required job classifications, are not acquired on a voluntary basis the qualified employees with the lowest accumulated overtime will be assigned. This work, when possible, will be performed "dead" and the employees will be furnished with the appropriate weather gear when necessary.

Section 11. Any employee covered by this Agreement who is eligible to vote in any City, County, State or National election shall be allowed a reasonable time off with pay, if necessary, to vote if he so desires.

Section 12. Upon the death of the designated relatives of an employee, the employee, upon request, may be entitled to the stipulated maximum number of calendar days off for which he is entitled to receive regular pay for not more than the indicated number of consecutive working days, including the day of the funeral. If prior arrangements are made, an employee may include a maximum of one (1) day following the funeral as one of the consecutive working days off, and in the case of a spouse, child, mother, father, brother or sister, two (2) days following the funeral. No pay will be granted for regular scheduled off days.

| Relationship | Maximum Consecutive Calendar Days Off | Maximum Consecutive Working Days Off With Pay |
|---|---|---|
| Spouse or Domestic Partner | 7 | 5 |
| Child | 7 | 5 |
| Mother | 7 | 5 |
| Father | 7 | 5 |
| Brother | 7 | 5 |
| Sister | 7 | 5 |
| In-laws (father, mother, brother sister, son or daughter) | 5 | 3 |
| Grandchild | 6 | 4 |
| Grandparent/Spouse's Grandparent | 4 | 2 |

If an employee has worked four (4) hours or more and is notified of a death in his family, and leaves the job, the day will not be charged as one of the consecutive working days. If, however, he has not worked four (4) hours, the day will be charged as one of the consecutive working days for which he is entitled to receive regular pay.

Section 13. (a) Employees required to serve on a jury shall be compensated on the basis of their regular wage. Employees will be required to report to their headquarters following their daily release from jury service if there are at least four hours of work time remaining.

(b) An employee working on either a night or afternoon shift at a time when he is scheduled for jury duty, who is unable to postpone the jury duty until a time when he will be working on a day shift, may request the Company to assign him to a day shift schedule. Such a request must be made at least seven (7) working days before the jury duty service is scheduled to begin. When the term of jury duty for such an employee has ended, he shall return to his normal working schedule.

Section 14. Regular pay and reasonable or required expenses will be allowed employees who may be summoned to testify for the Company in lawsuits.

Section 15. The person elected by the Union to represent them as Business Manager shall be permitted, after proper arrangements have been made with the appropriate department manager of the Company, or his authorized representative, to enter all buildings and areas where men covered by this Agreement are working when such visits are necessary to carry out the terms of this Agreement in connection with questions arising out of this Agreement.

Section 16. (a) The Company shall have the right to require examinations, either oral, written, or practical, to determine the fitness of employees for promotional opportunities. Such examinations shall be uniformly administered and shall be required of all successful employee-applicants for new positions. The equipment and facilities necessary for such examinations will be provided by the Company. The Company shall compensate the employees engaged in examinations for the time spent in such examinations at their regular rate of pay. An employee can indicate, within five days after receiving the results of an examination, that he feels the examination was not fairly administered. If the employee submits a valid reason, the Company will administer a second examination with a Union designated witness present. If this second examination is administered it will not be subject to the grievance procedure.

(b) An employee who has successfully completed an examination for a new position shall be reclassified and paid the proper rate for the new classification as soon as he begins work in the new classification, in accordance with the terms of this Agreement. Any employee failing to pass such examination shall be eligible to retake that examination after a period of three (3) months, provided an opening exists in the classifications for which the examination has been taken. Any employee failing the examination a second time will not be eligible for reexamination for a twelve (12) month period and for subsequent two (2) year intervals thereafter except that departmental tests may be retaken after subsequent twelve (12) month intervals.

Section 17. The Company agrees to furnish bulletin boards at all division headquarters for the use of the Union. The use of these boards is restricted to the following: notices of union meetings, notices of union elections, notice of changes within the union affecting its membership, or any other official notices issued on the stationery of the Union and signed by the Business Manager or other duly elected or appointed officer. There shall be no other general distribution or posting by members of the Union of pamphlets or literature of any kind except as provided for herein.

Section 18. The Company agrees to guarantee employment of not less than forty (40) hours per week for fifty-two (52) weeks of each year to employees covered by this Agreement who are ready and available and able to work, and who are regular full-time employees of the

Company, provided nothing in this section shall be construed to prevent the Company from releasing employees because of lack of work or for other proper and legitimate reasons, as provided for in Article I, Section 9.



Section 19. (a) The Company agrees to notify the Union of the contemplated hiring of any outside contractors to do work normally done by the regular employees covered by this Agreement.

(b) In instances where it is necessary to contract for equipment, during periods of emergency, such equipment will be manned by regular Company employees if and when they are available and qualified to operate such equipment.

(c) It is the sense of this provision that the Company will not contract any work which is ordinarily done by its regular employees, if as a result thereof, it would become necessary to lay off any such employees.

Section 20. (a) The Company agrees that any employee covered by this Agreement who is temporarily advanced to a higher classification for four (4) hours or more shall receive either the minimum rate of pay applicable to that classification or twenty-five cents (25¢) per hour, whichever is greater, but no more than the maximum wage rate of the job to which the employee is upgraded. If such work is for more than four (4) hours the employee shall receive this upgrade pay for the remainder of the normal day worked. When an employee covered by this Agreement is temporarily advanced to a non-supervisory position outside his bargaining unit, he shall be paid the established hourly wage rate for such position if such work is for one (1) hour or more. When an employee is temporarily required to perform work in a lower-paid classification, he is to suffer no reduction in pay.

(b) In the administration of this section of the Agreement a temporary assignment shall be construed to mean any job assignment which is not expected to continue for more than ninety (90) days.

(c) When an employee in this bargaining unit is temporarily advanced to a supervisory position outside the bargaining unit, the employee shall receive one dollar and twenty-five cents ($1.25) per hour above the maximum rate of pay of his job classification.

Section 21. (a) Company Group Life Insurance carried by employees entering military service will be canceled ninety (90) days after employee enters such service. Advance premium paid by employee beyond date of cancellation will be refunded to employee. Insurance of employees re-entering Company service within ninety (90) days after their release from active duty will be reinstated without physical examination or waiting period.

(b) Employees on layoff will be entitled to continue to participate in the Company Group Life Insurance coverage at no cost to the Company. Employees on layoff must pay the total monthly premium for their coverage by the first of each month. Such insurance coverage will be terminated when employees do not pay the total premium as stated above; when they accept full time employment elsewhere; or when they lose their system service in accordance with Article III, Section 5 (h). Employees will have their prior Group Life Insurance coverage reinstated without physical examination or waiting period upon returning to Company service from a layoff.

Section 22. (a) The Company shall furnish the employees with the proper safety devices as required by the Company for protection of life and property in the performance of their duties. The

employees shall at all times use every means for the preservation of such safety appliances and shall use them when necessary.



(b) The Company will notify promptly the Union Business Manager or the Union Business Office of any accident resulting in serious injury or death to an employee.

(c) The Union may investigate any serious accident with its Union Committee and at its own expense and the management representative on the site will cooperate with the Union Committee. This shall not be construed to mean a joint investigating committee.

It is further agreed that the Company will not provide the Union Committee with the report made by the Company. It is further agreed that the Union investigation will not interfere with or interrupt the normal operation of the job.

(d) The Company and the Union agree to the establishment of a Joint Safety Advisory Committee which shall meet quarterly or more frequently upon the call of the Chairman of the Committee.

It is further agreed that employees engaged in such meetings during their working hours shall suffer no loss in pay for such time.

(e) The purpose of the Joint Safety Advisory Committee is to give consideration to those general accident prevention programs and policies that affect the safety of the employees in the bargaining unit represented by Local Union 1347 of the International Brotherhood of Electrical Workers. The Joint Safety Advisory Committee shall not deal with individual or group grievances. The administration of the accident prevention policies, programs and procedures are vested in and reserved to the management of the Company.

Section 23. The Company reserves the right to arrange at its own expense for medical examinations of any employee at any time.

Section 24. (a) The Union shall furnish the Company with a list of Department Stewards and this list shall be kept current. It is further agreed that only regular employees of the Company who are covered by this Agreement shall be designated as stewards.

(b) When in the judgment of the Company the absence of a Steward from his regular duties will not interfere with the operations of the Company, he may be available for handling grievances, witnessing an examination or an investigation of an employee within this unit.

Section 25. (a) The wage schedules described in the Agreement in effect immediately prior to the date of this Agreement shall be amended as follows:

Maximum Hourly Wage Rates

| Wage Level | As of Mar. 31, 2000 | Effective April 1, 2000* | Effective April 1, 2001** | Effective April 1, 2002*** | Effective April 1 2003**** | Effective April 1, 2004 ***** | Effective April 1, 2005 ****** |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| 1 | $ 9.70 | $ 9.99 | $10.29 | $10.60 | $10.92 | $11.25 | $11.59 |
| 2 | $11.20 | $11.54 | $11.89 | $12.25 | $12.62 | $13.00 | $13.39 |
| 3 | $14.26 | $14.69 | $15.13 | $15.58 | $16.05 | $16.53 | $17.03 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | $14.55 | $14.99 | $15.44 | $15.90 | $16.38 | $16.87 | $17.38 |
| 5 | $14.87 | $15.32 | $15.78 | $16.25 | $16.74 | $17.24 | $17.76 |
| 6 | $15.58 | $16.05 | $16.53 | $17.03 | $17.54 | $18.07 | $18.61 |
| 7 | $16.58 | $17.08 | $17.59 | $18.12 | $18.66 | $19.22 | $19.80 |
| 8 | $17.08 | $17.59 | $18.12 | $18.66 | $19.22 | $19.80 | $20.39 |
| 9 | $17.39 | $17.91 | $18.45 | $19.00 | $19.57 | $20.16 | $20.76 |
| 10 | $17.75 | $18.28 | $18.83 | $19.39 | $19.97 | $20.57 | $21.19 |
| 11 | $18.62 | $19.18 | $19.76 | $20.35 | $20.96 | $21.59 | $22.24 |
| 12 | $18.87 | $19.44 | $20.02 | $20.62 | $21.24 | $21.88 | $22.54 |
| 13 | $19.12 | $19.69 | $20.28 | $20.89 | $21.52 | $22.17 | $22.84 |
| 14 | $19.61 | $20.20 | $20.81 | $21.43 | $22.07 | $22.73 | $23.41 |
| 15 | $20.05 | $20.65 | $21.27 | $21.91 | $22.57 | $23.25 | $23.95 |
| 16 | $20.89 | $21.52 | $22.17 | $22.84 | $23.53 | $24.24 | $24.97 |
| 17 | $21.07 | $21.70 | $22.35 | $23.02 | $23.71 | $24.42 | $25.15 |
| 18 | $22.05 | $22.71 | $23.39 | $24.09 | $24.81 | $25.55 | $26.32 |
| 19 | $22.63 | $23.31 | $24.01 | $24.73 | $25.47 | $26.23 | $27.02 |
| 20 | $23.20 | $23.90 | $24.62 | $25.36 | $26.12 | $26.90 | $27.71 |
| 21 | $23.56 | $24.27 | $25.00 | $25.75 | $26.52 | $27.32 | $28.14 |
| 22 | $23.81 | $24.52 | $25.26 | $26.02 | $26.80 | $27.60 | $28.43 |
| 23 | $24.03 | $24.75 | $25.49 | $26.25 | $27.04 | $27.85 | $28.69 |
| 24 | $24.28 | $25.01 | $25.76 | $26.53 | $27.33 | $28.15 | $28.99 |
| 25 | $24.51 | $25.25 | $26.01 | $26.79 | $27.59 | $28.42 | $29.27 |
| 26 | $24.81 | $25.55 | $26.32 | $27.11 | $27.92 | $28.76 | $29.62 |

* The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 1999 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2000, July 3, 2000, October 2, 2000, January 1, 2001, based on the indexes of January 2000, April 2000, July 2000 and October 2000, respectively.

** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2000 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2001, July 2, 2001 October 1, 2001, December 31, 2001, based on the indexes of January 2001, April 2001, July 2001 and October 2001, respectively.

*** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2001 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2002, July 1, 2002, September 30, 2002, December 30, 2002, based on the indexes of January 2002, April 2002, July 2002 and October 2002, respectively.

**** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2002 Index as the zero base and percentage increases calculated from that

base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2003, June 30, 2003, September 29, 2003, January 5, 2004, based on the indexes of January 2003, April 2003, July 2003 and October 2003, respectively.

***** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2003 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2004, July 5, 2004, October 4, 2004, January 3, 2005 based on the indexes of January 2004, April 2004, July 2004 and October 2004, respectively.

****** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2004 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2005, July 4, 2005, October 3, 2005, January 2, 2006, based on the indexes of January 2005, April 2005, July 2005 and October 2005, respectively.

No adjustments, retroactive or otherwise, shall be made due to any revisions which may later be made in the published figures in the Consumer Price Index for the months indicated above.

Employees are eligible for an incentive lump sum bonus up to a maximum of 2% of straight time and overtime wages per year, based on the achievement of goals during the previous year, as determined by the Company.

(b) Effective April 1, 2000, any employee who was on or below the maximum hourly wage rate of his job classification on April 1, 2000, shall receive the hourly wage rate increase in accordance with the increase applicable to the maximum wage rate of their job classification.

The hourly wage rate increases shall not apply to the minimum hourly wage rates of starting job classifications.

(c) Employees shall be provided the higher of a twenty-five cent (25¢) promotional increase above the maximum wage rate of the job classification from which they promote, or the minimum wage rate of the job classification to which they promote. This provision will not apply when the maximum wage rate of a job is not at least twenty-five cents (25¢) above the maximum wage rate of the job classification from which it promotes.

(d) Whenever the difference between the minimum and maximum wage rates of any hourly rated job classification is not divisible by ten, the hourly wage rates will be by ten cent (10¢) steps with the exception of the last step to the maximum hourly wage rate of the job classification. In such case the increase to the maximum hourly wage rate will include the ten cent (10¢) increment plus the odd amount necessary to equal the maximum hourly wage rate, provided, however, that the total amount of this increase is less than twenty cents (20¢).

(e) Employees who are below the maximum hourly wage rate of their job classification shall continue to receive such length of service increases as they may be entitled to under the operation of the job classification and wage evaluation plan.

(f) Employees who are on physical retrogressions shall receive the increase applicable to their present individual hourly wage rates.

(g) The shift differentials to be paid employees on scheduled shifts on classified jobs shall be as follows:

| | | Differential Shift Cents Per Hour | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Name of Shift** | **Definition of Shift** | **Current** | **4/1/00** | **4/1/01** | **4/1/02** | **4/1/03** | **4/1/04** | **4/1/05** |
| Day Shift | Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Afternoon Shift | Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight. | $1.05 | $1.10 | $1.15 | $1.20 | $1.25 | $1.30 | $1.35 |
| Night Shift | Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m. | $1.10 | $1.15 | $1.20 | $1.25 | $1.30 | $1.35 | $1.40 |

(h) When the majority of the hours in a shift are on Sunday, a Sunday premium in the amount of $1.35 per hour will be paid to an employee for all scheduled straight time hours worked on that shift. On April 1, 2001 this amount will increase to $1.40 per hour; on April 1, 2002 to $1.45 per hour; on April 1, 2003 to $1.50 per hour; on April 1, 2004 to $1.55 per hour and on April 1, 2005 this amount will increase to $1.60 per hour.

(i) In conjunction with the letter of Patrick P. Gibson of 2000, which is the preamble to the Company's job classification and evaluation system, the Company shall prepare occupational classifications and job descriptions which will define, as nearly as possible, the nature of the work involved under each payroll classification. The Company will initiate all new and revised job classifications or promotional sequences.

(j) When the management of a department has written or revised a job description, a representation of union employees within that department will be given an opportunity to suggest changes to the job description. The union representative will also be requested to complete a job questionnaire. The completed job questionnaire must be signed by the union representative and approved by the management of the department. After the management of the department has reviewed the suggested changes to the job description and approved the job questionnaire, this job documentation will be submitted to the Company's Evaluation Committee. The union representative will be invited to the Company's evaluation Committee meeting to present information about the job

classification. There will be no recourse to the grievance and arbitration procedure because of the language of a job description or the evaluation of a job classification.



(k) The Company's Evaluation Committee will be responsible for evaluating all new and revised job classifications. The Union will appoint two (2) members to the Company's Evaluation Committee. The evaluation that is established by this Committee is used to determine the maximum wage rate for each new or revised job classification. Results of the evaluation will be communicated to the Union two weeks before the new or revised job classification becomes effective.

(l) The Union shall maintain a Job Evaluation Advisory Committee consisting of not more than five members who may review the evaluation and wage rate of any job classification which undergoes a substantial change in qualifications or duties. The Union's Committee may, by request, meet with the Company's Committee, at a mutually convenient time within thirty (30) days after the effective date of the new or revised job classification, to present any information relevant to the evaluation of the job classification which has been included in the previous written comments of the Union representative. The Union will be notified after the Company's Committee has reviewed the additional information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached. The Company will not be required to maintain, establish or discontinue any job classification covered by this Agreement.

(m) Members of the Union's Job Evaluation Advisory Committee shall not suffer a loss of pay when engaged in meetings during their working hours with the Company's Job Evaluation Committee.

(n) Where the Union deems an employee, or employees, to be improperly classified, it will be considered as a grievance and shall be handled under the grievance procedure of this Agreement.

Section 26. (a) Employees represented by the Union are entitled to the benefits of the Retirement Income Plan as contained in the Company's publication "Cinergy Corp. Union Employees' Retirement Income Plan", with the latest amended date of January 1, 2003, and which includes changes as required by appropriate federal legislation and regulation governing such plans.

(b) It is agreed that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until April 1, 2006.

Section 27. The Company will provide each employee with Term Life Insurance in the amount of two (2) times the employee's straight time annual salary.

Section 28. (a) Health Care coverage will consist of alternative medical and dental plans. Employees will pay ten percent (10%) of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder. The Company's part of the above premium will continue to be paid while an employee is receiving illness or accident compensation provided the employee was covered by such a contract immediately prior to the employee's sickness or industrial accident.

(b) Employees on layoff will be entitled to continue to participate in the health care plan and dental plan coverages that they had at the time of layoff, at no cost to the Company. Employees on layoff must pay, in advance, the total monthly premium for their coverage by the fifteenth of each month for the following month's coverage. Such insurance coverage will be terminated when employees do not pay the total premium as stated above; when they accept full time employment elsewhere; or when they lose their system service in accordance with Article III, Section 5 (h).

Section 29. (a) The Company agrees to establish and maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans, to be known as "Cinergy Corp. Union Employees' Savings Incentive Plan", for non-exempt employees, hereinafter called the "Savings Incentive Plan".

(b) The Savings Incentive Plan is contained in the Company's publication "The Cincinnati Gas & Electric Company Savings Incentive Plan", which includes highlights of the Plan, complete text of the Plan, and complete text of the Trust Agreement.

(c) The Company hopes and expects to continue the Savings Incentive Plan indefinitely but it must reserve the right to alter or amend it or to discontinue Company contributions to it at any time. However, under no circumstances shall any part of the corpus or income held by the Trustee of the Savings Incentive Plan be recoverable by the Company or be used for or diverted to any purposes other than for the exclusive benefit of the employee participants or their beneficiaries as provided in the Savings Incentive Plan.

## ARTICLE VI

Section 1. (a) With the exception of shift differential premium, and a holiday occurring during an employee's vacation or second off day, it is agreed that under no circumstances shall any Section of this Agreement be interpreted to provide the pyramiding of a benefit or premium payment to employees covered by this Agreement. For example, no employee may claim sick pay while receiving vacation pay or holiday pay while receiving sick pay.

(b) It is further agreed that there shall be no interruption in the payment of one benefit in order that the employee may receive payment for another benefit. For example, no employee may interrupt vacation to begin sick leave or interrupt sick leave to include a holiday. The only exceptions to this provision are that an employee's sick pay may be interrupted to include vacation pay and that vacation pay may be interrupted to include death in family pay as set forth in the Agreement. In the event that any vacation days are unused as a result of a death in the family situation, the use of these unused vacation days must be approved in advance by supervision and shall not apply to the administration of vacation in one-day increments as provided under Article IV, Section 1(e) of the Agreement.

Section 2. This Agreement shall be binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company in accordance with the General Memorandum of Understanding dated February 14, 2000.

IN WITNESS WHEREOF, Local Union 1347 of the International Brotherhood of Electrical Workers and The Cincinnati Gas & Electric Company and The Union Light, Heat and Power Company do hereby, by their duly authorized agents, in the premises, execute and sign this 2000 - 2006 Agreement between The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Local Union 1347, in duplicate, this _____ day of _____ , 2000.

For the Union
Local Union No. 1347 of the
International Brotherhood of
Electrical Workers

_____
Francis B. Kelly
Business Manager

_____
Kenneth M. Gross
Assistant Business Manager

_____
Stephen H. Feldhaus
President

For the Company
The Cincinnati Gas & Electric Company

_____
Larry E. Thomas
President, Energy Delivery
Business Unit

_____
Michael J. Cyrus
President, Energy Commodities
Business Unit

_____
Daryl J. Teed
General Manager, Employee Relations,
Safety and Disability Programs

_____
Kenneth E. Williams
Manager, Employee Relations

EXHIBIT "A"

DEPARTMENTAL AND DIVISIONAL WORKING RULES

POWER OPERATIONS DEPARTMENT

GENERAL WORK RULES

APPLICABLE TO:
EAST BEND STATION
MIAMI FORT STATION
WALTER C. BECKJORD STATION
WM. H. ZIMMER STATION
WOODSDALE STATION
(including the Dick's Creek Station)

1. Shift Schedules shall be established in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

2. A list of the employees in each Production Team and Support Team of each Division shall be posted by the Company each month showing the overtime worked by each employee during the previous month.

3. The normal meal period for Support Team employees, whose schedule provides a non-compensated one-half hour's meal period, will be defined by the Teams. If the meal period is not granted between the time period designated by the Teams, the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

4. The primary duties of Team Consultants and Plant Specialists shall be listed in the Team Guidelines and no manual work is to be done which will detract from these primary duties.

5. On Shift Work Schedules, subject to the approval of the Team and review of the Group Leaders, employees will be permitted to trade shifts on the same job and jobs on the same shift, if both are qualified and agreeable.

6. On Shift Work Schedules, a list of employees on each Team shall be posted by the Company showing the current Team assignment and the progressive scheduled off-days where applicable.

7. No employees working on a Shift Work Schedule may be relieved and leave their job more than 30 minutes before their scheduled quitting time, unless they have received prior approval from their Team.

8. The Company will not require employees to furnish tools.

9. All thirty (30) minute unpaid meal periods may begin a half-hour before or after the normal meal period, at the discretion of the Team.

10. When employees are assigned to training classes they may be required to work eight (8) hours exclusive of an unpaid lunch period.

11. Those Production Team employees who are assigned to work for one or more days on other Teams will work the same designated hours as the Team to which they are assigned.

12. Personnel may be required to work ten (10) and twelve (12) hour shifts at the appropriate straight time and overtime rates for outages and/or as needs dictate:

| | | |
|---|---|---|
| Division | 1 | East Bend Station |
| Division | 2 | Miami Fort Station |
| Division | 3 | W. C. Beckjord Station |
| Division | 4 | WM. H. Zimmer Station |
| Division | 5 | Woodsdale Station (including the Dick's Creek Station) |

(a) Production Teams will work on a Rotating Shift Schedule or as described in General Work Rule 1, as determined by the Teams.

(b) Support Teams will work schedules as required to support the Production Teams, as described in General Work Rule 1, as determined by the Teams.

ENERGY DELIVERY

Division 6: OPERATORS

(a) MANUAL OPERATORS SECTION (including Station Operators)

1. These employees shall operate on a Rotating Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   Relief Operators work on all shifts. For the purpose of determining shift differential wages, all the employees in this group, including Relief Operators, shall be designated Shift Workers.

2. There shall be no Working Foremen in this group.

3. Station Operators assigned to general relief shall be entitled to not less than a twenty-four (24) hour notice of changes in shift assignments or scheduled days off.

(b) MOBILE OPERATORS SECTION

1. These employees shall operate on a Rotating Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   Relief Operators work on all shifts.

   For the purpose of determining shift differential wages, all employees in this group including Relief Operators shall be designated Shift Workers.

2. There shall be no Working Foremen in this group.

3. Mobile Operators assigned to relief shall be entitled to not less than a twenty-four (24) hour notice of changes in shift assignments or scheduled days off.

Division 7: SUBSTATION

(a) ELECTRIC MAINTENANCE SECTION

1. This Section shall work on a Fixed Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The supervisor, at his discretion, may designate the thirty (30) minute meal period to begin one-half hour before the Normal Meal Period or may delay the beginning of the thirty (30) minute meal period to the time when the Normal Meal Period is ed to end.

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(b) ELECTRIC REPAIR SECTION

1. This Section shall operate on a Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

(c) CONSTRUCTION SECTION

1. This Section shall operate on a seasonally adjusted Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The Manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to employees and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

2. The Company shall not require an employee to furnish tools.

Division 8: ELECTRIC TEST

1. This Division shall operate on a Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

2. The Company shall not require an employee to furnish tools.

ENERGY DELIVERY

GENERAL WORK RULES
APPLICABLE TO DIVISION 9 THROUGH 13

1. Shift Schedules shall be defined in each section in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

2. The normal meal period for divisions which operate on a day schedule will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a [illegible]d and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

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3. The Company shall not require an employee to furnish tools.

4. Employees who bid, qualify and are accepted for posting openings in a Division shall receive a classified seniority date based on the date they enter the job opening and shall be eligible for merit increases at six (6) month intervals regardless of the wage rate of any other employee in the job classification, but in no event will an employee receive a wage rate that is higher than the maximum rate of the job classification which he is entering.

Division 9: ELECTRIC TROUBLE

1. The Electric Trouble Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.

2. The Manual work of the Foremen in this Section shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

3. Extra Linepersons "A"-Trouble shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.

4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

   Employees assigned to work on the storm working schedule who have completed five (5) hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five (5) hour interval thereafter, until released from storm duty.

Division 10: ELECTRIC METER

1. The Electric Meter Section will operate on a Day Schedule or as described in General Work Rule 1.

   The Premise Service Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.

2. There shall be no working Foremen in this Section.

3. Extra Premise Troubleshooters shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.

4. Extra Premise Troubleshooters will be used to fill assigned shifts at their respective headquarters.

5. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

   Employees assigned to work on the storm working schedule who have completed five (5) hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five (5) hour interval thereafter, until released from storm duty.

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Division 11: OVERHEAD TRANSMISSION AND DISTRIBUTION CONSTRUCTION DIVISION

1. The Overhead Transmission and Distribution Section shall operate on a Day Schedule or as described in General Work Rule 1.

2. The Manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

3. Additional help will be supplied small line crews setting poles and transformers when conditions are such that the normal crews need additional help in the setting of poles and transformers in a safe and workmanlike manner.

4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

   Employees assigned to work on the storm working schedule who have completed five (5) hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five (5) hour interval thereafter, until released from storm duty.

Division 12: UNDERGROUND CABLE AND EQUIPMENT

1. This Division shall operate on a Day Schedule and when required, a Fixed Shift Schedule or as described in General Work Rule 1.

2. There shall be no working Foremen in this Division.

3. When an opening occurs in a job classification within the Cable; Transformer & Equipment; and Test & Operation Sections of the Underground Cable and Equipment Division, job openings will be filled by the multiple posting system as outlined in Article III, Section 7(g).

4. Overtime shall be divided as equally and impartially as possible among all employees within a job classification in each Section of Division 12, such as Cable Section; Transformer & Equipment Section; and the Test & Operation Section.



Division 13: SERVICE DIVISION

(a) MATERIAL AND REPAIR SECTION

The Material and Repair Section shall operate on a Day Shift Schedule and when required on a Modified Shift Schedule or as described in General Work Rule 1.

(b) MACHINE SHOP SECTION

This Section shall operate on a Day Schedule or as described in General Work Rule 1.

(c) BRECON HEAVY EQUIPMENT AND REPAIR SECTION

This Section shall operate on a Day Schedule or as described in General Work Rule 1.

The manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to employees and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

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Division 14: INVENTORY SERVICES

1. This Division shall operate on a Modified and a Fixed Shift Schedule (Monday - Friday) in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   Each shift will include a one-half hour meal period.

2. The Company shall not require an employee to furnish tools.

Division 15: POWER PLANT STORES

This Division shall operate on a Modified Shift Schedule and, where necessary, a Rotating Shift Schedule in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours

Each shift will include a one-half hour meal period.

a) At Woodsdale Storeroom a one-day notice is required to change a schedule from day-to-day.

b) At Woodsdale Storeroom any schedule can start thirty (30) minutes earlier and end thirty (30) minutes earlier with a one-day notice of a schedule change.



Division 16: TRANSPORTATION SERVICES

1. This Department shall operate on a Fixed Shift Schedule in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

   Each shift will include a one-half hour meal period.

Employees in the following listed job classifications on January 1 of each year will be granted a tool allowance applicable to their classification as follows:

| | Current | 2005 |
|---|---|---|
| Transportation Senior Hydraulic, Transportation Senior Mechanic, Transportation Senior Body Mechanic, Transportation Mechanic "A" and Transportation Mechanic "B" | $275 | $300 |

# Exhibit "B"

## Power Operations Team Guidelines

These guidelines were initially established for the implementation of Production and Support Teams in Power Operations. The guidelines were developed in a partnership of Union and Management, using the many ideas and suggestions that were provided through the participation of employees in the workshops, labs, pilots and rollouts. The initial guidelines were a starting point to begin building a new way of working together to achieve business goals. Contract language continues to apply unless modified in these guidelines. This revision was developed as a result of continued Union and Management p

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The guidelines were first implemented for the pilot at East Bend Station and were subject to change from our experiences as the implementation moved from station to station. These guidelines may occasionally change upon changing business needs and approval of Union and Management.

The input and suggestions from all employees are welcome and encouraged as the guidelines are implemented. The involvement of every Union and Management employee is critical to achieving continued success.

# Teams

## Production Team Staffing

1. In the event insufficient I&C and/or Maintenance skills exist on the Production Teams the expectation exists that these skills will be developed on the Production Teams in an expeditious manner. Employees possessing the sufficient skills will work on and with the Teams for their development. In order for this to occur, represented personnel possessing the skills will be assigned to the Teams on a rotational basis for up to three months at a time to perform on-the-job training. This will continue for a period of three years, or until such time the necessary skills transfer takes place. These training assignments will be made "in plant", with everyone possessing Intermediate and above skill sets in Mechanical, Electrical, and Instrumentation and Control required to participate, as determined by the insufficient skill set. Flexibility should be given to personnel in these training assignments to pick their rotational assignment. However, if no agreement can be reached, assignments will be made beginning with the lowest classified seniority person first.

2. Any new hires, exempt employees returning to the bargaining unit, or those coming from outside of Power Operations and System Resources, will start on the Production Team.

3. Job postings for Production Teams will be in-plant first, then within the Department, then within Re-deployment, and then Company wide. Every effort will be made to staff Teams on a voluntary basis. Any employee entering the Production Team job sequence during the initial Team staffing at a station was exempt from taking the combined POSS/MASS test battery. Any employee who has previously been in the former Operations job sequence or Maintenance (Electrical, Mechanical or I & C) job sequence is exempt from taking the combined POSS/MASS test battery. Any others (internal or external) are required to successfully complete the combined POSS/MASS test battery prior to entering the Production Team job sequence.

4. Non-Power Operations personnel must first pass a combination of the POSS/MASS testing batteries to meet the minimum qualifications for the Production Team Member. Filling of positions for those outside of Power Operations will be according to the Pool letter that currently exists. The present Team Members and Team Consultants will have the opportunity to interview any candidates and offer recommendations for hiring.

5. In the case where a qualified person from one plant bids onto a Production Team at another plant, the census at the two plants will change. Management and Union representatives will review the effects and resolve any potential staffing issues.

6. All Team Members will select an Advanced skill set in one discipline, as well as qualifying to the Intermediate skill set level in the remaining disciplines. A continuing education and skill maintenance system will be in effect for all personnel in the pay for skill model. The Skill Maintenance System is designed to assist Team Members in

further developing, refining, and maintaining their skill bases, to insure that Cinergy employees continue as the best in class, high value added supplier of services. It is not the purpose of the Skills Maintenance System to remove or reduce compensation earned in the Skills Acquisition Program. If Team Members are unsuccessful at maintaining the skills required for their position, an action plan of additional training and work exposure will be implemented to re-gain the skills.



7. Equal opportunity policies of the company will apply to the selection process.

## Support Teams Staffing

1. Job postings for Support Teams will be in-plant first, then within the Department, then within the Pool, and then Company wide. Any employee entering the Maintenance Services Support Team job sequence during the initial Team staffing at a station was exempt from taking the MASS test battery. Any employee who has previously been in the former Maintenance (Electrical, Mechanical, or I & C) job sequence is exempt from taking the MASS test battery. Any others (internal or external) are required to successfully complete the MASS test battery prior to entering the Maintenance Services Team job sequence.

2. Those employees remaining in the Maintenance Services or Material Services Teams are in a pay for skill profile requiring multiple skills to obtain wage increases and bonuses. Employees not in the Maintenance Services or Material Services pay for skill profile, remain in their former classification based seniority, and are not in a pay for skill model at this time. Any changes to the present design must be firmly supported by a tangible business case demonstrating positive financial impact to the corporation and must be agreed upon by both Union and Management.

3. Using the Cinergy Skill Qualification Process developed for the flexible multi-skilled worker concept, all Support Team Maintenance Services and Material Services personnel, with the exception of the Hoist Fleet Operator position, will have the opportunity to obtain the skills necessary to progress to their respective skill profile's maximum wage rate and bonus. Maintenance Services Team Members may choose the discipline in which they prefer to achieve their Advanced Level Skill Set, and will also obtain the Intermediate Level Skill Sets in the remaining disciplines.

4. The top wage rate for Maintenance Services Team Member is established equivalent to the former top wage rate of Maintenance First Class Repairer and Instrument and Control Technician I. The Material Services Team Members may progress to the former AFO rate of pay for all stations, excluding East Bend. The East Bend Material Services Team Members may progress to the former Senior Landfill Operator wage rate. All Material Services Team Members must successfully demonstrate the multiple skills to qualify for the wage increases. Maintenance Services and Material Services Team Members who are in the pay for skill profile and successfully complete the skill set will be compensated as described in Attachment C.

5. Support Team personnel are expected to travel to other plants as plant work loads dictate and availability exists. The travel assignments will be in accordance with the present 1347 collective bargaining agreement.

6. When Support Team Members are being utilized as a shared service they will be given notice to report to the new work location based on the change of schedule guidelines in the present 1347 collective bargaining agreement. There may be a situation at their home station which requires additional resources. If the employees are required to return to their normal work location ahead of the previously established schedule, the same guidelines for the change of schedule above will be utilized. (Presently this is not less than forty-eight hour notice.)

7. A continuing education and skill maintenance system will be in effect for all personnel in the pay for skill model. This Skill Maintenance System is designed to assist Team Members in further developing, refining, and maintaining their skills, to insure that Cinergy employees continue as the best in class, high value added supplier of services. It is not the purpose of the Skills Maintenance System to remove or reduce Top of Doc. ned in the Skills Acquisition Program. If Team Members are unsuccessful at maintaining the skills required for their position, an action plan of additional training and work exposure will be implemented to re-gain the skills.

8. For the certified welding skill base for Production Teams and Support Teams, the guidelines of how this will be administered are included in Appendix B.

## Skills Acquisition and Compensation Process

1. Point System

Development of flexible, multi-discipline Team Members in the Cinergy Qualification Process will be tracked by a point system. The point system design is based on assigning each Duty Area in the qualification handbook a given point value. Each handbook and the point values will be unique to the station. Compensation, including bonuses, is based on a pre-determined total of points.

A tracking tool will be implemented to track each Team Member's progress by the Group Leaders in the program monthly. This tracking tool will ensure that the necessary points and skills are being acquired. The Point System allows Team Members the flexibility to choose their own skills acquisition path based upon Team needs (see attachment C).

## 2. Alternate Career Path

Employee's may qualify and choose an alternate career path due to previous work history and experience based on the criteria listed below. These employees are still expected to act as flexible workers and are required to participate in the Skills Acquisition Process as validaters, trainers and PQS's.

GROUP A: A Team Member who is age 50 or has a combined age and years of service that is equal to or above 72 on or before July 31, 1998 is fully exempt from the written and performance testing for the multi-skilled worker.

GROUP B: A Team Member who is age 45 or has a combined age and years of services that is equal to or above 67 on or before July 31, 1998 is partially exempt. Employees in this category are required to acquire the Two Year Point Total, but are not required to acquire the Later Points in their pay for skill model.

Employees in group A or B can acquire at their option additional points. If a employees choose to do this they will receive additional compensation (See attachment C).



## Apprenticeship Program

In 1998 an apprenticeship Program will be developed for new hires in the Pay for Skill Model by a Union and Management Team.

## Bidding Between Production and Support Teams

1. Personnel have the option to bid between Production and Support Teams when such openings are available. Any initial wage rate increase associated with their original bidding or placement on a Production Team will be lost by a Team Member returning to a Support Team position. Departing Production Team Members may be required to continue on their job in order to maintain the continuity of the Team until those positions are filled.

2. For an inter-Team bid and placement to occur, a vacancy must exist, the candidates must be qualified, and the departing Production Team Member must be replaced by a qualified person, possessing the necessary skills to properly and effectively replace the Team Member. Production Team Members may not be permitted to assume the new position if absence from the Production Team will negatively impact the operation and maintenance of the station, or they do not possess the necessary skills to be effective on the respective Support Team. This is especially applicable to Team Members with only the Operations skill base. If the departing Team Member is from the former Operator classification, and has not developed non-operating skill sets, wage rate adjustments will apply (see paragraph 4). The release of employees from existing positions to the new positions will be in a mutually agreed time frame.

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3. Support Team Members will be given preference for any Production Team job openings.

4. When bidding off a Production Team, the bidder's pay will be reduced by $0.50 or to the top rate of the Support Team whichever is less. If they do not meet the

requirements of the Support Team position they are moving into they will have a pre-determined time frame to acquire these skills. If they fail to acquire these skills in the pre-determined time frame, a new wage rate will be negotiated and established based on their relative acquired skill level in the Skill Profile they are entering. If the new position on the Support Team is not applicable to the pay for skill model, then they shall maintain the red-circled rate and be subject to the appropriate job summary or profile.



5. For Support Team vacancies, it is understood that any new hires will start on the Production Team and a Production Team Member will fill the Support Team vacancy through the job posting process. The remaining most senior "forced" Production Team Member willing to exit the Production Team will be awarded the position. Absent any remaining "forced" personnel on the Production Teams, the position will be filled by the most senior qualified Team Member on the Production Team, with the described wage rate adjustments applying. If no bids are received from Production Team Members, the position will be filled directly to the Support Team from external applicants.

6. Production Team and Support Team voluntary trades will be considered on a case by case basis. These trades should be approved provided no adverse impact through the loss of skills to either Team is encountered. If and when these trades take place the traders must remain in the job for three years.

## Bidding Between Plants

1. Inter-plant bidding will be allowed. There are no "bumping" rights. If an opening exists, and no one at the plant bids, and / or meets the minimum requirements, the opening will be posted department-wide and then company-wide. If more than one bidder meets the minimum requirements, the bidder with the highest Power Operations seniority will be awarded the position.

2. In the event that no bidders meet the Skill Profile requirements of the position, the job may be awarded to a bidder of lesser skills, provided the applicant agrees to acquire and demonstrate they have the skills for the position within a mutually agreed upon time frame. The employee will demonstrate the skills by completing the appropriate Cinergy Skills Qualification Process for their respective job. Failure to achieve these skills in the agreed upon time frame will be handled on a case by case basis.

3. For personnel moving from a Support Team to a Production Team, they will receive a 5% increase in wage rate, but no more than the maximum wage rate of the top Production Team Member pay.

4. Qualifications being sufficient, preference will be given to the person with the most Power Operations seniority.

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## Team Rules / Guidelines

Team Leaders

1. The Team Leaders will be selected from the represented Team Members. The Team Leader role is expected to rotate periodically among the Team Members to allow for continued development of leadership roles within the Team. The Team Leader should stay in the job long enough to establish continuity and become proficient at the job. The Team will have input on the proper rotation frequency. Team Leaders will receive feedback from the Group Leaders, Team Consultants, and other Team Members as it relates to their Team duties. Overall job performance evaluation of Team Leaders will continue to be conducted by the Team Consultant with input from the Group Leaders.

2. Everyone on the Team is encouraged to become a Team Leader at some time, although no one will be forced. The company encourages responsible risk-taking from its employees. It is anticipated that Teams may make some mistakes in their development. It is expected that the Teams will learn from these errors and incorporate their learning's to avoid repeating them.

3. In the Team Management system Teams are expected to resolve most Team issues. Matters involving discipline will be handled by management personnel. The Team Leader does not discipline Team Members.

4. Consistent with past practices for orderly transition of shifts, arriving Production Team Leaders may report ¼ hour early each day to consult with the on-duty Production Team Leaders. It is expected that this transition should be accomplished in less than ¼ hour, for which overtime will be paid. In the event that unit conditions or project activities require more than ¼ hour, the Team Leader should be paid appropriate overtime . It is expected that this applies to Production Teams only, not Support Teams. However, in the event that it is necessary for Support Team Leaders to report prior to the start of the shift they will receive the appropriate pay. Team Members will also need to meet together at the beginning of each shift. A one-on-one shift relief procedure will be established by the Teams for Team Member transition on a straight time basis.

5. Production and Support Team Leader duties include, but are not limited to, the following:

   - Facilitate regular Team meetings to:
     a) Discuss who will be doing what,
     b) Make plans with Team help to fill vacancies in the most economical manner,
     c) Get updates from KFA's ,
     d) Interface with the Team Consultant on any problems, questions, or needs.
   - Brief the relieving Team Leader,
   - Perform daily work assignments,
   - Communicate routinely with Group Leaders,
   - Facilitate Team problem-solving / decision-making,

- Coach / counsel other Team Members as appropriate,
- Work with the Team Consultant and balance of management to help transfer the appropriate management roles to the Team and provide leadership skills in transitioning the Team to the Team Management System.

## Team Performance Guidelines

1. Production Teams will work a schedule (that makes business sense) to provide coverage 24 hours per day, seven days per week . Flexibility will be maintained so that the Teams can work out whatever rotation allows them to accomplish their tasks, as long as coverage is maintained within the business demands of the station and corporation. All schedules will need to be approved by a joint Union and Management

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2. The Support Teams are responsible for providing support services to the Production Teams. In order to meet the needs of the Production Teams, Support Teams will work rotating shifts as needed.

3. When a temporary vacancy exists on a Production Team, that Team will decide the appropriate course of action. ( In some cases it is not possible to get the Team together in a timely fashion so the Team Leader and Team Consultant will need to address the vacancy ) Options will include changes of schedule, working overtime, or not filling the vacancy at all, depending on the work load. The Production Team Group Leaders will decide whether they will go outside the Team to request Support Team assistance, or implement schedule changes.

4. Team Members who are not Team Leaders are requested to assume, but are not limited to, the KFA duties below. In the event that there are no volunteers these duties will be assigned. These will rotate on an annual basis.
   - Permits & Inspections (burning & welding, agency notifications)
   - Safety (switching & tagging, safety meetings)
   - Quality (prioritize Support Team activities)
   - Personnel / Administrative (interface with office, scheduling and relief for vacations, performance review scheduling and overtime)
   - Training (monitor training needs for Team Members, scheduling mandatory training, first aid, confined space, fire brigade, etc.)
   - Materials & Supplies (outage planning, CMMS responsibility)
   - Predictive Maintenance (procedures and tracking)

5. Management and Union leadership empower and encourage Team Members to resolve any problems or disputes internally that may arise. However, this does not diminish the rights of either the Management or the Union under the collective bargaining agreement, nor does it intend to alter or amend the parties' existing grievance procedure.

6. A Team Consultant will be assigned to each Team. The Team Consultants & Plant Specialists are responsible for, but not limited to, the following duties.

- Providing resources (training material, assist with parts and supplies)
- Making emergency decisions if the safety, of personnel, the environment, or the station assets are in jeopardy
- Coaching and counseling
- Paperwork, reports, performance statistics, etc. not part of the Team Management System
- Handling discipline as required
- Continuous discussions about Team health and career guidance, etc.
- Provide technical advice and assistance
- Assisting with on-the-job training
- Transferring their old roles to the KFAs and incorporate the Team Management System

It is expected that as emergency conditions arise, the Team will look to the Team Consultant for assistance. As time goes on, the Team will handle these situations on their own.

7. With the implementation of the new Skill Qualification Process, it is the responsibility of both the Union and Management Team Members to accomplish this transfer to a multi-skilled work force while still managing the operation and maintenance of the Station. Union and Management support is essential to this process.



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## Group Leaders

1. Bargaining Unit and Management Group Leaders are selected through a joint selection process. A Member of Management, the Union, and Human Resources Specialist will conduct the selection process.

2. Bargaining Unit Group Leaders will receive an additional $1/hour above the top Production Team Member wage rate when selected as Group Leaders. This will be utilized until such time as a wage rate can be established by the parties. The represented Group Leaders may work overtime in their respective skill disciplines in cases of emergencies, mandatory overtime for all Team Members, or in cases of "forcing" other Team Members. This list is not all inclusive.

3. Group Leaders will receive performance reviews with input from Management, Union leadership, and the Team on a regular basis.

4. Union Group Leaders will pick their discipline and initially slot in a discipline at the same time as the plant employees that are in the pay for skill model.

5. The Management and Bargaining Unit Group Leaders' duties include, but are not limited to, the following:

- Develop and provide business and people goals, long term strategies, and objectives to the Team (the Teams will use them to set their own goals)
- Provide win-win problem resolutions
- Provide performance data and feedback to the Teams
- Provide direction to the Team Consultants and Team Leaders
- The Union Group Leader may still do hands-on work
- Investigate accidents and safety concerns
- Implement, support, and facilitate the Team Management System and model partnership behaviors
- Acquire core competencies, including but not limited to, leadership, business understanding and technical knowledge.



## Seniority

1. Production and Support Team seniority will be maintained while employees are participating in the Team concept.

2. System seniority will be maintained as it is presently.

3. Classified seniority will be maintained in the employee's original classification and will continue to accrue after bidding to a Production Team. ( This is for the purpose of layoffs or surplus of personnel. Union Group Leaders & Team Leaders fall under the same guidelines as all represented employees. In the event of a layoff or surplus, they fall back to their former classified seniority.)

4. In the unlikely and unforeseen event of a layoff, employees' seniority will be listed in their previously held classification with no break in seniority.

5. The October 11, 1996 contract letter will apply in the case of a declared surplus due to plant or unit shut down.

6. The Production and Support Teams vacations will be selected, as covered by existing contract language, based on system seniority within each individual Team. As long as business needs are met, Teams are responsible for vacation selection with input from the Group Leaders.

Attachments

A: Fractional Slotting
B: East Side Welding
C: Point System

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## Attachment A

**Fractional Slotting ("Grandfathering") of skills**

## Purpose

The purpose is to determine the objective methodology to employ for fractional grandfathering of skills within a discipline for the initial placement and assessment of skills. The wholesale skill base grandfathering is agreed upon by the Steering Committee and is defined within the Qualification Guidebook. Those former job classifications used for whole skill grandfathering are all inclusive of the relative skills within the new definitions.

## Initial Slotting

All existing employees will be initially slotted into the Qualification Program based on their previous job category or discipline and the position or classification they held in that category. They will not be required to test for qualification in the Duty Areas contained in or below the Skill Set into which they are slotted.. The Qualification Handbook contains a slotting chart indicating the initial position for each former classification. No pay adjustment will be made based on this initial slotting.

## Fractional Slotting Process

Recognizing that employees can also have unique circumstances in their employment background that may warrant fractional "grandfathering" in some Duty Areas within a Skill Set, without being fully qualified in that Skill Set, a process for requesting "fractional slotting" is available. The process listed below will guide the employee in the application for this Fractional Slotting. The basis for the program is that the employee assumes the responsibility and must request and present valid and objective information supporting their petition for the Fractional Slotting to be approved.

## Application and Review Process

1) Initiate Request

The employee will initiate the request for consideration of Fractional Slotting in a Duty Area by presenting a written formal request for review of their specific skill base. This request must include the supporting documentation validating their fractional skill assessment, and be provided to the Review Committee. Consideration for fractional assessment will only be reviewed within their former discipline, unless they have documented, formal working experience in the other disciplines. The requests will be processed on a first come, first serve basis, dependent on the availability of committee Members. Request for Fractional Slotting should be made on a Duty Area level. Request for partial Duty Area Fractional Slotting are discouraged, but will be reviewed on a case by case basis. In most cases, partial Duty Area Slotting will have no affect on the skill testing of the individual. If a full Skill Set is achieved by Fractional Slotting, the Qualification testing process, or a combination of the two, the Team Member will be compensated as agreed to in the Pay for Skill Model.

2) Review Committee

The Review Committee will be formed by:

- One station specific, represented employee, Subject Matter Expert (GLs selected)
- One Power Services Employee Development Specialist
- A Station Manager, or manager designee
- A Facilitator from Change Management (nonvoting)

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The committee will review the request and accompanying documentation and based on the objective comparison to the Duty Area tasks, and determine whether Fractional Slotting is warranted. An employee interview is optional, but will be required prior to any rejected request. Employees may waive the interview at any time.

3) Supporting Documentation

The documentation that will be necessary to support the request is dependent on the Duty Area being petitioned. It should include but is not limited to the following:

- The Qualification Guidebook tasks checked off for that Duty Area.
- Temporary promotion time and JR # and what tasks were performed.
- Former Job Duty Checklist of approved tasks qualification.
- Training records or education certificates or diplomas.
- Former direct supervisory letters of recommendation.
- Previous job classification other than most recent.
- Previous employment information.

Upon review, and subsequent approval of the request by the Review Committee for Fractional Slotting, the employee will be placed into the Duty Area approved and will not be required to take any qualification tests associated with that Duty Area. If all of the Duty Areas of a Skill Set are approved, then the employee will be granted Fractional Slotted within that Skill Set.

Employees will be expected to perform any task that they possess the skills to accomplish. Any task they performed in their previous job category, or any task within a Duty Area in which they have received initial slotting or fractional slotting, they will be expected to perform with out temporary upgrade pay. Temporary upgrade pay for all other task will be phased out as agreed upon in the Temporary Upgrade Pay Policy.

There will be a joint Union/Management Team formed in one year to review the Fractional slotting process. At this point the Team will determine if the fractional slotting should be continued.

**Skill Development for non-Slotted employees**

The employees not receiving Intermediate or Advanced Initial or Fractional Slotting will receive developmental assistance in the Qualification process. This applies primarily to the former Maintenance Third Class Repairer, the former Operations Assistant Auxiliary Operator, and the former Instrumentation and Control Technician III who have been unsuccessful in obtaining Fractional Slotting. This same structure should apply to all employees, but is emphasized with this group due to their current skill and wage levels.

The Power Services Employee Development Specialists will work jointly with the respective Group Leaders, Team Consultants, Team Leader, and the Team's training Key Functional Area representatives to meet with the employee to develop an action plan for the acquisition of skills. The action plan will be based on the Qualification Guidebook content; and will consists of work assignment opportunities, cross-functional training strategies, curriculum availability, and the Team Consultants or Plant Specialists educational coaching and training sessions. The employee, Employee Development Specialist and Training Key Function Area point person are responsible to create the action plan with assistance from these mentioned groups and individuals. The action plan must incorporate the other business demands to maintain a constructive balance within the every day work environment.



**Attachment B**

## EAST WELDING SKILL AGREEMENT WITHIN THE HOLISTIC PAY FOR SKILL MODEL

### Multi-Skilled Worker Welding

The following elements of the welding skills Duty Area will be put in place when the multi-skilled work force is established:

1) All welding done at ECBU Plants by 1347 represented employees will be done by Qualified welders.

2) The welding skills will be divided into two general categories; General and Certified welding. The General welding tasks will require intermediate level skills while the Certified welding tasks will require advanced level skills.

3) The Welding skills will be a Duty Area of the Support Team Maintenance Services and the Production Team in the Mechanical discipline.

4) Support Team Maintenance Services and Production Team Members are required to Qualify in the General welding tasks.

5) The Advanced sections of Cutting and Welding Duty Area are a requirement of the Advanced Mechanical Maintenance Skill Set, however, it will be optional, such that it will be available to all other Team Members, at their choice and the Station's approval, on the Support or Production Teams, regardless of their selected/current Skill Set. Additionally, for existing IBEW 1347 employees, as of May 1, 1997, it will not be required to complete the Advanced sections of this optional Duty Area to qualify in the Advanced Skill Set of Mechanical Maintenance in the pay for skill model.

6) To Qualify in Cutting and General welding the employee will be required to pass a written test and up to four performance demonstrations conducted by the Technical Programs group. To complete Certified welding requirements the employee will need to pass up to three written tests and twelve performance demonstrations conducted by the Technical Programs group.

7) When an IBEW 1347 employee has been successfully Certified in the Pressure welding and Boiler Tube tasks, they will receive additional compensation in the form of a welding differential (see 1347 Welding Differential, next page). This differential will be added to their current pay level when they are performing the actual Certified Pressure welding or Boiler Tube tasks.

8) Once a Team Member has Certified in Advanced welding tasks they will be required to maintain their Certification by welding or demonstration testing every 6 months to retain their Certified status. If a Team Members initially completed this Advanced Duty Area as an option (see #5 above), rather than as a requirement of their Advanced discipline, they retain the option to re-certify, as long as business needs are being met.

9) Preference should be given to utilizing available Support Team Certified welders, for pressure piping welding, before a Production Team Certified welder is used to make a certified weld. However, if the use of the Production Team Certified welder will eliminate the requirement to pay overtime compensation, premium pay, or other additional costs, they can and should be utilized to perform the welding.

10) A Union/Management Team will address the total number of Certified welders that will be maintained. An initial limit will not be put on how many of these welders may exist at any one time. However, this will be continually reviewed to assess quality control, training requirements, skill maintenance requirements, and overall value added. As such, the total number of Certified welders may be limited if the concerns above are negatively impacted.

11) The existing IBEW 1347 Certified Welders wages will be grandfathered and they will pick vacation within their Teams.

**Existing IBEW 1347 Certified Welders**

Existing IBEW 1347 employees that are in the Certified Welder Classification on May 1, 1997 will be initially Slotted in the Advanced Mechanical discipline of the Qualification Program and may remain as Certified Pressure Piping welders at their option.

These current Certified Welders will be grandfathered at their current pay level until they separate, transfer to a different job, or fail to maintain their certification.

If they fail to maintain their certification they will be red circled until the top wage of the multi-skill Support Team Maintenance Services Team Member equals or surpasses their existing pay level.



**IBEW 1347 Welding Differential**

Initially the new Welding Differential pay for IBEW 1347 employees will be equal to the differential between the employees present rate of pay and the current Certified Welding top wage rate. This Welding Differential will be paid in addition to the employees present wage, anytime they are being utilized to perform Certified welding.

Production Team and Support Team Maintenance Services Team Members that reach maximum pay for their respective multi - skilled pay for skill models, will still receive this differential above their existing wage rate.

Existing Certified Welders would be compensated at their existing, grandfathered, wage rate. They will receive no additional welding differential.

Additionally, an annual travel bonus, at a rate of $2/hr, will be paid to all certified welders based on the differential between their travel hours and the travel hours of all Support Team Members who travel.

**New Hires**

Any new hires entering the Advanced Mechanical skills section of the pay for skill model of Support Team Maintenance Services or Production Team would be expected to achieve the Certified welding as a required skill. This requirement may be adjusted over time to maintain the number of certified welders required to meet the needs of the Business Unit.

## Attachment C

## Skills Qualification Point System

In order to allow for more flexible navigation through the Skills Qualification Program, a Skills Acquisition Point System has been developed. Originally, the movement through the Pay For Skill Models were based on Skill Set acquisition. The Point System allows a Team Member or Trainee to move through the Pay for Skill Models without requiring complete acquisition of a Skill Set to trigger compensation adjustments. Instead, Team Members earn points for each Duty Area completed, regardless of discipline, thereby obtaining increased compensation while acquiring cross discipline skills.

The following steps were used in the development of a Point System:

1. Each Duty Area, in each Stations customized Skills Qualification Handbook, was assigned a point value based on criticality, difficulty and importance to the Station.

2. An estimated acquisition time (in calendar days) was assigned to each Duty Area in the Skills Qualification Handbooks. (An example would be the Ash Handling System which has an estimated 14 calendar days window to acquire the knowledge and skills. This does not mean it will take 14 days, 8 hours a day to complete this learning, but that it can be accomplished in this window)

3. Each job category (discipline & past position level) was assigned a "Total Top of Doc. imber based on the points that would be obtained in acquiring all the Duty Areas in their complete Pay For Skill Model.(Refer to attached Single Unit example Chart)

4. Initial Slotting was then applied to the job category. The Initial Slotting point value was subtracted from the Total Points to obtain the "Needed Points" total.

5. The "Needed Points" Duty Areas are sorted first by longest acquisition time (worst case for acquisition) and then by the highest point value (best case for acquisition). Each sort is reviewed to obtain the point totals at the 730 calendar day level. The mean between these two point values is used as the "Two Year Points" total.

6. An estimate of Fractional Slotting potential is then applied to the "Needed Points" Duty Areas. These Fractional Slotting points are added the "Two Year Points" total to obtain the "Total Points to Top Pay" total. If There is no actual Fractional Slotting points acquired by the Team Member the "Total Points to Top Pay" is equal to the "Two Year Points" total. This will ensure Team Members are compensated for Fractional Slotting while still assuring each employee has an individualized "Total Points to Top Pay" level.

7. The "Two Year Points" and the Fractional Slotting Points are subtracted from the "Needed Points" to obtain the "Points Later" total.

8. The "Total Points to Top Pay" is then divided by four to obtain the point levels that trigger compensation adjustments in the Pay For Skill Models.

## Skills Qualification Point System
## Example Point System Chart

| DISCIPLINE | TOTAL Pts. | Needed Pts. | FS Pts. | 2 Year Points | Pts to Full $ | 4 Step Pts | Wage incr./Step | Bonus per Step | Pts Later ($1000 Bonus) |
|---|---|---|---|---|---|---|---|---|---|
| CO | 1728 | 951 | 0 | 631 | 631 | 158 | 0 | $500 | 320 |
| AO | 1728 | 1151 | 50 | 736 | 786 | 197 | to top 1st step | $500 | 365 |
| AAO | 1728 | 1688 | 433 | 721 | 1154 | 288 | 25% $ to top | 0 | 534 |
| SCR | 1728 | 1151 | 0 | 736 | 736 | 184 | 25% $ to top | 0 | 415 |
| SLFIX | 1728 | 1688 | 144 | 721 | 865 | 216 | 25% $ to top | 0 | 823 |
| SLKR | 1728 | 1688 | 144 | 721 | 865 | 216 | 25% $ to top | 0 | 823 |
| IC1 | 1728 | 1298 | 97 | 656 | 753 | 188 | to top 1st step | $500 | 545 |
| IC2 | 1728 | 1498 | 197 | 686 | 883 | 221 | 25% $ to top | 0 | 615 |
| IC3 | 1728 | 1688 | 211 | 664 | 875 | 219 | 25% $ to top | 0 | 813 |
| ME1 | 1728 | 1139 | 249 | 663 | 912 | 228 | to top 1st step | $500 | 228 |
| ME2 | 1728 | 1339 | 349 | 798 | 1147 | 287 | 25% $ to top | 0 | 193 |
| ME3 | 1728 | 1688 | 361 | 759 | 1119 | 280 | 25% $ to top | 0 | 569 |
| MD1 | 1728 | 1196 | 97 | 711 | 808 | 202 | to top 1st step | $500 | 388 |
| MD2 | 1728 | 1396 | 247 | 746 | 993 | 248 | 25% $ to top | 0 | 403 |
| MD3 | 1728 | 1688 | 288 | 749 | 1036 | 259 | 25% $ to top | 0 | 652 |
| IC1 ST | 1151 | 721 | 97 | 639 | 736 | 184 | to top 1st step | $500 | -15 |
| IC2 ST | 1151 | 921 | 197 | 642 | 839 | 210 | 25% $ to top | 0 | 82 |
| IC3 ST | 1151 | 1111 | 211 | 636 | 847 | 212 | 25% $ to top | 0 | 264 |
| ME1 ST | 1151 | 562 | 249 | 562 | 811 | 203 | to top 1st step | $500 | -249 |
| ME2 ST | 1151 | 762 | 349 | 698 | 1047 | 262 | 25% $ to top | 0 | -285 |
| ME3 ST | 1151 | 1111 | 361 | 751 | 1112 | 278 | 25% $ to top | 0 | -1 |
| MD1 ST | 1151 | 619 | 97 | 642 | 739 | 185 | to top 1st step | $500 | -120 |
| MD2 ST | 1151 | 819 | 247 | 722 | 969 | 242 | 25% $ to top | 0 | -150 |
| MD3 ST | 1151 | 1111 | 288 | 751 | 1039 | 260 | 25% $ to top | 0 | 72 |

- **Total Points = points for the Duty Areas in the station specific Handbook.**
- **Needed Points = Total Points - Initial Slotting**
- **Fractional Slotting Points = Points estimated to be obtainable through FS process**
- **2 Year Points = Points agreed upon to be obtainable in two years from implementation.**
- **Points to full dollars = FS Points + 2 Year Points**
- **Steps for $ = Points to full $ divided by 4**
- **Later Points = Points to obtained after reaching top pay.**

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## gression

The compensation trigger points discussed on the previous page will either result in hourly wage adjustments or bonus payouts, depending on the Team Member's position relative to top pay. The far right columns indicate what these adjustments will be.

## Administration

As well as being used to trigger compensation adjustments, the points assigned to The Duty Areas will be used to help each Team Member monitor their successful progress through the Skills Acquisition Program. This tracking program will be administered as follows:

1. An average number of annual points will be earned by each Team Member.



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2. This average point total will be determined by dividing the "Needed Points" total for each Team Member by five years. **(THIS IS NOT TO IMPLY A FIVE YEAR UP OR OUT PROGRAM FOR THE EXISTING WORK FORCE)**

3. It is expected that, as designed, the Skills Qualification Program can be accomplished in five years. Union and Management Group Leads will monitor each Team Member's progress monthly, so that problems with skills acquisition can be identified in a timely manner. Group Leaders assistance and/or coaching and counseling will be used to resolve failure to obtain the Skills in the expected time frame. If these problems are due to inaccurate time estimates in the design or unavailable testing tools, adjustments can and will be made to the employees Skills Acquisition Plan.

4. During the transition from present state to the fully developed multi-skilled work force, problems may be encountered. If employees aren't keeping pace, or if the company isn't providing needed training opportunities or testing as scheduled, or if time estimates discussed above are off, Management and Union will work together to resolve the issue. Compensation won't be unduly withheld. These situations will be handled on a case by case basis.

5. It is required for all nonexempt Team Members in the Pay For Skill Model to complete the Skills Qualification Program. If warranted, Management will utilize progressive and constructive discipline for failure to participate in the Skills Qualification Program.

## Qualification Issues and Review Committee (QUIRC)

A Qualification Issues Review Committee has been formed to monitor and, if required, make adjustments to the Qualification program. This committee is tasked with maintaining a continuous development of the flexible, multi-disciplined work force and making recommendations for program enhancements to the Steering Committee. Members of the committee include management and union Group Leads along with Members of the Employee Development Team and Qualification Program development Team.

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# USWA
# Locals: 12049 & 5541-06
# 2002 - 2007

**Click on article below to review.**

Article I – Purpose/Responsibilities
Article II – Recognition of Union
Article III – Recognition of Management
Article IV -- Union Security/Check Off
Article V – Classification/Wages
Article VI -- Seniority
Article VII – Hours of Work
Article VIII – Working Conditions
Article IX – Administration/Grievance Adjustment
Article X – Arbitration
Article XI – Discipline/Discharge
Article XII – Holidays
Article XIII – Vacations
Article XIV – National Defense
Article XV – Department Stewards
Article XVII – Interruption/Pyramiding Benefits
Article XVIII - Duration
Appendix A – Historical Sidebar Documents

This Contract, dated January 1, 2002, is agreed upon between The Cincinnati Gas & Electric Company and subsidiaries (The Union Light, Heat and Power Company and the Lawrenceburg Gas Company) hereinafter referred to as the "Company", and the United Steelworkers of America, hereinafter referred to as the "Union".

The Company and the Union recognize that in order for the parties to meet the challenge of competition, the need for long-term prosperity and growth, and establish employment security, each must be committed to a cooperative labor management relationship that extends from the bargaining unit members to the executive employees. The Company and the Union agree that employees at all levels of the Company must be involved in the decision making process and provide their input, commitment, and cooperation to improving productivity and helping Cinergy become the lowest cost producer and highest quality provider of energy service.

## EMPLOYEE REPRESENTATIVE TEAM MISSION STATEMENT

The Employee Representative Team (ERT) is recognized as a Union/Management partnership whose joint mission is to:

- Make labor relations at the Cincinnati Gas and Electric Company a participative effort to oversee relationships between Union and Management personnel.
- Work toward the dissemination of information necessary to make decisions, manage changes, and move decisions to the most effective level possible.
- Develop a total commitment from each Employee to improve the working environment and support the organization's efforts to prosper and grow.

WITNESSETH: It is mutually agreed as follows:



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## ARTICLE I - PURPOSE AND RESPONSIBILITIES

Section 1. (a) It is the intent and purpose of the parties hereto that the terms and conditions of this Contract will promote and improve the economic relations between the Company and its employees who are members of the Union, to the mutual benefit of both parties. To that end, there is established herein the basic agreements as to hours of work, rates of pay, working conditions, and a method of providing for the peaceful and satisfactory adjustment of differences of opinion and interpretations of this Contract that may arise from time to time to be observed by the parties hereto during the life of this Contract.

Section 2. (a) It is expressly understood and agreed that the services to be performed by the employees covered by this Contract pertain to and are essential to the operation of a public utility and to the welfare of the public dependent thereon and in consideration thereof, as long as this Contract and conditions herein be kept and performed by the Company, the Union agrees that under no conditions and in no event, whatsoever, will the employees covered by this Contract, or any of them, be called upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under this Contract. The Company agrees on its part to do nothing to provoke interruptions of or prevent such continuity of performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's property and that any difference that may arise between the above-mentioned parties shall be settled in the manner herein provided.

(b) The Company agrees that it will not attempt to hold the Union financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that, in the event of an unauthorized work stoppage, it will in good faith and without delay exert itself to bring the work stoppage to a quick termination and insist that the employee(s) involved cease their unauthorized activities. To that end the Union will promptly take whatever affirmative action is necessary. Furthermore, the Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem suitable, including discharge, without recourse to any other provision or provisions of the Contract now in effect.

(c) No employee shall be required to cross a picket line to perform work that is not necessary to provide the normal services of the Company. A supervisor shall notify individuals who are picketing that Company employees must provide service and shall make arrangements for employees to safely cross the picket line to perform such work. The Company agrees, in the case of new construction work involving Construction and Maintenance Forces to notify the Sub-district Office of the Union not less than twenty-four hours in advance of any situation requiring the crossing of a picket line.

## ARTICLE II - RECOGNITION OF THE UNION

Section 1. (a) The Union is recognized as the sole and exclusive collective bargaining agency for those employees who are employed under the classifications listed in the job descriptions manual.

This Contract shall be final and binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company.

(b) Employees in the following categories are specifically excluded from the collective bargaining unit represented by the Union: clerical, dispatchers, draftsmen, foremen, and all supervisory employees with authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees, or effectively recommend such action.

(c) The Company recognizes the Union as the sole collective bargaining agency in matters concerning wages, hours of work and working conditions for all employees, as defined above, in the following Departments, Divisions and Sections:

**LOCAL UNION 12049**

REGULATED BUSINESSES

Gas Operations
- Construction & Maintenance
- Corrosion Control
- Systems Operations
- Production - Gas Plants

BILLING & METERING SERVICES

Service Delivery
- Meter Operations

**LOCAL UNION 5541-06**

REGULATED BUSINESSES

Gas Operations
- Construction and Maintenance
- Systems Operations
- Production - Gas Plant

BILLING & METERING SERVICES

Service Delivery

(d) There shall be no discrimination, interference, restraint or coercion by the Company or its agents against any employee because of membership in the Union.

(e) There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee or officer of the Union because of race, color, religion, sex, disability, national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the feminine gender whenever they appear throughout the Contract.

(f) Nothing in this Contract shall be deemed to require the Company or the Union to commit an unfair labor practice or other act which is forbidden by, or is an offense under, existing or future laws affecting the relations of the Company with the employees bargained for by the Union.

## ARTICLE III - RECOGNITION OF MANAGEMENT

Section 1. (a) The Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of employees it will employ or retain in each classification and the right to hire, suspend, discharge, discipline, promote, demote or transfer, and to release employees because of lack of work or for other proper and legitimate reasons are vested in and reserved to the Company.

(b) The above rights of Management are not all-inclusive, but indicate the type of matters or rights which belong to and are inherent to Management. Any of the rights, powers, and authority the Company had prior to entering this Agreement are retained by the Company, except as expressly and specifically abridged, delegated, granted or modified by this Contract.

## ARTICLE IV - UNION SECURITY AND CHECK-OFF

Section 1. (a) Any employee who is a member of the Union on the effective date of this Contract, shall, as a condition of continued employment, maintain membership in the Union to the extent of paying the periodic membership dues uniformly required of all Union members subject to the annual 10 day escape period hereinafter described.

(b) Any employee who is not a member of the Union on the effective date of this Contract, and who chooses not to become a member, shall be required as a condition of continued employment, to pay to the Union each month, as a contribution toward the cost of the administration of this Contract, a service charge equal in amount to the monthly dues uniformly required of Union members.

(c) New employees, hired by the Company after the effective date of this Contract, shall be required to join the Union as a condition of continued employment on the 31st day of employment in a job classification represented by the Union.

(d) The Union agrees that any present or future employee who is now or may become a member

of the Union may withdraw from membership in the Union between December 15 and December 31, inclusive, of each year by giving notice of this desire to do so by registered or certified mail to the Labor Relations area of the Company. After such withdrawal an employee shall not be required to rejoin the Union as a condition of continued employment.

(e) The Company, for all employees in the bargaining unit who have furnished the Company with voluntary check-off authorization cards, shall deduct from those employees' pay each week, dues or service charges and promptly remit the same to the International Secretary-Treasurer of the Union on a monthly basis. The initiation fee of the Union shall also be deducted and remitted to the International Union.

(f) The amount of dues or initiation fees to be deducted by the Company, within the limitations set forth on the voluntary check-off cards, shall be computed on the basis of the formula provided by the International Union. An initiation fee in an amount specified by the Union will also be deducted from the employee's pay. The Company will cooperate with the Union to change the dues computation period upon proper notice from the International Representative.

(g) The Union agrees that neither it nor any of its officers or members will intimidate or coerce any employees of the Company into joining the Union. The Company agrees that neither it nor any of its management representatives will attempt to persuade any employee from joining the Union.

(h) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by any individual employee or group of employees in the bargaining unit represented by the Union, this section of the Contract is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company may upon the presentation of proof satisfactory to the Company, within 10 days thereafter, that the Union did not directly or indirectly authorize, permit, endorse, aid or abet said strike, work stoppage, slowdown, picketing or interference referred to, reinstate this section of the Contract, which section, if reinstated will, from and after the date of reinstatement, be of the same validity, force and effect as if it had not been canceled. In this connection, it is the expressed intention of the parties that for the purpose of making this cancellation provision effective without affecting the other sections of the Contract, this Contract is to be considered a severable Contract. Should the automatic cancellation of this section occur, it is the intention and agreement of the parties that all other sections and provisions of the Contract remain in full force and effect as therein provided.

(i) The Union shall indemnify and save the Company harmless against any and all claims, demands, law suits, or other forms of liability that may arise out of or by reason of action taken by or not taken by the Company in reliance upon any check-off authorization cards signed by the individual employees and furnished to the Company by the Union for the purpose of complying with any of the provisions of this Section.

## ARTICLE V - CLASSIFICATION AND WAGES

Section 1. (a) The wage schedules described in the Contract in effect immediately prior to the date of this Contract, including all adjustments to those wages which were due to increases in the C.P.I.

during the term of that Contract shall be amended as follows:

| MAXIMUM HOURLY WAGE RATES | | | | | | |
|---|---|---|---|---|---|---|
| Wage Level | As of May 12, 2002 | Effective May 13, 2002 | Effective May 19, 2003* | Effective May 17, 2004** | Effective May 16, 2005*** | Effective May 15, 2006**** |
| 1 | $15.22 | $15.68 | $16.15 | $16.63 | $17.13 | $17.64 |
| 2 | 15.53 | 16.00 | 16.48 | 16.97 | 17.48 | 18.00 |
| 3 | 15.77 | 16.24 | 16.73 | 17.23 | 17.75 | 18.28 |
| 4 | 16.46 | 16.95 | 17.46 | 17.98 | 18.52 | 19.08 |
| 5 | 17.61 | 18.14 | 18.68 | 19.24 | 19.82 | 20.41 |
| 6 | 18.10 | 18.64 | 19.20 | 19.78 | 20.37 | 20.98 |
| 7 | 18.80 | 19.36 | 19.94 | 20.54 | 21.16 | 21.79 |
| 8 | 19.77 | 20.36 | 20.97 | 21.60 | 22.25 | 22.92 |
| 9 | 20.36 | 20.97 | 21.60 | 22.25 | 22.92 | 23.61 |
| 10 | 20.64 | 21.26 | 21.90 | 22.56 | 23.24 | 23.94 |
| 11 | 21.61 | 22.26 | 22.93 | 23.62 | 24.33 | 25.06 |
| 12 | 22.67 | 23.35 | 24.05 | 24.77 | 25.51 | 26.28 |
| 13 | 23.83 | 24.54 | 25.28 | 26.04 | 26.82 | 27.62 |
| 14 | 24.16 | 24.88 | 25.63 | 26.40 | 27.19 | 28.01 |
| 15 | 24.50 | 25.24 | 26.00 | 26.78 | 27.58 | 28.41 |
| 16 | 25.20 | 25.96 | 26.74 | 27.54 | 28.37 | 29.22 |

Level 5 - Construction Assistant, Mechanic III (incumbent); Level 6 - Meter Specialist III; Level 7 - Gas Systems Operations Mechanic III, Mechanic Operator III, Premise Mechanic; Level 8 - Gas Plant Operator III; Level 10 - Mechanic; Level 11 - Gas Plant Operator II, Meter Specialist II; Level 12 - Gas Systems Operations Mechanic II, Mechanic Operator II, Senior Mechanic; Level 13 - Service Mechanic "B", Welder II, Gas Plant Operator I, Meter Specialist I, Tool Repair Specialist; Level 14 - Welder I; Level 15 - Gas Systems Operations Mechanic I, Mechanic Operator I, Service Mechanic "A"; Level 16 - Inspecting Mechanic.

* The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the November, 2002 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on May 19, 2003, August 18, 2003, November 17, 2003, and February 16, 2004, based on the Indexes of February 2003, May 2003, August 2003 and November 2003, respectively.

** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the November, 2003 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on May 17, 2004, August 16, 2004, November 15, 2004, and February 14, 2005 based on the Indexes of February 2004, May 2004, August 2004 and November 2004, respectively.

*** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the November, 2004 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on May 16, 2005, August 15, 2005, November 14, 2005, and February 13, 2006, based on the indexes of February 2005, May 2005, August 2005 and November 2005, respectively.

**** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the November, 2005 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on May 15, 2006, August 14, 2006, November 13, 2006, and February 19, 2007 based on the Indexes of February 2006, May 2006, August 2006 and November 2006, respectively.

No adjustments, retroactive or otherwise, shall be made due to any revisions which may later be made in the published figures in the Consumer Price Index for the months indicated above.

(b) Any employee in the bargaining unit represented by the Union who was on or below the maximum hourly wage rate of his job classification on May 14, 2002, shall receive an hourly increase in accordance with the increase applicable to the maximum wage rate of his job classification in accordance with the provisions of the Contract.

(c) The hourly wage rate increases referred to herein shall not apply to the minimum hourly wage rates of starting job classifications.

(d) Employees shall be provided the higher of a 25¢ promotional increase above the maximum wage rate of the job classification from which they promote, or the minimum wage rate of the job classification to which they promote. This provision will not apply when the maximum wage rate of a job is not at least 25¢ above the maximum wage rate of the job classification from which it promotes.

(e) Whenever the difference between the minimum and maximum wage rates of any hourly rated job classification is not divisible by ten the hourly wage rates will be by 10¢ steps, with the exception of the last step to the maximum hourly wage rate of the job classification. In such case the increase to the

maximum hourly wage rate will include the 10¢ increment plus the odd amount necessary to equal the maximum hourly wage rate, provided, however, that the total amount of the increase is less than 20¢.

(f) Employees who are below the maximum hourly wage rate of their job classification shall continue to receive such length of service increases as they may be entitled to under the operation of the job classification and wage evaluation plan.

(g) The shift differentials paid to employees on scheduled shifts on classified jobs will be paid as follows:

| | | Shift Differential Cents Per Hour | | | | | |
|---|---|---|---|---|---|---|---|
| **Name and Definition of Shift** | | **Current** | **05/13/02** | **05/19/03** | **05/17/04** | **05/16/05** | **05/15/06** |
| **Day Shift** | Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m. | 0 | 0 | 0 | 0 | 0 | 0 |
| **Afternoon Shift** | Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight | $1.20 | $1.25 | $1.30 | $1.35 | $1.40 | $1.45 |
| **Night Shift** | Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m. | $1.25 | $1.30 | $1.35 | $1.40 | $1.45 | $1.50 |

**Sunday Premium**

When the majority of the regularly scheduled hours in a shift are on Sunday, a premium amount will be paid as follows:

| **Current** | **05/13/02** | **05/19/02** | **05/17/04** | **05/16/05** | **05/15/06** |
|---|---|---|---|---|---|
| $1.35 | $1.40 | $1.45 | $1.50 | $1.55 | $1.60 |

(h) The Company shall prepare occupational classifications and job descriptions which will define, as nearly as possible, the nature of the work involved under each classification. All required changes in job classifications or promotional sequences will be initiated by the Company.

(i) When a job description has been revised by the management, a representative of employees will be given an opportunity to suggest changes to the revised job description before it is submitted to

the Company's Job Evaluation Committee. After the management has reviewed the changes to the job description, if any, suggested by the Union representative, the job description will be submitted to the Company's Evaluation Committee. The Union representative shall have an opportunity to submit written comments regarding the duties of the job to the Company's Evaluation Committee. There will be no recourse to the grievance and arbitration procedure because of the language of a job description or the evaluation of a job classification.

(j) The Job Evaluation Committee of the Company will be responsible for evaluating all new or revised job classifications. Prior to the evaluation of revised job descriptions, the representative of the Union may accompany the management representative to explain his written comments to the Committee. The evaluation established by this Committee will be used to determine a proposed maximum wage rate for each new or revised job classification. The wage rate resulting from this evaluation will be communicated to the Union as far in advance as possible, but not less than 30 days, of the proposed effective date for the installation of the new or revised classification.

(k) The Union shall maintain a Classification Committee consisting of not more than five members who may review the evaluation and wage rate of any new or revised classification. The Union's Committee may, by request, meet with the Company's Committee as soon as possible at a mutually convenient time, but within 30 days, after the Union has been notified by the Company of the proposed new or revised classification for the purpose of presenting any information relevant to the evaluation of the new or revised classification, which has been included in the previous written comments of the Union representative. The Union will be notified after the Company's Committee has reviewed the information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached.

It is understood that the right to maintain, revise or abolish any job classification or to create new classifications is the exclusive right of management.

(l) Where the Union deems an employee, or employees, to be improperly classified, it may file a grievance which shall be handled under the grievance procedure of this Contract.

(m) Members of the Union's Committee and a reasonable number of witnesses shall not suffer a loss of pay when engaged in meetings during their working hours with the Company's Job Evaluation Committee.

Section 2. (a) No employee shall regularly be called upon to perform work beyond the scope of his classification. Employees temporarily advanced to a higher classification for four hours or more in any one day shall receive either the minimum rate of pay applicable to that classification or 25¢ per hour above the maximum wage rate of their job classification, whichever is greater, but no more than the maximum wage rate of the job to which the employee is upgraded. Employees temporarily assigned to a job scaled at a lower rate of pay than their own shall not suffer financially through such a

transfer.

(b) When a temporary assignment in a job classification within the bargaining unit exceeds 90 consecutive days, the assignment being temporarily filled shall be considered a vacancy and filled permanently in accordance with the posting procedure.

(c) When an employee covered by this Contract is temporarily assigned to a supervisory position he shall be paid 50¢ per hour above the maximum rate of pay of the highest rated job classification in his promotional sequence if such work is for one hour or more.

(d) An employee, when permanently promoted to a job classification and qualifying in all respects with the exception of time spent in the preceding classification as required in the qualification section of the job description, shall be considered as having the equivalent of such required time.

## ARTICLE VI - SENIORITY

Section 1. (a) System Service shall date from the time an employee first earns compensation in the employ of the Company, except as such system service may be lost in accordance with Section 6 of this Article.

(b) Classified Seniority shall date from the time an employee is permanently employed in a specific job classification. Whenever employees are accepted for job postings and their promotion is delayed by no more than 30 days or when a delay beyond 30 days is caused solely by the Company, their new classified seniority date will be adjusted to place them in their proper seniority position in relation to other employees who promoted as a result of the same posting.

(c) In the event that two or more employees achieve classified seniority on the same date, the respective seniority rank of such employees shall be determined by the Union. The Union shall promptly notify the Company in writing of its determination.

(d) Nothing in this Contract shall be construed in such a way that would enable an employee to use classified seniority for the selection of a particular job assignment. In justifiable cases, however, when requested by an employee a supervisor will give consideration in making job assignments to the requirements of the job to be done, the physical condition, the qualifications and the classified seniority of the employee.

(e) All new employees shall be classed as probationary employees for a period of one year and shall have no system service and seniority rights during that period. After one year of continuous service as probationary employees, such employees shall be classified as regular employees and their system service and seniority record shall include their previous employment as probationary employees. The Company shall have the right to lay off or discharge probationary employees and there shall be no responsibility for reemployment of such employees after they are discharged or laid off during the probationary period. No unqualified probationary employee shall act as a second employee in any two-employee crew in the Construction and Maintenance or Systems Operations

Sections.

(f) In order to avoid possible grievances, the Company will discuss in advance with the representatives of the Union, demotions, layoffs, and recalls from layoffs.

Section 2. (a) Classified seniority shall be administered separately in the following Departments, Divisions, and Sections:

**LOCAL UNION 12049**

REGULATED BUSINESSES

- Gas Operations
  - Construction & Maintenance
    - Cincinnati District
    - Kentucky District
  - Corrosion Control
    - Cincinnati District
  - Systems Operations
    - Cincinnati - Kentucky District
  - Production - Gas Plants
    - Cincinnati - Kentucky District

BILLING & METERING SERVICES

- Service Delivery
  - Cincinnati District
  - Kentucky District
- Measurement Center
  - Cincinnati District

**LOCAL UNION 5541-06**

REGULATED BUSINESSES

- Gas Operations
  - Construction & Maintenance
  - Systems Operations
  - Production - Gas Plant

BILLING & METERING SERVICES

- Service Delivery

(b) In the cases of promotions, within each District as described above, the Union agrees that the strict classified seniority interpretations may be waived when a specific employee is unqualified for a particular promotion but in such event the Company and the Union shall discuss the matter fully and come to agreement first.

(c) The classified seniority status of employees permanently assigned from one District to another District shall be fixed without delay by discussion between the Company and the Union Grievance Committee.

(d) When an employee who has been assigned to a job classification not bargained for by the Local Union returns to a job classification in which he has classified seniority, his classified seniority will be adjusted to a date that is one day less than the classified seniority date of the employee with the least classified seniority in the job classification within the District to which the employee is assigned.

Section 3. (a) An employee who has satisfactorily met all the requirements for entrance into a job classification shall be given a period of 30 days in which to master the new assignment. If, at the end of such period, the employee is unable to fulfill the assignment, he shall be restored to his previous position and previous classified seniority rank.

(b) The Company shall have the right to require examinations, either oral, written or practical, to determine the fitness of employees for promotions. When such examinations are deemed necessary by the Company, the equipment and facilities necessary for such examinations will be provided by the Company. The Company agrees that the employee shall have the right to review the results of departmental tests upon request. If an employee indicates, within five days after receiving the results of a departmental examination, that he feels the examination was not fairly administered, the Company agrees to reexamine the employee. A Union designated witness may be present only during the practical portion of the retest. The employee, upon request, shall receive counseling based upon tests administered by the Staffing Services area of the Company or by outside consultants. An employee who does not pass an examination shall be eligible to retake that examination after three months. An employee who does not pass the examination a second time will not be eligible for reexamination for 12 months and for subsequent two year intervals thereafter.

(c) When a permanent promotion is to be made to a job classification bargained for by the Union, a notice of the opening shall be posted by the Company on all bulletin boards for two weeks. A copy of these notices will be mailed to the Presidents of the Local Unions. The period of posting may be reduced to seven days provided that any employees with greater classified seniority who may be off duty during the entire seven-day posting period are notified of the posting by a copy of the posting notice mailed by registered or certified mail to their home address on record in Human Resources.

(d) All bids related to posted openings should be made in duplicate and presented to the responsible supervisor who will sign both copies, retain one and return the duplicate to the employee for the record of the Local Union.

(e) When a posted opening occurs in a job classification, employees already in that job classification within the Seniority District may exercise their classified seniority rights to cross bid for the opening if the opening exists at another headquarters. The most senior employee already in the job

classification within the Seniority District who cross bids and can qualify will be selected. Only one cross bid will be accepted for each posting. Resultant openings, which the Company desires to fill, will be filled by promotion of qualified employees from the next lower job classification or other qualified employees in the same promotional sequence in the Seniority District where the resultant opening exists.

(f) When a posted opening cannot be filled from among the qualified employees in the Seniority District in which the opening exists, the opening will be filled from qualified employees from other Seniority Districts within the Section. When the opening cannot be filled from within the Section, the opening will be filled in accordance with the appropriate provisions of this Contract.

(g) Subject to the approval of the Company and the Union any employee may waive his right to promotion if such waiver does not prevent other employees from acquiring experience in the job classification held by him. Such waiver must be submitted to the Company and the Union in writing.

(h) When an employee waives his right to an opening in a job classification, the next employee shall be entitled to such opening, on a classified seniority and sufficient qualification basis, and so on until the position is filled.

(i) An employee waiving his right under this provision cannot later claim that particular job opening as a classified seniority right; however, the employee making such waiver shall not prejudice his right to accept future vacancies or positions that may occur, on a basis of his classified seniority and qualifications.

(j) An employee permanently established in a job classification under the provisions of this section of the Contract shall not be replaced later by an employee who may have developed sufficient classified seniority or qualifications.

Section 4. (a) The Company will post at least semi-annually and will maintain lists at locations mutually agreeable to the Company and the Union showing the system service and classified seniority of each employee. If exception is not taken to the list as posted within 30 days from the date of posting, the list shall be considered as correct. Copies of these lists shall be forwarded to the Local Union President and Recording Secretary.

(b) The Company will furnish annually, upon request, to the Financial Secretary of the Local Union a complete mailing list of all employees in the bargaining unit.

Section 5. An employee's classified seniority and system service standing shall not be jeopardized due to time off for injury, sickness or leave of absence.

Section 6. An employee will lose his system service and classified seniority who:

(1) Quits of his own accord.

(2) Is discharged for just cause.

(3) Employees who leave the Company involuntarily shall not lose accrued system service or classified seniority if, upon recall, they respond within six days, provided it is not obligatory on the Company to issue such a call after two years after the date of layoff. Notification of recall will be sent by registered or certified mail.

Section 7. (a) Layoffs and demotions shall be made on the basis of classified seniority. Reassignments shall also be made on the basis of classified seniority and sufficient qualifications. In case of layoff an employee shall have the right to be returned to any job classification previously held by him in the course of his employment with the Company if his classified seniority is sufficient to qualify him for such job. An employee, however, shall not have the right to be demoted or assigned to any job classification which he has not previously held but will be given consideration by the Company for a Mechanic III position, at the maximum rate, before new employees are hired. Such an employee's classified seniority as a Mechanic III would be the same as the employee's system service.

(b) Every effort shall be made to continue the present policy of avoiding seasonal layoffs by finding other work for any employees likely to be thus affected, should such occasion arise.

Section 8. Any employee who may make application to the Staffing Office for transfer to a starting job not represented by the Union, for which he may be qualified will be given preference for consideration before a new employee is hired for the job.

## ARTICLE VII - HOURS OF WORK

Section 1. (a) Eight or 10 consecutive hours, exclusive of lunch time, shall constitute a working day, and four or five such days, totaling 40 hours, shall constitute a working week. Regular employees available and able to work, shall be assured of a 40 hour work week. It is understood that this provision will not affect in any manner the right of the Company to make temporary or permanent reductions in forces when considered necessary by the Company.

(b) It is recognized that shift work is essential for employee groups covered by this Contract, in order to provide for continuous operation and service. However, insofar as possible, day work shall prevail. Where shift work is necessary, the Union and the Company shall cooperate in providing the necessary manpower, with the required ability, to fill day, afternoon, and night as well as weekend work schedules.

(c) Except when changing schedules or agreed otherwise, employees shall have consecutive off days, but not necessarily in the same work week.

(d) The work week of an employee for payroll purposes shall be from midnight Sunday to midnight the following Sunday. Employees working on a shift beginning two hours or less before midnight will be considered as having worked their hours following midnight. Employees working on a shift ending two hours or less after midnight will be considered as having worked their hours before midnight.

(e) The work week of an employee for purposes of determining off-days shall begin on midnight Sunday and consist of seven consecutive days in which the employee is scheduled to work five days and be off two days or scheduled to work four days and be off three days.

(f) Schedules for all employees will be based on the time prevailing in the City of Cincinnati.

(g) The first eight hours of work per day will be at straight time for regular scheduled work days, time and one-half for the employee's first scheduled off-day in the work week and double time for the employee's second scheduled off-day in the work week. Any time in excess of eight hours per day will be paid at the rate of time and one-half except the employee's second scheduled off-day worked which will be paid at double time. For employees who work a four day-10 hour schedule, the first 10 hours of work per day will be at straight time for regular scheduled work days, double time for the employee's second consecutive scheduled off-day and time and one-half for all other scheduled off-days. Any time in excess of 10 hours per day will be paid at the rate of time and one-half except the employee's second consecutive scheduled off-day worked which will be paid at double time.

(h) In no case will an employee be forced to take time off in lieu of time worked outside his Regular Scheduled Work Day, but should an employee elect not to work during his Regular Scheduled Work Day he shall not receive pay for such time.

(i) Employees required to work more than 16 consecutive hours will be paid double time for all time worked in excess of, and continuous with, the 16 consecutive hours.

(j) When overtime occurs within a job classification where more employees are qualified and available to work than are necessary at the moment, the Company agrees to maintain a system of selecting the employees within the job classification at each headquarters who are to work, in a sincere effort to equalize overtime work. The employees will be notified in advance, whenever possible, when they are required to work overtime.

(k) Overtime lists shall be posted weekly, in each headquarters, showing the overtime hours worked or waived during the previous week by each employee at the headquarters. Probationary employees shall not be included in the overtime lists.

(l) A call-out shall be defined as notice to report for unscheduled work given to an employee by telephone or messenger after he has left his headquarters or place of reporting or in case of an off-day, after what would have been his scheduled hours on that day.

(m) Employees called out for overtime work, other than for planned overtime, shall be paid a minimum of four hours at the appropriate overtime rate.

(n) Travel time of one-half hour each way, at the appropriate overtime rate of pay, will be allowed on a call-out when such call-out exceeds four hours of continuous work that is not contiguous with a regularly scheduled shift. Employees will not be compensated for any travel time on a call-out which occurs on a regular holiday or when the employee is not released from work before his regularly scheduled shift, nor will travel time be allowed when overtime is worked continuously at the end of a

regularly scheduled shift.

(o) Planned overtime shall be defined as time worked upon notice to an employee given before leaving his headquarters or place of reporting, or in case of an off-day, during or before what would have been his scheduled hours on that day, that he is to report outside of his regular schedule on any succeeding day. Such time worked shall be paid for at the appropriate overtime rate but not for less than four hours unless such planned overtime extends into or directly follows the employee's regularly scheduled work day, when it shall be paid for at the appropriate overtime rate for the actual hours worked.

## ARTICLE VIII - WORKING CONDITIONS

Section 1. CHANGE IN SCHEDULE: (a) Each employee shall have a specific hour for reporting for work, and shall be entitled to not less than 24 hours notice of any change. Employees, whose schedules are changed to include an off day on the next succeeding day, shall receive such notification within 15 minutes prior to or after the start of their regularly scheduled hours of work on the day previous to such a change.

(b) If an employee is required to commence working on a schedule which was changed without 24 hours notice, he shall receive the appropriate premium pay for all consecutive hours worked. Employees, who are not notified within 15 minutes prior to or after the start of their regularly scheduled hours of work of a schedule change that includes an off day on the next succeeding day, shall receive the appropriate premium pay for all hours worked during their next scheduled work day.

Section 2. TRANSFERS AND REASSIGNMENTS: (a) Each employee shall have a specific headquarters for reporting for work. There shall be no unreasonable, disciplinary or discriminatory transfers, but the right to the Company of effect transfers, reassignments and logical site reporting to properly run its business is recognized. The Company will discuss transfers, reassignments and logical site reporting in advance with representatives of the Union except in instances where the employees with the least classified seniority are selected or where the employees volunteer. Employees may be assigned to report to a logical site reporting location for any assignment expected to be a minimum of three days.

(b) Transfers which are for periods of 14 consecutive calendar days or less will be considered temporary transfers. Transfers of 15 consecutive calendar days or more to either permanent or temporary headquarters, planned in advance, will be considered reassignments. Notification of availability of a reassignment will be posted at least 2 weeks in advance of the requirement. Eligible employees may request a preference for the reassignment. If there are no voluntary requests, the qualified individuals lowest on the classified seniority list will be assigned.

(c) During periods of temporary transfers or reassignments, the employees will report to and work out of the new headquarters. Such employees will be paid one hour's pay at the straight time rate and mileage at the prevailing rate based on the round trip distance between the employee's regular headquarters and temporary headquarters for each day of a temporary transfer and for the first 14 consecutive calendar days of a reassignment to a temporary headquarters. If a temporary reassignment exceeds three months, the employee will be paid in a similar manner when they return to

their regular headquarters. Neither the one hour's pay nor the mileage applies for temporary transfers or reassignments of employees whose normal assignment is to home site report.

(d) When it is necessary to temporarily assign employees to a logical site reporting location that is further from their home than their regular headquarters, such employees will be paid mileage at the prevailing rate based on the additional round trip mileage employees are required to drive. No mileage compensation will be paid for the temporary assignment if the other reporting location is closer to the employee's home.

(e) Logical site reporting will be offered on a voluntary basis. If there is an insufficient number of volunteers, assignments will be made on a junior qualified basis. When assigning the junior qualified, unusual or extenuating circumstances will be taken into consideration.

(f) Employees may be assigned to drive Company vehicles from and to the job site from home or sites close to home. If Company vehicles are used in such a manner the mileage provisions for logical site reporting are not applicable. An option to the mileage provision is that employees may, during a logical site reporting assignment, pick up and return a Company vehicle to their regular headquarters, provided travel is on their own time.

Section 3. FOREMEN'S DUTIES: Foremen's duties shall be restricted to direct supervision except for Foremen's and employees' training, in cases of emergency, or for such incidental work as may occasionally be required.

Section 4. SAFETY AND HEALTH: (a) The Company shall make all reasonable provisions for the safety and health of the employees. A suitable number of raincoats, hats, boots, gloves and water facilities and any other safety equipment required by the Company shall be provided on the job. Adequate locker, toilet and shower facilities shall be provided at all permanent headquarters from which the men operate or in the shop where they are employed. A reasonable effort will be made to provide similar facilities at temporary headquarters.

(b) Employees shall be held responsible for the equipment assigned to them.

(c) In order to promote health and safety among the Company's employees, the Company and the Union agree that a Joint Safety Advisory Committee will be established. This Committee shall meet quarterly upon the Union's request to the chairman of the committee, who shall be the Safety Director of the Company. The purpose of the Joint Safety Advisory Committee is to give consideration to those general accident prevention programs and policies that affect the safety and health of the employees represented by the Union. The Joint Safety Advisory Committee shall not deal with individual or group grievances. It is agreed that the administration of the accident prevention and medical policies, programs and procedures are vested in and reserved to Management. It is further agreed that employees engaged in the Joint Safety Advisory Committee meetings during working hours shall suffer no loss of pay for such time.

(d) The Company agrees that an employee is authorized to call for assistance if, in the employee's judgment, his safety is endangered.

Section 5. CONTRACTING OUT: (a) No employee shall be deprived of work through

contracting with outside parties. When it is necessary to use private equipment, such equipment shall be manned and operated by employees, provided qualified employees are available and said equipment can be obtained on this basis.

(b) In order to meet the unusual amount of work due to deferred maintenance and an abnormal expansion of new construction, the Company contemplates that it will be necessary to continue to contract for some of this work. This is believed necessary in order to avoid the building up of a large temporary force to meet an unusual condition. If such a force were built up it would either be necessary to lay off the additional employees hired when the work was caught up, or it might become impossible to assure forty hours work per week for fifty-two weeks per year for regular employees as provided for under this Contract.

(c) It will continue to be the policy of the Company, when contracting for work, not to contract for any work which is ordinarily done by its regular employees if contracting for the work would result in the layoff of any regular employees.

(d) In deciding what work shall be contracted by outside forces the Company will take into consideration the necessity of meeting the completion requirements of the work in order that the service needs of the customers may be met. The Company will make reasonable efforts to utilize our normal working force where possible to do this work.

(e) The question of what proportion of this work will be done on an overtime basis will depend on the urgency of the work, weather conditions, volume and nature of the work and the availability of the working force.

Section 6. MEAL COMPENSATION: Employees working extra time shall be entitled to a suitable lunch or compensation therefore at the conclusion of two hours in excess of eight working hours; similar lunch or money at each five-hour interval thereafter until released from duty. Employees who work a four day-10 hour schedule shall be entitled to a suitable lunch or compensation in lieu thereof, whenever they work one hour or more in excess of their normal workday; similar lunch or money at each five hour interval thereafter until released from duty. On call-out of employees for emergency work on an off-day, such employees called out to work shall be furnished a suitable lunch or compensation in lieu thereof after each five hour interval until released from duty. The meal compensation allowance shall be as follows:

| **Effective** 05/17/04 | **Effective** 05/15/06 |
|---|---|
| $9.50 | $9.75 |

Section 7. TRANSPORTATION: Except when employees are engaged in a logical site reporting assignment, all transportation of employees from shop to job or job to job, or job to shop shall be provided by the Company when same is required in the line of duty.

Section 8. WITNESSING FOR COMPANY: Regular pay and reasonable or required expenses will be allowed employees who may be summoned or requested to testify for the Company.

Section 9. JURY DUTY: Employees required to serve on a jury shall be compensated on the basis of their regular wage.

Section 10. PAYDAYS: Paydays shall continue as at present, i.e., one each calendar week. Employees on a volunteer basis may elect direct deposit. Employees hired on or after January 1, 2006 will be required to use direct deposit. Checks will be directly deposited into one or more bank accounts employees shall designate and authorize. All employees that have direct deposit shall receive a printed paper copy of their check stub at their workplace.

Section 11. RETROGRESSION: Should an employee, who has given long service to the Company, become physically unable to satisfactorily and safely perform the regular duties of his job classification, an effort will be made by the Company to find work of a less strenuous nature for which he is qualified. The employee's hourly rate will be red-circled at the time of his assignment to a job of a lower classification until his hourly rate is equal to the maximum hourly wage rate of the job classification to which he has been assigned.

Section 12. JOB ABOLISHMENT: Should an employee have his job abolished, an effort will be made by the Company to find another job classification for which the employee is qualified. An employee assigned to a job of a lower classification as a result of his job being abolished will maintain his present hourly rate until the maximum hourly wage rate for the job classification to which he has been assigned is equal to the employee's present hourly rate or until he qualifies and receives a promotion.

Section 13. GENERAL ILLNESS: (a) Regular employees who are actively working on January 1, regular employees who return to work from an authorized extended absence on or after January 1, probationary employees who become regular employees on or after January 1, shall be paid as gross wages, for absent time due to bona fide illness or injury, a maximum annual amount equal to 40 hours at their regular Straight Time Pay. Such payment shall be made by the Company on the nearest practicable regular pay day following the date such employee becomes eligible.

(b) After an employee has been continuously disabled, subject to medical determination, and unable to return to work for more than seven consecutive calendar days, the employee will receive Short Term Disability pay consisting of up to 26 weeks of pay per incidence with payment based on the schedule below or until the employees is able to return to work, whichever comes first. During the seven consecutive calendar day waiting period, it is intended that no employee will incur a loss of more than five scheduled days of straight time pay.

Effective January 1, 2006, for employees hired on or after January 1, 2006 and effective January 1, 2007 for all other employees, the administration of short-term disability compensation for employees will be administered over a two-year period for the purposes of calculating weeks at 100% of pay. Multiple occurrences of STD in a rolling 24-month period will be paid as follows.

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| Years of Service | Maximum Weeks at 100% Pay per Rolling 24 Months | Weeks at 66 2/3% Pay |
|---|---|---|
| | | |
| 0-1 | None | All |
| 1-5 | 10 | Balance |
| 6-10 | 15 | Balance |
| 11-14 | 20 | Balance |
| 15-20 | 26 | Balance |
| 21 or more | All | N/A |

For example, if a 14-year employee is on leave in January for 15 weeks and then another 15 weeks in March of the following year, the first illness and five weeks of the 2nd illness will be paid at 100%. The reminder of the weeks will be paid at 66 2/3%.

(c) After an employee has been continuously disabled, subject to medical determination, and is unable to return to work for more than 27 consecutive weeks, and has exhausted Short Term Disability Benefits, the employee will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

(d) Compensation will not be provided for illnesses resulting from such causes as: illegal use of drugs, intoxication, willful intention to injure oneself, the commission of a crime, elective or cosmetic procedures not covered by the medical plan, the employee's refusal to adopt such remedial measures as may be commensurate with his disability, or permit reasonable examination by the Company.

(e) In order to facilitate the scheduling of the work forces, an employee who will be absent from work shall notify the Company within a reasonable period of time before his scheduled shift if possible and shall likewise give the Company reasonable advance notice of his return to work. Unless an employee notifies the Company concerning the cause of his absence before the end of the first scheduled working day of such absence, his waiting period and subsequent claim for sick leave pay shall not begin until such notice is received.

(f) Failure to present a certificate from a physician licensed to practice medicine prior to the end of the fifth scheduled working day or failure to provide a legitimate excuse will cause the employee's Short Term Disability to be denied until the time such certificate is received.

(g) If an employee requests work of a less strenuous nature for a temporary period following an illness or disability, the Company will make an effort to find such work providing the employee's physical condition is satisfactory and is approved by the Company physician.

Section 14. HOSPITAL AND MEDICAL PLANS: (a) Health Care coverage will consist of alternative medical and dental plans. Beginning January 1, 2006, employees will pay 12.5% of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder. Beginning, January 1, 2007, employees will pay 15% of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the reminder. The Company's part of the above premium will continue to be paid while an employee is receiving illness or accident compensation provided the employee was covered by such

a contract immediately prior the employee's sickness or industrial accident.

(b) The Union and the Company agree that no other Hospital or Medical Plans will be put into effect in the bargaining unit represented by the Union without prior agreement with the Union.

(c) Employees are eligible for Post-Retirement Medical Benefits in accordance with the terms of letter from the Company to the Union dated April 4, 2005.

Section 15. INSURANCE: The Company will provide each employee with Term Life Insurance in the amount of two times the employee's straight time annual salary.

Section 16. INDUSTRIAL ACCIDENTS: An injured employee who is unable to work because of an industrial accident will be paid a supplement in an amount equal to 100% of their weekly wage (40 hours), less the state mandated compensation. This supplemental industrial accident compensation will begin after an initial seven calendar day waiting period and will continue for not more than 26 weeks of continuous disability. However, if an industrial accident disability continues for 14 or more calendar days, the employee will receive this supplemental industrial accident compensation for the initial seven day waiting period.

Section 17. INCLEMENT WEATHER: The Company will not require employees to work out of doors in heavy or continuous storms or excessively cold temperatures in exposed locations, unless such work is necessary to conform to the law or applicable regulations, to protect life, property, or to guarantee service to the customers. Employees covered by this Contract shall not be required to lose time due to such weather conditions, but the Company may provide work indoors or under adequate shelter at their regular rate of pay.

Section 18. Upon the death of the designated relatives of an employee, the employee, upon request, may be entitled to the stipulated maximum number of calendar days off for which he is entitled to receive regular pay for not more than the indicated number of consecutive working days, including the day of the funeral. If prior arrangements are made, an employee may include a maximum of one day following the funeral as one of the consecutive working days off, and in the case of a spouse, child, mother, father, brother or sister, two days following the funeral. No pay will be granted for regular scheduled off days.

| **Relationship** | **Maximum Consecutive Calendar Days Off** | **Maximum Consecutive Working Days Off With Pay** |
|---|---|---|
| Spouse or Domestic Partner | 7 | 5 |
| Child | 7 | 5 |
| Mother | 7 | 5 |
| Father | 7 | 5 |
| Brother | 7 | 5 |
| Sister | 7 | 5 |
| In-laws (father, mother, brother sister, son or daughter) | 5 | 3 |

| | | |
|---|---|---|
| Grandchild | 6 | 4 |
| Grandparent/Spouse's Grandparent | 4 | 2 |

If an employee has worked four hours or more and is notified of a death in his family, and leaves the job, the day will not be charged as one of the consecutive working days. If, however, he has not worked four hours, the day will be charged as one of the consecutive working days for which he is entitled to receive regular pay.

Section 19. BULLETIN BOARDS: The Company agrees to furnish bulletin boards at all division headquarters. The use of these boards is restricted to the following: notices of Union meetings, notices of Union election, notice of changes within the Union affecting its membership, or any other official notices issued on the stationery of the Union and signed by the Regional Director or any duly elected or appointed official of the Local Union. There shall be no other general distribution or posting by members of the Union of pamphlets or literature of any kind except as provided for herein.

Section 20. UNION OFFICE: (a) Members of the Union selected for full time office shall be entitled to unpaid leaves of absence without prejudice or loss of seniority. Such leaves of absence shall be limited to a period of one year, and shall be renewed at the conclusion thereof, if necessary. At no time shall the operations of the Company be interfered with by such leaves of absence. All requests for such leaves of absence shall be in writing and submitted at least one week in advance.

(b) Except as it may conflict with other provisions of this Contract, the President, Vice President, Recording Secretary, and elected Grievance Committee men shall not be required to work regular afternoon and night shifts. However, not more than two employees from each headquarters may exercise this privilege.

Section 21. ADDRESSES AND TELEPHONE NUMBERS: Each employee in a job classification represented by the Union shall be responsible for maintaining an up-to-date address and telephone number on file at the Company. Forms to report changes will be provided by the Company and made available to employees at each headquarters.

Section 22. PERSONAL DAY: (a) An employee who has completed six months of continuous service shall be entitled to four compensated personal days off each calendar year. Requests for personal days must be made at least seven calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a seven calendar day notification may be approved by an employee's supervisor. Arrangements for all personal days must be made with supervision on or before November 1 of each year or it shall be lost. The Company reserves the right to limit the number of employees who can be off on a specific day. If a personal day is not used during a year, it shall be lost and no additional compensation shall be granted.

(b) An employee who has completed six months of continuous service shall be entitled to one compensated Diversity Day off each calendar year. Requests for this day must be made at least seven calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, less than a seven calendar day notification may be approved by an

employee's supervisor. The Company reserves the right to limit the number of employees who can be off on a specific day. If the Diversity Day is not used during a year, it shall be lost and no additional compensation shall be granted.

Section 23. TEAMS: The purpose of bargaining unit teams is to promote an environment of continuous improvement in the work place for the mutual benefit of the Company, its customers, and the Union. Performance of special functions and duties within the team is voluntary. The teams will not be involved in any issue or take any action or make any decision which will subordinate the interests and viability of the Union. The teams will not engage in collective bargaining or deal with management over bargainable issues, as all parties recognize this to be the exclusive role of the Union.

## ARTICLE IX - ADMINISTRATION AND GRIEVANCE ADJUSTMENT

Section 1. (a) The Union shall maintain a system of Stewards whose duties shall be to represent the Union in seeing that the provisions of this Contract as they apply on the job are observed at all times. The Union shall have a Grievance Committee composed of five* members. This committee shall meet with the management of the Company on all matters pertaining to the provisions of this Contract, and any and all matters of dispute between the Union and the Company under the terms and during the life of this Contract. The Recording Secretaries for the Local Unions may also attend such meetings.

(b) If an employee, after consulting with the immediate supervisors, feels that a grievance exists, the avenue of grievance adjustment shall be: first, between the employee and the officially designated steward, and the foreman or supervisor; second, between the employee, the officially designated steward, and, at the discretion of the Union, a representative of the Union Grievance Committee, and the Departmental Section Management; third, between members of a Union Grievance Committee consisting of not more than five** members and the Department Management; fourth, between the Union Grievance Committee, Agents of the Union and officials of the Company. The Recording Secretaries for the Local Unions may also attend third and fourth step grievance meetings. If a satisfactory settlement cannot be reached before the third step of the procedure outlined above, the grievance shall be reduced to writing by the Union.

(c) An employee, who is considered necessary to the proper settlement of the grievance, shall be present at the grievance meetings.

(d) The Union Grievance Committee and the Recording Secretaries of the Local Unions when engaged during their regular working hours in grievance meetings with Management shall not suffer a loss of pay for such time.

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*The Grievance Committee of Local Union 5541-06 shall consist of not more than three members.
**The Grievance Committee of Local Union 5541-06 shall consist of not more than three members.

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## ARTICLE X - ARBITRATION

Section 1. (a) In the event that a mutually agreeable settlement of differences arising out of this Contract between the Company and the Union be impossible and either party to the Contract desires to submit such differences to arbitration, that party shall notify the other party, in writing, of the issues to be arbitrated and at the same time also name its arbitrator. The other party shall name its arbitrator within five days after receiving such notice from the other party requesting arbitration of the issue, or issues, specified in the request for arbitration. The two arbitrators thus named shall meet within 10 days in an attempt to settle the issue, or issues, referred to them. If the two arbitrators do not reach a settlement these two arbitrators shall endeavor to agree on a third and neutral arbitrator. If no agreement can be reached within five days on the selection of the third arbitrator the parties shall jointly request a list of names of persons eligible to act as a third arbitrator from the Director of the United States Mediation and Conciliation Service. In the event of the failure of the two arbitrators to select the third arbitrator from said list of eligible persons, the two arbitrators shall jointly apply to the Director of the United States Mediation and Conciliation Service for an additional list of names of persons eligible to act as a third arbitrator. In the event of the failure of the two arbitrators to select the third arbitrator from the second list of eligible persons, the two arbitrators, beginning with the Union arbitrator, shall cross off names in turn until only one remains, whereupon the remaining name shall be acceptable to both parties as the neutral arbitrator and chairman of the Arbitration Board.

(b) The three man arbitration board shall be allowed a reasonable time after hearings to announce a decision and the decision of the majority of the members of the three man arbitration board shall be final and binding upon both parties. During the period of arbitration and while the terms of this Contract are in full force and effect there shall be no strikes, lockouts, interference with or interruption to the services of the Company.

(c) In case of arbitration each party shall bear the expenses of its own arbitrator. The expenses of the neutral arbitrator and other joint expenses shall be shared equally by the Company and the Union.

## ARTICLE XI - DISCIPLINE AND DISCHARGE

Section 1. (a) The Company will not discipline or discharge an employee save for just cause. Written notice of any discharge or disciplinary action involving lost time taken by the Company against any employee shall be furnished to the Union and the employee within two working days.

(b) Appeal from discharge must be taken within five working days in the form of a written notice from the Union to the Company. The Company and the Union shall strive to reach a just decision within 10 days following the appeal. Failing therein, the matter shall be submitted to arbitration as provided above.

(c) This Section shall not apply to disciplinary action taken in accordance with Article I,

Section 2, of this Contract.

## ARTICLE XII - HOLIDAYS

Section 1. (a) The following days are observed as regular holidays which will be recognized on the indicated dates. The Company may change the date for recognizing a holiday if the date indicated is changed by a legislative enactment or if the prevailing community practice is not consistent with the indicated date.

| Holiday | Date Recognized |
|---|---|
| New Year's Day | January 1 |
| Memorial Day | last Monday - May |
| Independence Day | July 4 |
| Labor Day | first Monday - September |
| Thanksgiving Day | fourth Thursday - November |
| Day after Thanksgiving | Friday after Thanksgiving |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |

(b) If the recognized date of a holiday occurs on a Saturday or Sunday the Company will have the option of observing that holiday on another date which the Company determines to be consistent with the community practice or paying eight hours of regular straight time pay in lieu thereof for the holiday.

(c) Regular employees whose duties do not require them to work on holidays will be paid eight hours straight time holiday pay provided the employees have worked their scheduled day before, or his scheduled day after the holiday. Employees who are on a four day-10 hour schedule will receive 10 hours of straight time pay if a holiday falls within their regular scheduled work week but they are not required to work the holiday, provided the employees have worked their scheduled day before, or their scheduled day after the holiday. Employees whose regular scheduled work week does not include the paid holiday will receive eight hours of straight time holiday pay. Regular employees who are scheduled to work on a recognized holiday will be paid at time and one-half for the first eight hours worked in addition to their straight time holiday pay.

(d) An employee called out to work on a recognized holiday for a period of four hours or less will be paid for four hours at time and one-half in addition to his straight time holiday pay. An employee called out to work on a recognized holiday for a period of more than four hours but less than eight hours will be paid for eight hours at time and one-half in addition to his regular straight time holiday pay.

(e) Employees who are required to work more than eight hours on a recognized holiday will be paid at the rate of double time for all such work in excess of eight hours.

(f) When necessary, employees will be granted a reasonable time off with pay to vote in a national, state or local election.

(g) Construction work shall not be performed by employees on Labor Day except that which is necessary to protect life, property, or continuity of service.

## ARTICLE XIII - VACATIONS

Section 1. (a) Every effort will be made to grant vacations at a time suitable to the employee, but should the number leaving on vacation in any one period handicap the operations of the Company, the Company reserves the right to limit the number receiving vacations. Preference for vacations shall be granted within a classification at a headquarters on a system service basis.

(b) Vacations for employees will be granted with pay during the calendar year in which they complete the specified number of years of continuous service on the following basis:

(1) Employees with less than one year of continuous service with the Company shall be entitled to one day of vacation for each month worked, with a maximum of 10 days total.

(2) Employees with one year of continuous service with the Company shall be entitled to a vacation of two weeks.

(3) Employees with seven or more years of continuous service with the Company shall be entitled to a vacation of three weeks.

(4) Employees with 15 or more years of continuous service with the Company shall be entitled to a four week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fourth week.

(5) Employees with 21 or more years of continuous service with the Company shall be entitled to a five week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fifth week.

(6) Employees with 32 or more years of service with the Company shall be entitled to a six week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the sixth week if the employee has attained at least 34 years of service. The sixth week of vacation prior to 34 years of service will automatically be deposited in the employee's vacation bank and is intended for banking purposes unless specifically approved for time off by supervision.

(c) An employee accrues entitlement of 1/12 of their current year's vacation for each full month the employee is employed during the current calendar year or is on STD, or leave of absence. Any employee leaving the Company's service during any calendar year shall receive payment for any unused portion of accrued vacation for that current year. However, in the event of an employee's death, the estate of the employee will be paid the unused portion of the employee's total vacation allotment for the current year.

(d) The anniversary of employment shall determine the employee's vacation status.

(e) In order for an employee to qualify for a vacation, the employee must have been on the Company payroll as a full-time regular or probationary employee on the last day in the calendar year previous to the vacation, and must have been available whenever necessary for the Company medical examinations and reports.

(f) An employee who is eligible for more than a three week vacation may be required to take the vacation in excess of three weeks outside the preferred vacation period, which is the period from June 1 to September 30.

(g) An employee who meets all the qualifications for vacation, and is on a Leave of Absence for illness on the last day in the calendar year previous to the vacation, will be entitled to vacation.

(h) When a holiday falls within an employee's vacation such employee shall receive either an additional day's pay to compensate for the loss of such holiday or the paid vacation period shall be extended for one day, at the discretion of the Company.

(i) Vacations must be selected for full weeks. However, an employee entitled to two or more weeks of vacation in a calendar year may arrange to take five days of that vacation in one day increments. Requests for these days must be made at least seven calendar days prior to the date requested and must be approved by supervision. However, because of extenuating circumstances, a day off with less than a seven calendar day notification may be approved by an employee's supervisor. An employee entitled to four or more weeks of vacation in a calendar year may arrange to take an additional five days of that vacation in one day increments. Requests for these additional five days must be made seven or more calendar days prior to the date requested and must be approved by supervision. The decision to grant or not grant a one day vacation by supervision shall not be subject to the grievance and arbitration procedure. The Company reserves the right to limit the number of employees who can be off on a specific day and may, but cannot be required to, grant a one day increment on a work day preceding or following a holiday or other vacation. Such one day increments must be utilized before an employee's scheduled vacation in a particular year is exhausted.

## ARTICLE XIV - NATIONAL DEFENSE

Section 1. (a) Employees who volunteer for or are drafted in the armed services of the United States, or are conscripted by the United States Government, shall retain all rights and privileges under this Contract, including seniority standing and shall be entitled to vacation pay due.

(b) The Company in recognition of service rendered to the Nation, agrees to restore all employees to their former positions, except those dishonorably discharged, who notify the Company within the time specified by applicable legislation of their desire to return to work. An employee who leaves the Service ill, injured or unable to work shall retain all rights of his former job until he is able to work. An injured, weakened or partially disabled employee shall be offered light duty, if he is physically able to perform such work. All Company Group Life Insurance carried by employees entering the Service will be cancelled 90 days after employee enters such service, and will be reinstated without physical examination or waiting period upon the employee returning to work. Any advance premium paid by employees beyond the date of cancellation will be refunded to the employees.

(c) The foregoing provisions shall apply only to employees who are eligible for statutory re-employment rights.

## ARTICLE XV - DEPARTMENT STEWARDS

The Union shall furnish the Company with a list of Department Stewards and this list shall be kept current. It is further agreed that only regular employees of the Company who are covered by this Contract shall be designated as Stewards.

## ARTICLE XVI

Section 1. RETIREMENT INCOME PLAN: (a) The Retirement Income Plan which includes the changes as required by appropriate federal legislation and regulation governing such plans as amended effective January 1, 1999.

(b) In consideration of the additional benefits incorporated in the Retirement Income Plan, the parties to this Contract agree that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until the expiration of the Contract in effect on May 15, 2007.

Section 2. SAVINGS INCENTIVE PLAN: (a) The Company agrees to establish and maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans, to be known as the "Cinergy Corp. Union Employees' Savings Incentive Plan" for non-exempt employees, hereinafter called the "Savings Incentive Plan".

(b) The Savings Incentive Plan is contained in the Company's publication the "Cinergy Corp. Union Employees Savings Incentive Plan", which includes highlights of the Plan, complete text of the Plan, and complete text of the Trust Agreement.

(c) The Company hopes and expects to continue the Savings Incentive Plan indefinitely but it must reserve the right to alter or amend it or to discontinue Company contributions to it at any time. However, under no circumstances shall any part of the corpus or income held by the Trustee of the Savings Incentive Plan be recoverable by the Company or be used for or diverted to any purposes other than for the exclusive benefit of the employee participants or their beneficiaries as provided in the Savings Incentive Plan.

## ARTICLE XVII - INTERRUPTION OR PYRAMIDING BENEFITS

Section 1. (a) With the exception of shift differential premium, and a holiday occurring during an employee's vacation, it is agreed that under no circumstances shall any Section of this Contract be interpreted to provide the pyramiding of a benefit or premium payment to employees covered by this

Contract. For example, no employee may claim sick pay while receiving vacation pay or holiday pay while receiving sick pay.

(b) It is further agreed that there shall be no interruption in the payment of one benefit in order that the employee may receive payment for another benefit. For example, no employee may interrupt his vacation to begin sick leave or interrupt his sick leave to include a holiday. The only exceptions to the provision are that an employee's sick pay may be interrupted to include vacation pay and that vacation pay may be interrupted to include death in family pay as set forth in the Contract. In the event of a death of a relative as defined in Article VIII, Section 18 occurs after the start of an employee's vacation, any compensable bereavement time off under the Contract would interrupt the vacation and replace the unused planned vacation days. The rescheduling of the unused vacation days interrupted by the death must be approved in advance by supervision and shall not impact normal administration of vacation in one-day increments as provided in Article XIII, Section 1(i).

## ARTICLE XVIII - DURATION

Section 1. (a) The Contract shall become effective as of January 1, 2002, and all the provisions thereof shall continue in full force and effect until May 15, 2007, and thereafter for successive three year periods unless one of the parties hereto on or before the 60th day next preceding any contract anniversary date shall notify the other party hereto, in writing, of its desire to modify or terminate the same.

(b) Joint conferences between representatives of the Company and the Union shall be promptly started following any of the above notifications for the purpose of reaching a mutually satisfactory agreement.

(c) On or before May 15, 2007, this Contract may be extended by mutual agreement of the parties for a specific number of calendar days. If a tentative agreement on the terms of a new Contract has been reached on or before May 15, thereafter the Union shall have one-half of the specified number of days in which to submit the Contract to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the specified number of days as notice before a work stoppage occurs.

IN WITNESS WHEREOF, The United Steelworkers of America, AFL-CIO-CLC on behalf of Local Unions 12049 and 5541-06, and The Cincinnati Gas & Electric Company and Subsidiaries, do hereby, by their duly authorized agents, in the premises, execute and sign this 2002-2007 Contract in duplicate this 30th day of January, 2003.

**THE CINCINNATI GAS AND ELECTRIC COMPANY**
**Cincinnati, Ohio**

James L. Turner
Executive Vice President, Cinergy

John C. Procario
Vice President and Chief Operating Officer, Regulated Business Unit

L. C. Randolph, Jr.
Vice President, Gas Operations

Patty Walker
Vice President, Billing & Metering Services

Timothy J. Verhagen
Vice President, Human Resources

John E. Polley
General Manager, Labor Relations, Safety and Disability Programs

**UNITED STEELWORKERS OF AMERICA,**
**AFL-CIO-CLC**

INTERNATIONAL

Leo W. Gerard
President

James D. English
Secretary/Treasurer

Andrew Palm
Vice President - Administration

Leon Lynch
Vice President - Human Affairs

David McCall
Director, District 1

Eldon House
Staff Representative

David W. McLean

LOCAL UNION

Kevin M. Adkins
Michael R. Blum
Doug Helsinger
Fred Johnson
Michael W. McAlpin
Scott A. Newkirk
Gary Tuttle
John Waits
Joseph R. Williams

Staff Representative

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# Appendix A

## HISTORICAL DOCUMENTS PRESERVED AND MADE PART OF THIS AGREEMENT FOR INTERPRETATION AND APPLICATION INDEX BY DOCUMENT NUMBER

| A-Docs. # | CLAUSE | ISSUE | DATE |
|---|---|---|---|
| A-1 | Article VIII, Section 8 | Witness Pay for Criminal Cases | 06/11/73 |
| A-2 | Misc | Customer Service Route Bidding | 06/11/73 |
| A-3 | Article VIII, Section 2 | Reassignment of Employees in Supply, Production and Control of Gas Operating | 06/11/73 |
| A-4 | Article VII, Section 1 | Continuity of Work and Overtime | 07/05/79 |
| A-5 | Article VIII, Section 13 | One-time Use of Sick Pay for Chemical Addiction Rehab. | 07/05/79 |
| A-6 | Article VIII, Section 13 | Provide Union List of Employees Off Work for Illness | 07/05/79 |
| A-7 | Article VIII, Section 17 | Inclement Weather | 07/05/79 |
| A-8 | Article VII, Section 1 | Inspecting Mechanic Job Class – No Shift Rotation | 05/17/82 |
| A-9 | Article VIII, Section 13 | Employee Notification of Absence Expectations | 05/24/85 (05/18/76) |
| A-10 | Article XII, Section 1 | No Holiday Pay Eligibility for Unavailability | 05/24/85 |
| A-11 | Misc | Meter Reads and Non-pay Work on Customer Premises | 05/24/85 |
| A-12 | Article VII, Section 1 | Work Week for Gas Plant Operators | 05/19/88 |
| A-13 | Article VIII, Section 5 | Company Monitor Contractor Safety | 05/23/91 |
| A-14 | Article VIII, Section14(b) | Company May Replace Health Care Plans | 05/23/91 |
| A-15 | Article IX, Section 1 | Personal Attorneys During Grievances and Arbitrations | 05/23/91 |
| A-16 | Article XII, Section 1 | Double Time Rate and Consecutive Holidays | 05/23/91 |
| A-17 | Article XIII, Section 1 | Holiday Occurs During Scheduled Vacation Period | 05/23/91 |
| A-18 | Article VII, Section 1(j) | Scheduling Make-up Overtime | 05/23/91 |
| A-19 | Misc | Non-Pay Disconnect Work Group | 05/23/91 |
| A-20 | Misc | Procedure for Employees Who Become Pregnant | 05/23/91 |
| A-21 | Article IX, Section 1 | Timeliness of Grievance Procedure | 05/13/94 |
| A-22 | Misc | Family and Medical Leave Act | 05/13/94 |
| A-23 | Misc | Construction Assistants – Duties and Pay Rate | 05/13/94 (05/23/91) |
| A-24 | Misc | Mechanic Trainee Job Classification Discontinued | 05/13/94 |
| A-25 | Misc | Inspecting Mechanics To Not Cross Union Local Areas | 05/13/94 |
| A-26 | Article V, Section 1 | Wage Changes by Consumer Price Index | 05/13/94 (05/23/91) |
| A-27 | Article VI, Section 3 | Notification to the Union of Posted Job Openings | 05/13/94 |
| A-28 | Article V, Section 1 | Training Union on Job Evaluation Procedure | 05/13/94 |
| A-29 | Article V, Section 1 | Variable Pay Programs Education | 05/13/94 |
| A-30 | Misc | Flexible Benefits Program | 05/13/94 |

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|---|---|---|---|
| A-31 | Misc | Dental Maintenance Organization Plan (DMO) | 05/13/94 |
| A-32 | Misc | No Layoffs Resulting From CG&E and PSI Merger | 05/13/94 |
| A-33 | Misc | Contact Persons Concerning Benefits | 05/13/94 |
| A-34 | Article VIII, Section 5 | Information Concerning Contractors | 05/13/94 |
| A-35 | Misc | Mechanic III Pay Rate and Work CG&E Wide | 10/07/96 |
| A-36 | Article VIII, Section 5 | Inspecting Mechanics | 10/07/96<br>(05/13/94)<br>(05/23/91) |
| A-37 | Article VIII, Section 2 | Logical Job Site Reporting Assignments | 10/07/96 |
| A-38 | Misc | Combination Workers (Service Delivery) | 10/07/96 |
| A-39 | Misc | Apprenticeship Programs | 10/07/96 |
| A-40 | Article VIII, Section 23 | Participative Management Team Guidelines | 10/07/96<br>(05/13/94) |
| A-41 | Article II, Section 1 | Union Security – Company Neutrality | 10/07/96 |
| A-42 | Misc | Sales Incentive Program | 10/07/96 |
| A-43 | Misc | Compelling Business Reasons – No Layoffs | 10/07/96 |
| A-44 | Misc | Pool Letter – Redeployment Process | 10/07/96 |
| A-45 | Misc | Union/Management Committees | 10/07/96 |
| A-46 | Misc | Dedicated Crews/Joint Trench/Concurrent Installation | 10/07/96 |
| A-47 | Misc | Wage or Benefits Enhancements | 10/07/96 |
| A-48 | Misc | Sale of Assets | 01/18/02 |
| A-49 | Misc | Wage or Benefit Enhancements | 01/18/02 |
| A-50 | Misc | Incentive Bonus Pay | 01/18/02 |
| A-51 | Misc | Downbidding to Entry-Level Jobs | 01/18/02<br>(10/07/96)<br>(05/13/94)<br>(05/23/91) |
| A-52 | Article VII, Section 1 | Work Hours | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-53 | Misc | Quarterly Meetings | 01/18/02 |
| A-54 | Article VIII, Section 2 | Voluntary Transfers Between Headquarters | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-55 | Misc | Pay for Non-Industrial Medical Appointments | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-56 | Misc | Medical Premium with No Dental Coverage | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-57 | Misc | Paid Lunch Periods | 01/18/02<br>(10/07/96)<br>(05/24/85) |
| A-58 | Misc | Martin Luther King, Jr. Day | 01/18/02<br>(10/07/96)<br>(05/13/94) |
| A-59 | Article VIII, Section 7 | Transportation in Personal Vehicles | 01/18/02 |

| | | | |
|---|---|---|---|
| A-60 | Article VII, Section 1(m) | Call Out Pay | 01/18/02 |
| A-61 | Article VI, Section 3(b) | Promotional Retraining | 01/18/02<br>(10/07/96)<br>(05/13/94) |

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# AGREEMENT

Between the

Utility Workers Union of America, AFL-CIO, IUU
Local 600

and

The Cincinnati Gas & Electric Company and
Union Light Heat and Power Company,
as subsidiaries of Cinergy, Corp.

THIS AGREEMENT is entered into between the Utility Workers Union of America, AFL-CIO, IUU Local 600, hereinafter referred to as the "Union," and The Cincinnati Gas & Electric Company and Union Light Heat and Power Company, as subsidiaries of Cinergy, Corp., hereinafter referred to as the "Company," through and by their duly authorized representatives.

WITNESSETH: Whereas, the parties to the Agreement as are mentioned above are desirous of maintaining collective bargaining between the Employer and its Employees, as are represented by the Union as bargaining agent, and are desirous of stabilizing employment, eliminating strikes, lockouts, curtailment of employment, and the peaceful settlement of all employer and employee disputes, and of making an honest effort to improve the conditions of both the employer and the employees.

WHEREAS, it is deemed desirable and necessary that definite operations and practices between the Company and the employees of the Company represented by the Union be formally set forth and described, with a desire that uniformity of working conditions exist between the aforementioned Companies and such employees.

WHEREAS, the Company and the Union recognize that in order for the parties to meet the challenge of competition, the need for long term prosperity and growth, and establish employment security, each must be committed to a cooperative labor management relationship that extends from the bargaining unit members to the executive employees. The Company and the Union agree that employees at all levels of the Company must be involved in the decision making process and provide their input, commitment, and cooperation to improving productivity and helping Cinergy become the lowest cost producer and highest quality provider of energy service.

## Employee Representative Team Mission Statement

The Employee Representative Team (ERT) is recognized as a Union/Management partnership whose joint mission is to:

- Make labor relations at the Company a participative effort to oversee relationships between Union and Management personnel.
- Work toward the dissemination of information necessary to make decisions, manage changes, and move decisions to the most effective level possible.
- Develop a total commitment from each Employee to improve the working environment and support the organization's efforts to prosper and grow.

NOW, THEREFORE, the Company and the Union do hereby agree to the following terms and conditions, to-wit:

## ARTICLE I

**Section 1**. (a) The Company hereby recognizes the Union during the term of this Agreement as the sole and exclusive representative of all regular full-time and part-time employees of the occupational classifications in the units defined as "The Office, Clerical and Technical Unit" and "The Residual Unit", as described in the Order issued by the National Labor Relations Board dated August 12, 1944 and amended by the National Labor Relations Board Order dated February 24, 1967. The units so defined shall retain jurisdiction over such work as was normally performed by them prior to this Agreement but such jurisdiction shall not be expanded except by mutual agreement of the parties hereto or through due processes under the National Labor Relations Act. A-14 A-19

(b) The Company recognizes the Union as the sole bargaining agent of the units contained in the preceding paragraph for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, or other conditions of employment, and the Company agrees to attempt to adjust any and all disputes, and any other matters, arising out of or pursuant to this Agreement, with the Union.

(c) This Agreement shall be final and binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company.

**Section 2.** (a) The Company agrees not to interfere, restrain, coerce, or discriminate against any of the members of the Union, because of his or her membership in the Union, or because of their activity as a member or officer of the Union. Should reasonable proof of any such interference, restraining, coercion or discrimination by any person in a supervisory capacity against a member of the Union be shown to the Company by the Union, the Company agrees to take immediate corrective

action in connection with such complaint. It is further agreed that no member shall be discharged because of his or her service, or lawful activity as a member of the Union, nor will the Company at any time attempt to discourage membership in the Union.

(b) There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee because of race, color, religion, sex, disability, national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the feminine gender wherever they appear throughout the Agreement.

(c) The Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of men it will employ or retain in each classification, and the right to hire, suspend, discharge, discipline, promote, demote or transfer, and to release employees because of lack of work or for other proper and legitimate reasons are vested in and reserved to the Company. A-9

(d) The above rights of Management are not all-inclusive, but indicate the type of matters or rights which belong to and are inherent to Management. Any of the rights, powers, and authority the Company had prior to entering this Agreement are retained by the Company, except as expressly and specifically abridged, delegated, granted or modified by this Agreement.

(e) The foregoing two paragraphs do not alter the employee's right of adjusting grievances as provided for in Article VII, Section 1 of this Agreement.

**Section 3.** Respecting the subject of "Union Security," the parties mutually agree as follows:

(a) All regular employees of the Company as of March 31, 2005, who are not members of the Union, shall not be required as a condition of their continued employment to join the Union. However, after April 1, 2005, all regular employees of the Company within the bargaining unit represented by the Union who are members of the Union, or who may become members of the Union, shall be required as a condition of their continued employment to maintain their membership in the Union in good standing, subject to the annual ten day escape period described in subsection (f) of this Section.

(b) The Union agrees that neither it nor any of its officers or members will intimidate or coerce any of the employees of the Company to join or become members of the Union, nor will said Union or any of its officers or members unfairly deprive any employee within the bargaining unit represented by the Union of union membership or of any opportunity to obtain union membership if said employee so desires. In this connection the Company agrees that it will not discriminate against any employee on account of activities or decisions in connection with the Union, except as the same may become necessary on the part of the Company to carry out its obligations to the Union

under this Agreement.

(c) If a dispute arises as to the actual union status of any employee, at any time, as to whether or not the employee has been unfairly deprived of or denied union membership, the dispute shall be subject to arbitration, in accordance with the arbitration provisions of Article VII of this Agreement.

(d) The Company agrees that after April 1, 2005, and as long as this section of the Agreement shall remain in full force and effect, that all persons, before they are employed as regular employees in any classification within the unit represented by the Union, shall be required to signify, in writing, their voluntary willingness and intention to join the Union 31 days after being employed in a job classification represented by the Union. During new employee orientation, employees hired into job classifications represented by the Union, shall be required to sign the "Membership Application" and the "Payroll Deduction Authorization" cards for the Union, so that enrollment will be effective 31 days after being hired.

(e) Except for those employees mentioned in subsection (d) of this section and subject to all state and federal laws all employees who are not members of the Union shall be required, as a condition of their continued employment, to pay to the Union a service charge as a contribution towards the administration of the Agreement in an amount equal to the dues uniformly required by Union members.

(f) The Union agrees that any present or future employee who is now or may become a member of the Union may withdraw from membership in the Union between September 16th and September 25th inclusive of each year by giving notice by registered mail to the Labor Relations Department of the Company. However, the Union will not impose restrictions, which are prohibited by law, on employees who wish to withdraw from Union membership. The Company will forward a copy of any such withdrawal to the President of the Union. After such withdrawal, an employee shall not be required to rejoin the Union as a condition of continued employment.

(g) The Company agrees to dismiss any employee represented by the Union, at the written request of the Union, for nonpayment of union dues or service charges or to discipline employees represented by the Union in the manner herein provided for violation of this Agreement, if requested to do so, in writing, by the Union. Nothing in this clause, however, shall be construed so as to require the Company to dismiss or discipline any employee in violation of any state or federal law.

(h) The Company agrees, after receiving proper individual authorizations by means of written individual assignments in a form mutually agreeable to both parties, to deduct Union dues or service charges and initiation fees from employees' pay. This deduction shall be made a mutually agreed upon number of times each year and shall be forwarded to the Treasurer of the Union.

(i) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by any individual employee or group of employees in the bargaining unit represented by the Union this section of the Agreement is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company shall upon the presentation of proof satisfactory to the Company, within ten days thereafter, that the Union did not directly or indirectly authorize, permit, endorse, aid or abet said strike, work stoppage, slowdown, picketing or interference referred to, reinstate this section of the Agreement, which section, if reinstated will, from and after the date of reinstatement, be of the same validity, force and effect as if it had not been canceled. In this connection, it is the expressed intention of the parties that for the purpose of making this cancellation provision effective without affecting the other sections of the Agreement, this Agreement is to be considered a severable agreement. Should the automatic cancellation of this section occur, it is the intention and agreement of the parties that all other sections and provisions of the Agreement remain in full force and effect as therein provided. The Company agrees that it will not deliberately arrange or incite such interference to the work or operations of the Company as are referred to in this section.

**Section 4**. The Company agrees that it will not attempt to hold the Union financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that, in the event of an unauthorized work stoppage, it will in good faith and without delay exert itself to bring the work stoppage to a quick termination and insist that the employee(s) involved cease their unauthorized activities. To that end the Union will promptly take whatever affirmative action is necessary. Furthermore, the Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem suitable, including discharge, without recourse to any other provision or provisions of the Agreement now in effect.

## ARTICLE II

**Section 1**. The Company agrees to designate and authorize a representative or representatives to meet with The General Board of the Union. It is agreed that these meetings shall be held quarterly, at a time mutually agreed upon, and at any other time upon the written request of either party to this Agreement. These meetings will be held within seven days after such request is made. A-32

**Section 2**. The Company agrees to meet and confer with any special committee of the Union, duly appointed by the President to administer any activity relating to the welfare of the members of the Union.

## ARTICLE III

**Section 1**. (a) This Agreement and the provisions thereof, shall become effective April 1, 2005 and shall continue in full force and effect until April 1, 2008, and from year to year thereafter unless changed by the parties.

(b) Either of the parties hereto desiring to change any section or sections of this Agreement and/or to terminate this Agreement shall notify the other party in writing of the desired changes at least 60 days prior to April 1, 2008 or any subsequent anniversary date. During this 60 day period conferences shall be held by and between the parties hereto, with a view to arriving at a further Agreement, and in all events this Agreement shall remain in full force and effect during the period of negotiations. A-32

(c) In the event agreement is reached on or before April 1, the 2005 - 2008 Agreement will be extended for a mutually agreed number of calendar days. The Union shall have one-half of the mutually agreed number of calendar days immediately following the date an agreement is reached in which to submit the Agreement to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the mutually agreed number of calendar days as notice before a strike or work stoppage commences. Providing the mutually satisfactory Agreement is ratified by the membership within the first one-half of the mutually agreed number of days following the date an agreement is reached, such Agreement will be made retroactive to the 1st day of April and any agreed upon wage adjustments will be made retroactive to the 31st day of March.

**Section 2**. It is agreed that this Agreement may be amended or added to at any time by the written consent of both parties hereto.

## ARTICLE IV

**Section 1**. The Company agrees to do nothing to encourage an employee to bargain individually.

**Section 2**. The Company agrees that if a matter rightfully termed a Union activity is referred by an employee to his or her representative or delegate, and this is taken up with the supervisor or any one qualified or authorized to act for the Company, such Company representative shall not initiate, negotiate, or discuss this question with the employee without affording the representative or delegate of the division an opportunity to be present.

**Section 3**. Departmental supervisory personnel will notify the departmental union delegate when a significant change or condition affecting that department or a work group within that department is contemplated by the management of the particular department. When major organizational changes affecting personnel in various A-25

departments are contemplated, the Company agrees to notify the Union, in writing, at least fourteen calendar days in advance of the change, and, upon written request by the President of the Union, a meeting shall be arranged between the Company and the Union to discuss such changes.

**Section 4.** Copies of bulletins issued by the Company concerning working conditions for any division or department represented by the Union, shall be forwarded to the General Board of the Union.

## ARTICLE V

**Section 1.** The principle of seniority is recognized by the Company. There shall be two types of seniority defined as follows:

1. System service shall be based upon the length of time an employee has been continuously employed by the Company, and shall be the governing factor in establishing vacation dates.

2. Classified seniority shall be the length of time worked by an employee on a specific classified job.

It shall be considered a break in system service and seniority when an employee has been off the Company payroll, except when an employee has:

(1) Been laid off because of lack of work and has not, at any time during the period of layoff or during a period not to exceed three years from the date of layoff, refused to return to work for the Company in a capacity formerly held or comparable to the capacity formerly held, by the employee. However, actual time away will be deducted from the employee's system service.

(2) Been granted a leave of absence for good cause by consent of the Company, without loss of system service and seniority rights, providing the employees are available whenever necessary for the Company's medical examinations during the leave of absence. However, the employees will receive vacation in accordance with the second paragraph of Article IX, Section 5. Requests for leave of absence and consent hereto shall be in writing.

(3) Entered the military service of the United States or has been conscripted by the United States Government. No deductions for time away shall be made from the employee's system service and seniority record.

(4) Resigned voluntarily and subsequently been re-hired. Actual time away

will be deducted from the employee's system service and seniority record, and, while previous system service shall be maintained, no classified seniority shall be retained.

Existing system service and seniority records shall not be rearranged to meet the above requirements in exceptions (1), (2) and (3), but they shall be met in all cases beginning March 21, 1983.

**Section 2**. (a) Job available postings for job classifications covered by this Agreement shall be provided by the Company and posted for a period of seven calendar days on all bulletin boards in the department or division where the opening exists. A-30 A-43 A-56

(b) If after the initial posting the job opening has not been filled by a qualified applicant from the department or division, the job available notice will then be reposted for a period of seven calendar days on all bulletin boards throughout the Company where there are employees covered by this Agreement. In certain cases where it is known that there are no qualified applicants within a division or a department, the initial posting may be waived and the job posting will then be initially posted throughout the Company where there are employees covered by this Agreement. However, if applications are received from employees within the department requesting the job opening, these applications will be given consideration before those received from employees in other departments. Furthermore, anytime employees are accepted for a job opening on a lateral or cross bid, they shall not be eligible to laterally or cross bid again for a period of six months from the date of acceptance. The only exception to this six month waiting period is that employees may cross bid to another headquarters within the same bidding area at any time. A-10

(c) In those departments where the multiple posting system is in use, employees are permitted to submit their applications for promotions, lateral bids or cross bids in advance of an opening according to the multiple posting administrative procedures of the applicable department. A-3 A-7

d) It is agreed that classified seniority will be considered within a department, district or departmental section concerning available advancements, although other qualifications for the particular position will of necessity be considered. All other factors being sufficient, the employee oldest in the point of classified seniority shall be given a reasonable opportunity to qualify for the position.

(e) Should the classified seniority of any two or more employees be equal, the respective seniority position of such employees shall be determined according to the dates of the most recent individual employment application or resume, whichever has the earliest date. If the dates still remain equal, the relative seniority positions shall be determined by lot by the Union and the Company notified of the results, in writing. A-20 A-21 A-44

In the event no fully qualified individual has bid on a Union wide job opening, the previous experience requirement only will be waived, with the exception of positions within the General Clerical sequence, and an employee will not be disqualified for promotion on the basis of not having passed through a lower job in the promotional sequence if otherwise qualified. Employees who have at least one half of the required previous experience and are in the direct promotional sequence of a job opening, posted Union wide, where previous experience has been waived, will be considered for the job before all other non-qualified employees. Any claim of discrimination in this connection may be taken up by the Union as a grievance. In making promotions to any job outside the bargaining unit, first consideration shall be given by the Company to employees with seniority and ability, but it is mutually agreed that seniority shall not be controlling.

(f) An employee may waive his right to promotion, providing such waiver is presented to the Company in writing and does not prevent other employees from acquiring experience in the job held by the employee. When an employee waives his right to promotion, the employee next in seniority, other qualifications being sufficient, shall be entitled to such promotion. When it is necessary to fill an open position, and no employees are willing to promote, the Company may assign the junior qualified employee to promote to the job classification.

(g) If no qualified regular full-time employee has been accepted following the posting procedure and consideration of requests for demotion, second consideration for non-technical job openings shall be given to part-time employees within the bargaining unit based on qualifications as determined by the Company. For technical job openings, the Company will give second consideration to part-time employees with a technical degree and/or technical expertise based on qualifications as determined by the Company. As a result of these determinations if the top two or more part-time applicants have equal assessments, then the non-technical or technical job opening will be offered to the applicant with the greatest system seniority.

(h) Should the job opening not be filled after the posting procedure above, at the discretion of management, consideration may be given to requests for transfer which have been received from employees outside the bargaining unit or may be filled from outside the Company.

(i) If the particular job opening is not filled within 60 days from the expiration date of the bargaining unit-wide posting, the job opening will be reposted in accordance with the job posting procedure outlined above.

(j) The job posting procedure outlined above does not restrict the Company's right to cancel a job posting at any time.

(k) An employee shall not have seniority rights to bid on a demotion but may, in writing by letter or by submitting a bid for a posted job opening, request consideration for a demotion. However, if an employee's request for demotion is granted by the Company, any accumulated classified seniority will be forfeited in job classifications above the job to which he demotes.

(l) The Company and the Union agree that the job posting procedure will be waived for the employment of Co-ops, as probationary employees in job classifications represented by the bargaining unit, providing that the next opening in the same job classification and bidding area is posted and made available to employees within the bargaining unit. If such opening is not filled by a bargaining unit employee, openings in the same job classification and bidding areas will continue to be posted and made available to employees within the bargaining unit until such time that a bargaining unit employee fills one of the openings.

**Section 3.** (a) In the event of any layoffs or curtailments of employment, rollbacks and layoffs shall be made in accordance with system seniority rights. When the Company reduces the number of employees in a job classification, the Company will use the following process to determine rollbacks and layoffs. Employees with the least amount of System Service seniority within the job classification that is targeted for a reduction will relegate back and be assigned to vacant positions and/or replace full-time employees in the bidding area with the least amount of System Service seniority. Displaced employees must be qualified for the job classification to which they are assigned and the job classification must be within the same bidding area and below their former job classification. Displaced employees will be reclassified into the next lower job classification within their bidding area for which they are qualified, if there are employees in that job classification and they have less system seniority than the displaced employees. Displaced employees will have their wage rates red-circled for a period of 18 months. At the end of 18 months, their wage rates will be reduced to the maximum wage rate of the job classification to which they were reclassified. Displaced employees who are assigned to perform work in lower level job classifications, if qualified, will be reassigned to higher job classifications as they become available within the bidding area, until the displaced employees return to assignments within their former job classification; obtain a job within the bidding area at the same or higher wage level as their former job classification; or, obtain a job in another bidding area. Displaced employees will not be assigned to or be required to perform the duties of job classifications at levels higher than their former job classification. Any employees unable to be assigned to vacant positions and/or replace full-time employees in the bidding area will be subject to layoff. A-49 A-55

Part-time Meter Readers will be laid off before any full-time Meter Readers are rolled back or laid off. The same holds true for part-time and full-time call-takers in the Call Center.

Where multiple part-time employees in a job classification at the same location are scheduled to work a total of 40 or more hours per week, a qualified displaced full-time employee in the same bidding area may replace the part-time employees by accepting a

full-time job at that location, if the department can still schedule straight-time coverage for the required hours.

A full-time displaced employee with at least 15 years of service and subject to layoff, if qualified, will be allowed to displace the employee with the least amount of system seniority outside of the displaced employee's bidding area. Those employees with 15 or more years of service will have their wage rates red-circled for 18 months.

Displaced employees unable to displace full-time employees and subject to layoff, if qualified, will be allowed to replace employees in part-time positions within their bidding area, by accepting the wage rate, benefits, work hours and other terms and conditions of employment of the part-time employee. The two exceptions are Meter Reading and Call Center, where these employees may retain their full-time status and accept the wage rate applicable to new full-time employees in these departments. Full-time employees within the Customer Relations bidding area, but outside the Call Center and Meter Reading Departments, may displace a maximum of 4 part-time employees in each department (i.e. Call Center and Meter Reading) within a 12-month period.

Employees who were rolled back prior to April 1, 2005 and their wage rates are red-circled, will continue to have their wage rates red-circled.

An employee will not have the right to recede to a position within his bidding area that he did not pass through before reaching his present position. For purposes of this section, if an employee is unable to exercise system seniority rights in lower job classifications within his department because he did not pass through those job classifications before reaching his present position, he will be credited with system seniority in all job classifications lower than his initial job within the bidding area which are in the same direct promotional sequence. Under no circumstances may an employee exercise seniority rights outside his own bidding area or in the selection of a specific job within a classification.

(b) In a department where there have been layoffs and a subsequent increase in employment exists within three years, the Company agrees to recall those employees in the department who have suffered a layoff because of lack of employment, in the reverse order of the dates of their layoffs. It is further agreed that the Company will notify the employee or employees, in writing by registered or certified mail, to report back to work. The Company agrees to send a copy of these letters to the Union at the time of the mailing of the original. If they do not report back to work within a fifteen-day period, the Company shall have the right to recall the next employee in line.

(c) It shall be the duty of all employees, including those on layoff status, to have their proper post office address and telephone number on file with their individual departments and the Human Resources Department of the Company.

(d) The Union may designate a witness to tests given in a departmental section, and shall have the right to review the results of these departmental tests upon request. This does not apply to standard tests given by the Staffing Services Division or by outside consultants. A-4

(e) The Company will make an effort to find another job classification for which an employee is qualified if his job is abolished. An employee who, because of this job abolishment, is assigned to a classification having a lower rate of pay, will maintain his existing level of pay until the maximum wage rate of the job classification to which he is assigned is equal to his existing wage rate. This provision does not affect the right of an employee to bid on a future posted job opening for which he may be qualified.

**Section 4**. (a) Temporary transfers from one department, district, or departmental section to another will not affect an employee's system service or seniority rank and his record will remain posted in the department, district, or departmental section from which he was transferred.

(b) Permanent transfers from one department, district, or departmental section to another will not affect an employee's system service or classified seniority, which will be used to determine his system service and seniority rank in his new department, district, or departmental section. A-2

(c) When an employee has successfully bid on a posted job and his move to the posted job is delayed, consideration shall be given to the proper adjustment of the employee's seniority rank so that the employee will not be penalized with respect to future promotions. The employee will receive a seniority date and the wage rate of the job on which he has been accepted no later than the beginning of the third week after the employee is notified that he has been accepted for the new job.

**Section 5**. (a) All new employees shall be classed as probationary for a period of one year and shall have no system service or seniority rights. After one year's service as a probationary employee, they shall be reclassified and their system service and seniority record shall include their previous employment as a probationary employee.

**Section 6**. Temporary employees shall be those hired for a specific job of a limited duration, not to exceed six months unless agreed upon by both parties, and shall not acquire system service or classified seniority rights. The Union shall be notified of the hiring of such employees. A-6

**Section 7.** (a) Part-time employees shall be those hired to perform a continuing specific work requirement that is temporary in nature or less than 40 hours per week. Part-time employees will only be used for part-time applications in order to supplement A-45 A-48 A-53

the regular full-time workforce, unless otherwise agreed. While the intention is for part-time employees, who are non-temporary in nature, to be regularly scheduled to work less than 32 hours per week, the actual hours worked may be greater due to temporary operational needs or trading of hours with other employees. The departments utilizing part-time employees will develop schedules to be worked by such personnel. However, schedules for part-time employees may at times vary according to work needs. These employees will work in bargaining unit positions and will be paid the minimum wage rate for the job classification or at a specially negotiated rate. They shall not acquire classified seniority rights. Part-time employees may be laid off for any reason without recall rights. Such layoffs shall not be subject to the grievance procedure. Benefits for part-time employees shall be on a pro rated basis as agreed to by the parties.

(b) Part-time employees may request consideration for other part-time openings and may submit applications for openings in regular full-time positions. When part-time employees become full-time employees they shall be credited with system service for the length of time they were employed by the Company as a part-time employee on or after January 1, 1996.

(c) The overtime provisions of this Agreement including meal compensation, will only apply to part-time employees when they work in excess of their regular scheduled hours per day or eight hours per day, whichever is greater. Part-time employees will not be called out for overtime assignments unless all full-time available employees have been called. The total number of part-time employees, excluding those hired to perform a continuing specific work requirement that is temporary in nature, will not exceed 25% of the total number of full-time employees performing work represented by the Union.

## ARTICLE VI

**Section 1**. The parties hereto recognizing the importance of safety projects and regulations for the protection of the health, life and limb of all employees, agree to make all reasonable efforts to maintain such rules and regulations conducive to the health and safety of all concerned. The Company will notify the Union leadership of any work related accident resulting in the hospital admission or death of any employee in the bargaining unit.

## ARTICLE VII

**Section 1.** Any dispute or disagreement arising between an employee and the Company or the Union and the Company may become the subject of a grievance. However, with respect to any claim or dispute involving the application or interpretation of an employee welfare or pension (includes defined benefit and 401(k) plans) plan, the claim or dispute shall not be resolved under the grievance procedure outlined herein, but instead, shall be resolved in accordance with the terms and procedures set A-18 A-32

forth in the relevant plan document. Additionally, should the content of any communication relating to employee benefits conflict with the terms of the relevant plan document, the terms of the plan document shall govern. Recognizing the importance of resolving disputes or disagreements in a peaceful and timely manner, grievances shall be processed in accordance with the following procedure:

**1st Step**

An employee must file any grievance, involving wages, hours of work, conditions of employment, or of any nature arising out of this Agreement with the employee's supervisor. The grievance shall first be taken up with the supervisor involved, within 20 days of its occurrence or 20 days from the time the employee or the Union became aware of the occurrence. The initial meeting shall be held between the supervisor(s), the employee involved and the elected union representative or delegate. Grievances in this step shall be answered verbally at the meeting or within 5 days of the conclusion of the meeting. The supervisor will also inform the Union of the appropriate management person to notify in the event that the Union wishes to pursue the grievance to the second step.

**2nd Step**

If the parties are unable to resolve the grievance following the first step, within 10 work days of the first step response, the Union may submit a written grievance to the management of the department designated in the first step. Department management will schedule a meeting with a small committee representing the Union within 20 workdays after receipt of the written grievance. The department management will render a written decision within 30 workdays after the date of the meeting.

**3rd Step**

If the parties are unable to resolve the grievance following the second step, within 30 workdays of the second step response, the Union may notify the Labor Relations Department in writing of its desire to advance the grievance to the third step of the grievance procedure. The Labor Relations Department will schedule a meeting with the appropriate management representatives and a small committee representing the Union within 20 workdays after receipt of the written request. The Labor Relations Department will render a written decision within 30 workdays of the date of the third-step meeting. The written response will be sent by certified mail, return receipt requested.

In the case of a discharge, the Union may bypass the first step of the grievance procedure and submit a written grievance requesting a second step grievance meeting, within ten days following the date of discharge.

**Arbitration**

**Section 2.** (a) If the parties are unable to resolve the grievance following the third-step, the Union, within 30 workdays of receipt of the third step response, may notify the General Manager, Labor Relations in writing of its desire to advance the grievance to arbitration.

(b) Upon receipt of the Union's notification the parties will promptly petition the Federal Mediation and Conciliation Service (FMCS) for a panel of seven arbitrators and an arbitrator will be selected by the parties. In the event that no acceptable arbitrator appears on the panel of arbitrators submitted by FMCS either party may request an additional panel from FMCS.

(c) The arbitrator so selected shall hold a hearing as promptly as possible on a date satisfactory to the parties. If a stenographic record of the hearing is requested by either party, the initial copy of this record shall be made available for the sole use of the arbitrator. The cost of this initial copy and its own copy shall be borne by the requesting party, unless both parties desire a copy. If both parties desire a copy they shall equally share the cost of the arbitrator's copy, and shall each bear the cost of any copies of the record they desire.

(d) After completion of the hearing and the submission of the post-hearing briefs, the arbitrator shall render a decision and submit to the parties written findings that will be binding on both parties to the Agreement.

(e) The arbitrators' and other joint expenses mutually agreed upon shall be borne equally by both parties.

(f) Any grievance that is not taken to the next step within the time limits specified will be deemed to have been withdrawn. If at any step in the grievance procedure, the Company does not answer within the designated time frame, the Union may notify the Company of its desire to advance the grievance to the next step of the grievance procedure. Any time limits may be extended by written agreement between the parties.

(g) The arbitrator shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement. It is also mutually agreed that there shall be no work stoppage or lockouts pending the decision of the arbitrator or subsequent thereto.

## ARTICLE VIII

**Section 1.** (a) The parties hereto agree that the wage rate schedules in effect immediately prior to the execution of this Agreement shall be amended as follows:

# MAXIMUM WEEKLY OR HOURLY WAGE RATES

| | As of April 3, 2005 | April 4, 2005 | April 3, 2006* | April 2, 2007** |
|---|---|---|---|---|
| **Non-Manual (Clerical) Maximum Wage Rates** | | | | |
| | Base Increase | 2.5% | 2.5% | 2.5% |
| N1 | $454.80 | $466.00 | $477.60 | $489.60 |
| N2 | $503.20 | $515.60 | $528.40 | $541.60 |
| N3 | $562.00 | $576.00 | $590.40 | $605.20 |
| N4 | $562.00 | $576.00 | $590.40 | $605.20 |
| N5 | $602.80 | $618.00 | $633.60 | $649.60 |
| N6 | $659.20 | $675.60 | $692.40 | $709.60 |
| N7 | $659.20 | $675.60 | $692.40 | $709.60 |
| N8 | $731.20 | $749.60 | $768.40 | $787.60 |
| N9 | $782.00 | $801.60 | $821.60 | $842.00 |
| N10 | $840.40 | $861.60 | $883.20 | $905.20 |
| N11 | $840.40 | $861.60 | $883.20 | $905.20 |
| N12 | $876.00 | $898.00 | $920.40 | $943.60 |
| N13 | $915.20 | $938.00 | $961.60 | $985.60 |
| N14 | $949.20 | $972.80 | $997.20 | $1,022.00 |
| Meter Reader Maximum Wage Rates | | | | A-48 |
| MR1 | $14.00 | $14.35 | $14.71 | $15.08 |
| MR2 | $567.60 | $581.60 | $596.00 | $610.80 |
| MR3 | $665.60 | $682.40 | $699.60 | $717.20 |
| MR4 | $789.60 | $809.20 | $829.60 | $850.40 |
| MR5 | $849.20 | $870.40 | $892.00 | $914.40 |
| MR6 | $15.00 | $15.38 | $15.76 | $16.15 |
| Customer Projects Resource Specialist Maximum Wage Rate | | | | A-21 |
| A5 | $990.40 | $1,015.20 | $1,040.40 | $1,066.40 |
| Call Center Maximum Wage Rates | | | | A-53 |
| C1 | $19.66 | $20.15 | $20.65 | $21.17 |
| C2 | $14.00 | $14.35 | $14.71 | $15.08 |
| C3 | $14.00 | $14.35 | $14.71 | $15.08 |
| C4 | $12.00 | $12.30 | $12.61 | $12.93 |

**Manual Maximum Wage Rates**

| | Base Increase - | 3% | 3% | 3% |
|---|---|---|---|---|
| | $505.20 | $520.40 | $536.00 | $552.00 |
| | $527.20 | $543.20 | $559.60 | $576.40 |
| | $600.80 | $618.80 | $637.20 | $656.40 |
| M4 | $632.40 | $651.20 | $670.80 | $690.80 |
| | $660.40 | $680.40 | $700.80 | $722.00 |
| M5 | $678.80 | $699.20 | $720.00 | $741.60 |
| PJ | $708.00 | $729.20 | $751.20 | $773.60 |
| M9 | $758.40 | $781.20 | $804.80 | $828.80 |
| | $788.40 | $812.00 | $836.40 | $861.60 |
| MA & MB | $822.80 | $847.60 | $873.20 | $899.20 |
| M7 & MD | $869.20 | $895.20 | $922.00 | $949.60 |
| | $888.40 | $915.20 | $942.80 | $971.20 |
| | $938.00 | $966.00 | $994.80 | $1,024.80 |

**Technical Maximum Wage Rates**

| | Base Increase - | 3% | 3% | 3% |
|---|---|---|---|---|
| T1 | $686.40 | $706.80 | $728.00 | $750.00 |
| T2 | $750.00 | $772.40 | $795.60 | $819.60 |
| T3 | $832.00 | $856.80 | $882.40 | $908.80 |
| T4 | $890.80 | $917.60 | $945.20 | $973.60 |
| T5 | $957.20 | $986.00 | $1,015.60 | $1,046.00 |
| T6 | $999.20 | $1,029.20 | $1,060.00 | $1,092.00 |
| T7 | $1,040.80 | $1,072.00 | $1,104.00 | $1,137.20 |
| T8 | $1,079.60 | $1,112.00 | $1,145.20 | $1,179.60 |
| T9 | $1,110.80 | $1,144.00 | $1,178.40 | $1,213.60 |

Customer Projects Coordinator Maximum Wage Rates A-44

| | | | | |
|---|---|---|---|---|
| CP1 | $21.31 | $21.95 | $22.61 | $23.29 |
| CP2 | $25.13 | $25.88 | $26.66 | $27.46 |
| CP3 | $30.63 | $31.55 | $32.50 | $33.48 |

*The wage increases listed in this column will be further increased (decreased) by 1 cent per hour for each full 0.2% increase (decrease) of more than 4.0% in the U. S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2005 index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 3, 2006, July 3, 2006, October 2, 2006, and January 1, 2007, based on the indexes of January 2006, April 2006, July 2006, and October 2006, respectively.

**The wage increases listed in this column will be further increased (decreased) by 1 cent per hour for each full 0.2% increase (decrease) of more than 4.0% in the U. S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2006 index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 2, 2007, July 2, 2007, October 1, 2007, and December 31, 2007, based on the indexes of January 2007, April 2007, July 2007, and October 2007, respectively.

(b) These wage rate increases shall not apply to the minimum wage rates of starting job classifications.

(c) The wage increases mentioned above shall not apply to any employee whose present wage rate is on or above the new maximum wage rate of his job classification, except employees who are on physical retrogressions, who shall receive the increase applicable to their individual wage rate as of the indicated dates of increase.

(d) Manual employees shall be provided the higher of a $10.00 promotional increase above the maximum wage rate of the job classification from which they promote, or the minimum wage rate of the job classification to which they promote. Clerical and Technical employees shall be provided the higher of a $10.00 promotional increase or the minimum wage rate of the job classification to which they promote. This provision will not apply when the maximum wage rate of a job classification is not at least $10.00 above the maximum wage rate of the job classification from which it promotes.

(e) Whenever the difference between the minimum and maximum wage rates of a job classification is not divisible by $4.00, the intermediate wage rates will be by $4.00 steps, with the exception of the last step to the maximum wage rate of the job. In such case the increase to the maximum wage rate will include the $4.00 increment plus the odd amount necessary to equal the maximum wage rate, provided, however, that the total amount of this increase is less than $8.00. A-10 A-40

(f) Any employee in the Union who was on or below the maximum wage rate of his job classification as of the indicated dates of increase shall receive the increase applicable to the maximum wage rate of his job classification.

(g) The shift differentials and Sunday premium paid to employees on scheduled shifts on classified jobs will be as follows:

| | | | Shift Differential Cents Per Hour | | |
|---|---|---|---|---|---|
| **Name of Shift** | **Definition of Shift** | **Current** | **04/04/05** | **04/03/06** | **04/02/07** |
| Day Shift | Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m. | 0 | 0 | 0 | 0 |
| Afternoon Shift | Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight | **Full-time** $1.30 | $1.35 | $1.40 | $1.45 |
| | | **Part-time** $0.86 | $0.90 | $0.93 | $0.96 |
| Night Shift | Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m. | **Full-time** $1.35 | $1.40 | $1.45 | $1.50 |
| | | **Part-time** $0.93 | $0.97 | $1.00 | $1.03 |

When the majority of the hours in a shift are on a Sunday, a Sunday premium will be paid to an employee for all scheduled straight time hours worked on that shift.

| | | | | |
|---|---|---|---|---|
| Sunday Premium | **Full-time** $1.50 | $1.55 | $1.60 | $1.65 |
| | **Part-time** $1.06 | $1.10 | $1.13 | $1.16 |

(h) The nature of the work involved under each payroll classification shall be defined, as nearly as possible, by the Company and occupational classifications and job descriptions shall be prepared by the Company and be subject to review by the Union. A-40

(i) The Job Evaluation Committee of the Company will be responsible for evaluating all new or revised job classifications. The evaluation established by this Committee will be used to determine the maximum wage rate for each new or revised A-21 A-38 A-41 A-44

job classification. Results of the evaluation will be communicated to the Union at least two weeks before the effective date of the new or revised job classification.

(j) The Union shall appoint a Classification Committee consisting of not more than five members who may review the evaluation and wage rate of any new or revised classification. The Union's Committee may, by request, meet with the Company's Committee as soon as possible at a mutually agreeable time, but within 30 days after the Union has been notified by the Company of the proposed new or revised classification, for the purpose of presenting any information relative to the evaluation of a new or revised classification. The Union will be notified after the Company's Committee has reviewed the information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached.

(k) When the Union believes that a new or revised job description does not adequately describe the principal duties and minimum qualifications necessary to provide a sufficient basis for evaluating that job description, a letter outlining the Union's suggested changes may be sent to the management of the appropriate department for consideration. However, there will be no recourse to the grievance and arbitration procedure because of the language of a job description or the evaluation of a job classification.

(l) Where the Union deems an employee to be improperly classified, it will be considered as a grievance and shall be handled under the grievance procedure described elsewhere in this Agreement.

**Section 2.** (a) With the exception of shift differential premium, and a holiday occurring during an employee's vacation, it is agreed that under no circumstances shall any Section of this Agreement be interpreted to provide the pyramiding of a benefit or premium payment to employees covered by this Agreement. For example, no employee may claim sick pay while receiving vacation pay or holiday pay while receiving sick pay.

(b) It is further agreed that there shall be no interruption in the payment of one benefit in order that employees may receive payment for another benefit. For example, employees may not interrupt vacation to begin sick leave or interrupt sick leave to include a holiday. The only exceptions to this provision are that an employee's sick pay may be interrupted to include vacation pay and that vacation pay may be interrupted to include death in family pay as set forth in the Agreement.

## ARTICLE IX

**Section 1.** ABSENCE DUE TO SICKNESS OR ACCIDENT:

(a) Regular employees who are actively working on January 1, regular employees who return to work from an authorized extended absence on or after January 1, probationary employees who become regular employees on or after January 1, shall be paid as gross wages, for absent time due to bona fide illness or injury, a maximum annual amount equal to 40 hours at their regular Straight Time Pay. Such payment shall be made by the Company on the nearest practicable regular pay day following the date such employee becomes eligible.

(b) After a part-time employee with twelve months of service or a full-time employee has been continuously disabled, subject to medical determination, and unable to return to work for more than seven consecutive calendar days, the employee will receive Short Term Disability pay consisting of up to 26 weeks of pay per incident with payment based on the schedule below or until the employee is able to return to work, whichever occurs first.

Effective January 1, 2006 for employees hired on or after January 1, 2006 and effective January 1, 2007 for all other employees, the administration of short-term disability compensation for employees will be administered over a two-year period for the purposes of calculating weeks at 100% of pay. Multiple occurrences of STD in a rolling 24-month period will be paid as follows.

| Years of Service | Maximum Weeks at 100% Pay per Rolling 24 months | Weeks at 66 2/3% Pay |
|---|---|---|
| | | |
| 0-1 | None | All |
| 1-5 | 10 | Balance |
| 6-10 | 15 | Balance |
| 11-14 | 20 | Balance |
| 15-20 | 26 | Balance |
| 21 or more | ALL | N/A |

For example, if a 14-year employee is on leave in January for 15 weeks and then another 15 weeks in March of the following year, the first illness and five weeks of the 2nd illness will be paid at 100%. The remainder of the weeks will be paid at 66 2/3%. Any other qualifying STD absences during the rolling 24-month period would be paid at 66 2/3%.

(c) After an employee has been continuously disabled, subject to medical

determination, and is unable to return to work for more than 27 consecutive weeks, and has exhausted Short Term Disability benefits, the employee will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

**Section 2.** No wages will be paid for illness caused by illegal use of drugs, intoxication, or willful intention to injure himself or others, elective or cosmetic procedures not covered by the medical plan, for the employee's refusal to adopt such remedial measures as may be commensurate with the employee's disability or permit such reasonable examinations and inquiries by the Company as in its judgment may be necessary to ascertain the employee's condition. A-50

**Section 3.** It is also mutually understood and agreed that the Company shall have the right to investigate and determine for its own satisfaction the bona fide nature of any illness for which pay is requested as well as the duration thereof. In order to facilitate the scheduling of the work forces, employees who will be absent from work are expected to notify the Company as soon as possible, but not later than one hour after their regular starting times and in the case of shift workers, one hour before the start of their shifts. Unless an employee submits a legitimate excuse for not reporting the cause of absence before the end of the first hour of such absence, the employee's claim for sick leave pay shall not begin until such notice is received.

**Section 4.** When employees have received all of the disability pay to which they are entitled under this Agreement they shall be granted, upon written request on a form provided by the Company, a "leave of absence" and shall not be eligible for further disability pay benefits until they have returned to steady employment. A-5

**Section 5.** (a) An employee accrues entitlement of 1/12 of their current year's vacation for each full month the employee is employed during the current calendar year or is on STD, or leave of absence. Any employee leaving the Company's service during any calendar year shall receive payment for any unused portion of accrued vacation for that current year. However, in the event of an employee's death, the estate of the employee will be paid the unused portion of the employee's total vacation allotment for the current year. A-52

Employees returning from military service will receive vacations with pay in the calendar year in which they return as follows:

| Month in which employee returns to Company's employment | Amount of vacation based on system service of employee |
|---|---|
| Up to and including June | Full |
| July, August and September | One-Half |
| After September | None |

(b) In order for an employee to qualify for a vacation, the employee must have been ready, willing and able to work as a full-time regular or probationary employee during the calendar year the vacation is taken.

(c) The anniversary of employment shall determine the employee's vacation status. Every effort will be made to grant vacations at a time suitable to the employee, but should the vacation of an employee handicap the operations of the Company in any way, the Company reserves the right to require the vacation be taken at another time. Normally, preference shall be granted in the selection of vacation dates on the basis of system service. A-1 A-8

(d) Employees with less than one year of service with the Company shall be entitled to one day of vacation for each month worked, with a maximum of 10 total days.

(e) Employees with one year of service with the Company shall be entitled to a vacation of two weeks.

(f) Employees with seven or more years of service with the Company shall be entitled to a vacation of three weeks. Should the amount of work or other working conditions be such that the operations of the Company would be handicapped by granting of the third week of an employee's vacation, the Company reserves the right to require an employee to take his third week of vacation at such time that does not interfere with the operations of the Company.

(g) Employees with 15 or more years of service with the Company shall be entitled to a fourth week of vacation or payment of one week's wages (40 hours) at straight time in lieu thereof. The Company may also require such employees to take the fourth week of their vacation at such time as does not interfere with the operations of the Company.

(h) Employees with 21 or more years of service with the Company shall be entitled to a fifth week of vacation or payment of one week's wages (40 hours) at straight time in lieu thereof. The Company may also require such employees to take the fifth week of their vacation at such time as does not interfere with the operations of the Company.

(i) Employees with 34 or more years of service with the Company shall be entitled to a sixth week of vacation or payment of one week's wages (40 hours) at straight time in lieu thereof. The Company may also require such employees to take the sixth week of their vacation at such time as does not interfere with the operations of the Company.

(j) The eligibility requirement for six weeks of vacation will be reduced from 34 years of service to 32 years of service beginning in January 2006. This additional week

of vacation entitlement will automatically be added to the employee's Retirement Vacation Bank for years 32 and 33 (Employer Service Credit), unless the maximum of 22 weeks has already been banked. If an Employee already has 32 or 33 years of service on January 1, 2006, the Employee's Retirement Vacation Bank will be credited with a one-time, additional one or two weeks of vacation, respectively. An Employee with over 34 years of service on January 1, 2006, will receive a one-time Employer Service Credit of two weeks to their Retirement Vacation Bank.

If an Employee with 32 or 33 years of service has personal needs that would require the Employee to use one of the Employer Service Credits as an additional week off, the Employee must request the approval of his supervisor when the employee submits a vacation schedule at the beginning of each year. Employer Service Credits, if approved and used as time off, must be used in whole week increments and will not be included in final average pay for pension purposes.

## ARTICLE X

**Section 1.** Regular employees entering the armed services of the United States or employees who are conscripted by the United States Government during a period of national emergency shall continue to accumulate full system service and full seniority and may return to their former position or one of equal pay and rank, provided they report for work with a certificate of satisfactory completion of military or governmental service within 90 days after their release from active service.

**Section 2.** (a) All Company Group Life Insurance carried by employees entering the military service will be canceled the first of the month following the beginning of the employee's leave of absence unless the employee requests to continue his insurance coverage for an additional period of time up to a maximum of 90 days after his leave of absence begins.

(b) Company Group Life Insurance of employees returning to Company service within 90 days after their release from active service will be reinstated without physical examination or waiting period.

**Section 3.** None of the foregoing provisions in this Article shall apply to those employees who are not eligible for statutory re-employment rights.

## ARTICLE XI

**Section 1.** (a) The following days are observed as regular holidays which will be recognized on the indicated dates. The Company may change the date for recognizing a holiday if the date indicated is changed by a legislative enactment or if the prevailing community practice is not consistent with the indicated date.

| HOLIDAY | DATE RECOGNIZED |
|---|---|
| New Year's Day | January 1 |
| Memorial Day | Last Monday - May |
| Independence Day | July 4 |
| Labor Day | First Monday - September |
| Thanksgiving Day | Fourth Thursday - November |
| Day after Thanksgiving | Friday after Thanksgiving |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |

(b) If the recognized date of a holiday occurs on a Saturday or Sunday, the Company will have the option of either celebrating that holiday on another date which is consistent with community practice or paying eight hours of regular straight time holiday pay in lieu thereof for the holiday.

(c) Regular employees whose duties do not require them to work on holidays will be paid straight time. Regular employees who are scheduled to work on a recognized holiday will be paid at time and one-half for the first eight hours worked in addition to their straight time holiday pay. However, those employees who work less than the eight hours scheduled will have their straight time holiday pay correspondingly reduced.

(d) Regular employees who are called out to work on a recognized holiday for a period of four hours or less not contiguous with hours worked into or out of the holiday A-11
will be paid for four hours at time and one-half in addition to their straight time holiday pay. Employees who are called out to work on a recognized holiday for more than four hours not contiguous with hours worked into or out of the holiday but less than eight hours will be paid for eight hours at time and one-half in addition to their regular straight time holiday pay. Employees who are required to work more than eight hours on a recognized holiday will be paid at the rate of double time for all such work in excess of eight hours. An employee must work either his full scheduled day before, or his full scheduled day after a holiday to be entitled to receive holiday pay. An employee will not be compensated for travel time on a call-out which occurs on a regular holiday.

(e) When a holiday falls within an employee's vacation, the employee shall, at the discretion of the Company, either be allowed an additional vacation day at such time in the same year as shall be mutually agreed upon between the employee and his supervisor or shall receive eight hours additional pay to compensate for the loss of such holiday pay.

(f) An employee beginning a leave of absence will not receive holiday pay for holidays occurring after the last day worked except when the employee works the full calendar day immediately before a recognized holiday which is in the same pay period.

**Section 2**. (a) An employee who has completed six months of service with the Company shall be entitled to four compensated personal days off and one compensated Diversity day off each calendar year. Requests for personal/Diversity days must be made at least seven calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a seven calendar-day notification may be approved by an employee's supervisor. Arrangements for all personal/Diversity days must be made with supervision on or before November 1 of each year or it shall be lost. The Company reserves the right to limit the number of employees who can be off on a specific day. If a personal/Diversity day is not used during a year, it shall be lost and no additional compensation shall be granted. Any employee discharged from the Company for any reason shall not receive compensation for any remaining personal/Diversity days. A-51

(b) The administration of personal/Diversity days shall be the same as vacation says with the exceptions as outlined in paragraph (a) above and that retiring employees will not receive any pay for personal/Diversity days except those not used in the calendar year they retire.

## ARTICLE XII

**Section 1.** (a) It is agreed that the present establishment of 40 hours per week of the Company will remain in effect, except in those divisions where longer or shorter hours are now being worked, and the Company guarantees employment of not less than 40 hours per week for 52 weeks of each year to all employees represented by the Union as bargaining agent, who are available and ready to work, and who are regular full time employees of the Company, except those on a less than 40 hour basis now. No such employees shall be required to work more than 40 hours in any one week, consisting of seven days, nor more than eight hours in any one day except as hereinafter provided.

(b) Nothing in this section will affect in any manner the right of the Company to make temporary or permanent reductions in forces when considered necessary by the Company.

(c) Nothing in this Agreement shall be deemed to require the Company or the Union to commit an unfair labor practice or other act which is forbidden by, or is an offense under, existing or future laws affecting the relations of the Company with the employees bargained for by the Union.

**Section 2.** (a) The work week of an employee for payroll purposes and for determining off-days shall consist of seven consecutive days with a minimum of two scheduled off days and be from midnight Sunday to midnight the following Sunday. Employees working on a shift beginning two hours or less before midnight will be considered as having worked their hours following midnight. A-12 A-17 A-47

(b) Regular scheduled hours of work per day will be at straight time for regular scheduled work days, time and one-half for the employee's first scheduled off-day in the work week, double time for the employee's second scheduled off-day in the work week and time and one-half for any additional scheduled off-days in the work week. Any time in excess of the employee's regular scheduled hours per day will be paid at the rate of time and one-half except the employee's second scheduled off-day worked which will be paid at double time.

(c) Employees required to work more than 16 consecutive hours will be paid double time for all time worked in excess of, and contiguous with, the 16 consecutive hours.

(d) Schedules for all employees will be based on the time prevailing in the City of Cincinnati.

(e) In no case will an employee be forced to take time off in lieu of overtime pay. The Company shall be the sole judge as to the necessity for overtime work, and the employee shall be obligated to work overtime when requested to do so. When overtime occurs in a group or department, where more employees are qualified and available to work than are necessary at the moment, the Company agrees to establish a system of selecting the employees who are to work, in a sincere effort to equalize overtime work. The employees will be notified in advance, whenever possible, when they are required to work overtime.

**Section 3.** (a) The Union recognizes the need for shift work and weekend work in order to provide for continuous operation, and overtime rates will apply as set forth in Article XII, Section 2.

(b) An employee who is transferred from his regular shift to another shift shall be notified of said transfer at least 24 hours prior thereto. A-13

**Section 4.** (a) Employees called out for other than planned overtime shall be paid a minimum of four hours at the appropriate overtime rate. Travel time of one-half hour each way will be allowed on a call-out when such call-out exceeds four hours of continuous work that is not contiguous with a regular scheduled shift. Employees will not be compensated for any travel time for planned overtime; or on a call-out when the employee is not released from work before his regularly scheduled shift; nor will travel time be allowed when overtime is worked continuously at the end of a regularly scheduled shift.

(b) Planned overtime shall be defined as time worked upon notice to an employee given before leaving his headquarters or place of reporting, or in case of an off-day, during or before what would have been his scheduled hours on that day, that he is to report outside of his regular schedule on any succeeding day. Such time worked shall

be paid for at the appropriate overtime rate but not for less than four hours unless such planned overtime extends into or directly follows the employee's regularly scheduled work day, when it shall be paid for at the appropriate overtime rate for the actual hours worked.

**Section 5**. (a) Employees working two hours or more in excess of their normal work day, shall receive a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, after each additional five hours of continuous overtime work over and above the original two hours mentioned above.

(b) Employees called out on either their scheduled off day, or four or more hours before his regularly scheduled starting time, shall be furnished a meal, or compensation in lieu thereof, for each contiguous five hour interval worked even though he works into his regularly scheduled work day.

(c) The meal compensation allowance referred to above shall be as follows:

| Effective 04-03-06 | Effective 04-02-07 |
|---|---|
| $9.75 | $10.00 |

**Section 6.** It is further agreed by the Company that any manual employee temporarily advanced to a higher classification shall receive the minimum rate of pay applicable to that classification if such work is for four hours or more. If such work is for more than four hours the employee shall receive the minimum rate of pay applicable to that classification for the remainder of the normal day worked. In the administration of this Section of the Agreement, a temporary assignment shall be construed to mean any job assignment which is not expected to continue for more than 90 consecutive days. A-46

**Section 7.** (a) Employees in this bargaining unit temporarily assigned to a supervisory position outside the bargaining unit for four hours or more, shall receive $1.25 per hour above the maximum rate of pay of either their job classification, or the highest rated job classification they supervise, whichever is greater. Effective April 3, 2006, the temporary supervisor upgrade premium will be increased to $1.50 per hour.

(b) Employees promoted to a job outside the bargaining unit and who return to the bargaining unit within nine months, shall retain all classified seniority accumulated up to the date of their promotion. If employees who were in a job outside the bargaining unit for more than nine months, return to the bargaining unit, they will be placed in a starting job classification and receive a classified seniority date behind all employees. No employee may return to a bargaining unit job classification, if as a result, an employee represented by the Union would be laid off.

## ARTICLE XIII

**Section 1.** (a) The Company agrees that upon his or her return to work from illness or disability, consideration will be given to the employee's physical condition, and, if possible, a less vigorous type of work will be granted at no reduction in the employee's regular pay for a temporary period to be determined by the employee's and the Company's physicians.

(b) If an employee with 25 or more years of service becomes physically unable to satisfactorily and safely perform the regular duties of his classification, an effort will be made by the Company to find work of a less strenuous nature for which he is qualified and to which the employee will be retrogressed. The employee's wage rate will be reduced by $4.00 per week at the time of the assignment to a job of a lower classification and at six months' periods will be reduced by $4.00 steps until the employee's wage rate is equal to the maximum wage rate of the job classification to which he has been retrogressed.

(c) If an employee with 20 to 24 years of service becomes physically unable to satisfactorily and safely perform the regular duties of his job classification, he may request a demotion to a lower classification requiring work of a less strenuous nature for which he is qualified to perform. If such a demotion is granted by the Company, the employee will be assigned to a lower classification and will have his wage rate red-circled until it is equal to the maximum wage rate of the job classification to which he has been demoted. Employees whose wages have been red-circled and who subsequently achieve 25 years of service will become retrogressed in accordance with paragraph (b) above.

(d) If an employee with less than 20 years of service becomes physically unable to satisfactorily and safely perform the regular duties of his job classification, he may request a demotion to a lower classification requiring work of a less strenuous nature for which he is qualified to perform. If such a demotion is granted by the Company, the employee will be assigned to a lower classification and will have his wage rate established at the maximum wage rate of the job classification to which he has been demoted.

**Section 2.** Injured employees who are unable to work because of an industrial accident will be paid a supplement in an amount equal to 100% of their weekly wage (40 hours), less the state mandated compensation. This supplemental industrial accident compensation will begin after the initial seven calendar day waiting period and will continue for not more than 26 weeks of continuous disability. If, however, an industrial accident disability continues for two or more weeks the employee will receive this supplemental industrial accident compensation for the initial seven day waiting period.

**Section 3.** Upon the death of the designated relatives of an employee, the

employee, upon request, may be entitled to the stipulated maximum number of calendar days off for which the employee is entitled to receive regular pay for not more than the indicated number of consecutive working days, including the day of the funeral. If prior arrangements are made, an employee may include a maximum of one day following the funeral as one of the consecutive working days off, and in the case of a spouse, child, mother, father, brother or sister, two days following the funeral. No pay will be granted for regular scheduled off days.

| Relationship | Maximum Consecutive Calendar Days Off | Maximum Consecutive Working Days Off With Pay |
|---|---|---|
| Spouse or Domestic Partner | 7 | 5 |
| Child | 7 | 5 |
| Mother | 7 | 5 |
| Father | 7 | 5 |
| Brother | 7 | 5 |
| Sister | 7 | 5 |
| In-laws (father, mother, brother sister, son or daughter) | 5 | 3 |
| Grandchild | 5 | 3 |
| Grandparent/Spouse's Grandparent | 4 | 2 |

If an employee has reported to work and is notified of a death in the family and leaves the job, the day will not be charged as one of the consecutive working days for which the employee is entitled to receive regular pay.

## ARTICLE XIV

**Section 1.** The Company agrees to erect bulletin boards at locations to be selected by the Union and the Company. The use of these boards is restricted to the following: notices of Union meetings, notices of Union elections, notices of changes within the Union affecting its membership, and any other notices issued on the letterhead of the Union and signed by the President and Secretary of the General Board. There shall be no other general distribution or posting by the members of the Union of pamphlets, or political literature of any kind, except as herein provided.

## ARTICLE XV

**Section 1.** Any member or members not to exceed three members elected or employed by the Union whose duties for the Union require their full time shall be granted a leave of absence by the Company for six months and additional six months' periods thereafter, providing that each member is from a different promotional sequence or that the Company has granted permission for two members to be from the same promotional sequence. On return to the employ of the Company, such employees shall be employed

at their previous classification or other higher classification within this unit for which they may be qualified.

## ARTICLE XVI

**Section 1.** (a) The Company agrees to notify the Union of the contemplated hiring of any outside contractors to do work normally performed by regular employees covered by this Agreement. Such notification will be given if it is contemplated that the work will be in excess of 2,000 man-hours.

(b) It is the sense of this provision that the Company will not contract/outsource any work which is ordinarily done by its regular employees if as a result thereof, it would become necessary to lay off any such employees.

**Section 2.** (a) Each employee shall have a specific headquarters for reporting for work. However, the right of the Company to effect transfers and reassignments to properly run its business is recognized.

(b) When it is necessary to temporarily assign employees to a headquarters other than their own or to a job site reporting location that is further from their home than their regular headquarters, these employees will be paid mileage at the prevailing rate based on the additional round trip mileage employees are required to drive. No mileage compensation will be paid for the temporary assignment if the other reporting location is closer to the employee's home. Employees reassigned (non-temporary assignment) to a different headquarters will be paid mileage compensation during the first fourteen calendar days of the reassignment. A-15

(c) When an entire work group is assigned to a new headquarters, paragraph (b) of this Article shall not apply.

(d) Job site reporting and other temporary assignments will be offered on a voluntary basis. If there is an insufficient number of volunteers, assignments will be made on a junior qualified basis. When assigning the junior qualified, unusual or extenuating circumstances will be taken into consideration.

(e) Employees may be assigned to drive Company vehicles from and to the job site from home or sites close to home. If Company vehicles are used in such a manner the mileage provisions for job site reporting are not applicable. An option to the mileage provision is that employees may, during a job site reporting assignment, pick up and return a Company vehicle to their regular headquarters, provided travel is on their own time.

## ARTICLE XVII

**Section 1.** Witness Fees. Regular pay and reasonable or required expenses will be allowed employees who may be summoned or requested to testify for the Company.

**Section 2.** (a) Employees required to serve on a jury shall be compensated on the basis of their regular salary. Employees must report to work during the working hours when they do not need to be present for jury duty.

(b) An employee working on either a night or afternoon shift at a time when he is scheduled for jury duty, who is unable to postpone the jury duty until a time when he will be working on a day shift, may request the Company to assign him to a day shift schedule. Such a request must be made at least seven working days before the jury duty service is scheduled to begin. When the term of jury duty for such an employee has ended, he shall return to his normal working schedule.

## ARTICLE XVIII

**Section 1.** Retirement Income Plan: (a) Employees represented by the Union are entitled to the benefits of the Retirement Income Plan as contained in the Company's publication "Cinergy Corp. Union Employees' Retirement Income Plan," with the latest amended date of January 1, 2003.

(b) In consideration of the additional benefits incorporated in the Retirement Income Plan, the parties to this Agreement agree that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until the expiration of the Agreement which becomes effective on April 1, 2005.

## ARTICLE XIX

**Section 1.** The Company will provide each employee with Term Life Insurance in the amount of two times the employee's straight time annual salary.

## ARTICLE XX

**Section 1.** (a) Health Care coverage will consist of alternative medical and dental plans. In 2006, 2007 and 2008, Employees will pay 12.5%, 15% and 15% respectively, of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder. A-42 A-54

(b) The Company's part of the premium will continue to be paid while an employee is receiving illness or accident compensation provided the employee was covered by such a contract immediately prior to their sickness or industrial accident.

## ARTICLE XXI

**Section 1.** The level of benefit coverage within the medical, dental, flexible spending accounts, basic and additional life, long term disability, and pension plans will remain substantially equivalent to the coverages mutually agreed upon during negotiations. A-54

## ARTICLE XXII

**Section 1.** (a) The Company agrees to establish and maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans, to be known as "Cinergy Corp. Union Employees' Savings Incentive Plan", hereinafter called the "Savings Incentive Plan".

(b) The Savings Incentive Plan is contained in the Company's publication "Cinergy Corp. Union Employees' Savings Incentive Plan", which includes highlights of the Plan, complete text of the Plan, and complete text of the Trust Agreement.

(c) The Company hopes and expects to continue the Savings Incentive Plan indefinitely but it must reserve the right to alter or amend it or to discontinue Company contributions to it at any time. However, under no circumstances shall any part of the corpus or income held by the Trustee of the Savings Incentive Plan be recoverable by the Company or be used for or diverted to any purposes other than for the exclusive benefit of the employee participants or their beneficiaries as provided in the Savings Incentive Plan.

IN WITNESS WHEREOF, the Utility Workers Union of America, AFL-CIO, IUU Local 600, Cincinnati, Ohio and The Cincinnati Gas & Electric Company and Subsidiaries do hereby, by their duly authorized agents, execute and sign this Agreement in duplicate on this 11th day of July, 2005.

FOR THE UNION

James Anderson
Lori Stamper
Patty Memering
Phillip Malone
Larry Miller
Walt Dobbins
Dianna Grimes
Mike Hiltenbeitel
Randy Darby
Donald Opatka
Ken Wallace
Bill Haubner
Dave Schuck

FOR THE COMPANY

THE CINCINNATI GAS & ELECTRIC COMPANY
AND SUSIDIARIES

Michael J. Cyrus
Frederick J. Newton
Timothy J. Verhagen
Caryn J. Riggs
John E. Polley
Patrick P. Gibson

# APPENDIX A

## HISTORICAL DOCUMENTS PRESERVED AND MADE PART OF THIS AGREEMENT FOR INTERPRETATION AND APPLICATION INDEX BY DOCUMENT NUMBER

| Document Number | Document Date | Article | Subject |
|---|---|---|---|
| A-1 | 12/22/1971 | IX, 5(c) | Vacation Selection |
| A-2 | 7/16/1974 | V, 4(b) | Inter-department Transfers |
| A-3 | 3/28/1977 | V, 2(c) | Multiple Posting System in Property Department |
| A-4 | 3/28/1977 | V, 3(d) | Testing Procedures When Employees Promote |
| A-5 | 4/10/1986 | IX, 4 | Leaves of Absence |
| A-6 | 4/18/1989 | V, 6 | Hiring Co-ops - Union Notification |
| A-7 | 4/18/1989 | V, 2(c) | Multiple Posting System - Electric Operations |
| A-8 | 4/18/1989 | IX, 5(c) | Partial Day Vacations |
| A-9 | 4/18/1989 | I, 2(c) | Falsification and Tampering with Company Records |
| A-10 | 3/14/1991 | V, 2(b)<br>VIII, 1(e) | Job Enrichment |
| A-11 | 4/16/1992 | XI, 1(d) | Holiday call-out |
| A-12 | 4/16/1992 | XII, 2(a) | Flextime |
| A-13 | 4/16/1992 | XII, 3(b) | 24 Hour Notice - Change of Shift |
| A-14 | 4/16/1992 | I, 1(a) | Reorganization of Distribution Operations Division |
| A-15 | 4/16/1992 | XVI, 2(b) | Out-of-town Work or Training |
| A-17 | 4/16/1992 | XII, 2(a) | 4-10 hour day fact sheet |
| A-18 | 4/16/1992 | VII, 1(a) | Personal Attorneys |
| A-19 | 5/26/1994 | I, 1(a) | Collecting Funds by Field Personnel |
| A-20 | 7/19/1994 | V, 2(e) | Gas Operations Trainer |
| A-21 | 1/11/1998 | V, 2(e)<br>VIII, 1(a)<br>VIII, (I)<br>VIII, 1(i) | Customer Projects Resource Specialist |
| A-25 | 5/29/2002 | IV, 3 | Notice of Organization and Working Condition Changes |
| A-30 | 5/29/2002 | V, 2(a) | Journey Person Job Sequence |
| A-32 | 5/29/2002 | II, 1<br>III, 1(b)<br>VII, 1(a)<br>VII, 2(b) | Time Off for Union Duties/Business |
| A-38 | 9/2/1998 | VIII, 1(i) | BOGAR Job Evaluation System |
| A-39 | 12/5/2000 | V, 2(a)<br>VIII, 1(h)<br>VIII, 1(i) | Decentralization of Order Completion Work |
| A-40 | 12/29/2000 | VIII, 1(e)<br>I, 1 | Manual, Clerical and Technical Job Classifications |
| A-41 | 5/14/2003 | VIII, 1(i) | Disconnect Non-pay, Succession and Special Reads |

| | | | |
|---|---|---|---|
| A-42 | 6/10/2004 | XX, 1(a) | Post-Retirement Medical |
| A-43 | 11/9/2004 | V, 2(a) | New Service Contact Center Job Postings |
| A-44 | 2/2/2005 | V, 2(e)<br>VIII, 1(a)<br>VIII, 1(i) | CPC Letter |
| A-45 | 04/21/2005 | V, 7(a) | Gap Update Letter |
| A-46 | 04/21/2005 | XII, 6 | Temporary Upgrading in Clerical and Technical Jobs |
| A-47 | 04/21/2005 | IX, 2(a) | Consecutive Off Days |
| A-48 | 04/21/2005 | V, 7(a)<br>VIII, 1(a) | East Meter Reading |
| A-49 | 04/21/2005 | V, 3(a) | Interplant Seniority Rights |
| A-50 | 04/21/2005 | IX, 2 | Treatment for Substance Abuse |
| A-51 | 04/21/2005 | XI, 2(a) | Personal/Diversity Day Requests |
| A-52 | 04/21/2005 | IX, 5(a) | Vacation Carryover |
| A-53 | 04/21/2005 | V, 7(a)<br>VIII, 1(a) | East Call Center |
| A-54 | 04/21/2005 | XX, 1(a),<br>XXI, 1 | Medical and Dental Benefits |
| A-55 | 04/21/2005 | V, 3(a) | Job Elimination Situations |
| A-56 | 04/21/2005 | V,2(a) | Redeployment |

**STAFF-DR-01-039**

**REQUEST:**

Provide each group medical insurance policy that Duke Kentucky currently maintains.

**RESPONSE:**

See Attachment STAFF-DR-01-039.

**PERSON RESPONSIBLE:** Jay R. Alvaro

RECEIVED
JUL 16 2009
PUBLIC SERVICE COMMISSION



# Question 39 H&I Response --List of Attachments

| Medical Plan | Duke KY Employees Eligible for 2009 Plan | Duke KY Employees Eligible for 2010 Plan |
|---|---|---|
| Duke Energy Standard EPO Medical Plan | UWUA/IUU, USW 12049 & 5541-06, Enterprise | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Duke Energy Standard PPO Medical Plan | UWUA/IUU, USW 12049 & 5541-06, Enterprise | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Duke Energy Enhanced PPO Medical Plan | UWUA/IUU, USW 12049 & 5541-06, Enterprise | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Duke Energy HDHP Medical Plan | UWUA/IUU, USW 12049 & 5541-06, Enterprise | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Health Savings Account (HSA) | UWUA/IUU, USW 12049 & 5541-06, Enterprise | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Duke Energy Ehnanced EPO Medical Plan | UWUA/IUU, USW 12049 & 5541-06 | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Duke Energy Enhanced OOA Medical Plan | Inactives of UWUA/IUU, USW 12049 & 5541-06, Enterprise | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Duke Energy Standard OOA Medical Plan | Inactives of UWUA/IUU, USW 12049 & 5541-06, Enterprise | USW 12049 & 5541-06, UWUA, IBEW 1347 |
| Duke Energy EPO 1 Medical Plan | IBEW 1347 | N/A |
| Duke Energy EPO 2 Medical Plan | IBEW 1347 | N/A |

| | | |
|---|---|---|
| 2009 Duke Energy EPO 3 Medical Plan | IBEW 1347 | N/A |
| 2009 Duke Energy EPO 4 Medical Plan | IBEW 1347 | N/A |
| 2009 Duke Energy EPO 5 Medical Plan | IBEW 1347 | N/A |
| 2009 Duke Energy EPO 6 Medical Plan | IBEW 1347 | N/A |
| 2009 Duke Energy PPO High Medical Plan | IBEW 1347 | N/A |
| 2009 Duke Energy PPO Low Medical Plan | IBEW 1347 | N/A |
| 2009 Duke Energy PPO Med Medical Plan | IBEW 1347 | N/A |
| Duke Energy MW OOA Medical Plan | Inactives of IBEW 1347 | N/A |

# Medical Plan Benefits

*Standard Exclusive Provider Organization (EPO) option*

Duke Energy®

01/2009

Inside you will find:

- SECTION I: Duke Energy Medical Plan—General Information
- SECTION II: BCBSNC Benefit Booklet (includes Summary of Medical Benefits)
- SECTION III: Medco Prescription Drug Guide
- SECTION IV: Summary of Prescription Drug Benefits

# *The Duke Energy Medical Plan*
# *General Information*

# IMPORTANT NOTICE

This General Information booklet for The Duke Energy Medical Plan ("Medical Plan") provides information that is applicable to all Medical Plan coverage options. This booklet addresses eligibility for coverage under the Medical Plan, how to enroll, opportunities to make mid-year election changes, when coverage ends and how you and your covered dependents may be able to continue coverage if it ends. It also contains information such as who provides coverage, who administers the Medical Plan, who decides claims for benefits, ERISA rights and Duke Energy Corporation's right to amend or terminate the Medical Plan.

The attached Medical Plan booklets and summaries of benefits describe your Medical Plan benefits, applicable deductible, co-pay and co-insurance information, how to submit a claim for Medical Plan benefits and other important information about your Medical Plan.

This General Information booklet, together with the Medical Plan booklets and summaries of benefits, is the Summary Plan Description (SPD) for the Medical Plan as of January 2009 and replaces all prior descriptions of the Medical Plan. It is intended to provide an easy-to-understand explanation of your benefits.

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# Medical Coverage Availability

Duke Energy Corporation ("Duke Energy") offers you and your eligible dependents a comprehensive Medical Plan with coverage administered by the claims administrators identified in your Medical Plan benefits booklets (the "Claims Administrators"). The Medical Plan includes medical, surgical, hospitalization, pharmacy, wellness and disease management benefits.

Based on your location and employee or retiree group, there are various Medical Plan coverage options available, such as exclusive provider organization (EPO), preferred provider organization (PPO) and high-deductible health plan (HDHP) options. If you do not have adequate access to network providers, you may qualify for out-of-area (OOA) options that mirror the PPO options. All of the Medical Plan options are designed to help you pay for health care expenses.

## myHR Service Center

If you have any questions about the Medical Plan or the information in this General Information booklet, contact the myHR Service Center at 1-888-465-1300. Representatives are available Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern Time. Information is also available through the Your Benefits Resources™ (YBR) Web site at http://resources.hewitt.com/duke-energy.

# Eligibility

## Eligible Employees

Generally, you are eligible for coverage under the Medical Plan on your first day of active work as an eligible employee (provided you enroll within 31 calendar days of the date you become an eligible employee).

To be an eligible employee, you must be identified in and paid through Duke Energy's payroll system as an employee of Duke Energy or an affiliated Duke Energy company that is participating in the Medical Plan (collectively referred to with Duke Energy as the "Company") and you must be classified by your Company as a:

- Regular employee; or
- Fixed-term employee.

Generally, you are a regular employee if you fill a regular position that is typically longer than 180 days in duration, and you are a fixed-term employee if you are hired for a position for a specifically defined time frame, duration of a project (usually one year or less), until services are no longer needed, or until the work goes away.

You are not eligible to participate in the Medical Plan if you are:

- a non-resident alien with no U.S. source income;
- not on a U.S. payroll of the Company;
- covered by a collective bargaining agreement, unless the collective bargaining agreement in effect expressly provides for participation in the Medical Plan (a

copy of your applicable collective bargaining agreement can be obtained from your union steward, union hall, Duke Energy Labor Relations contact or immediate supervisor);

- an individual who has waived eligibility through any means, including an individual whose employment is governed by a written agreement (including an offer letter setting forth terms and conditions of employment) that provides the individual is not eligible for benefits (a general statement in the agreement, offer letter or other communication stating that the individual is not eligible for benefits is construed to mean that the individual is not eligible to participate in the Medical Plan); or
- a temporary employee, a seasonal employee or any other employee who is not a regular employee or fixed-term employee.

In some circumstances, an individual who provides services to the Company under an agreement that identifies the individual as an independent contractor or through a third party (such as a contracting services firm, temporary agency or leasing organization) may be considered a Company "employee" for certain purposes under the law, such as tax withholding. Such an individual is not paid through the Company's payroll system and is not eligible for the Medical Plan.

### International Assignment

When you are assigned by your Company to work outside the U.S. for a period that is initially expected to last at least nine consecutive months, you will cease to be eligible for the Medical Plan options available to employees on U.S. domestic assignment.

Instead, you will be eligible for the Medical Plan's special international assignment coverages. These coverages are described in a special booklet and not in the Medical Plan's General Information booklet or the other Medical Plan booklets.

## Eligible Retirees

If your employment terminates on or after January 1, 2009, to be eligible for retiree coverage under the Medical Plan, at termination of employment you must:

- be employed by a Company that offers access to retiree coverage under the Medical Plan; and
- be at least age 50 and credited with at least 5 years of retiree eligibility service.

Contact the myHR Service Center if you want to know if a particular Company offers access to retiree coverage under the Medical Plan.

If your Company employment terminated before January 1, 2009, your eligibility for retiree coverage is governed by the eligibility rules in effect at that time.

If you enroll for coverage for yourself, you may be able to elect coverage for your eligible spouse and/or child(ren). If you are a Legacy Duke employee[†] who retires on or after January 1, 2006, you may be eligible to elect coverage for your eligible domestic partner. If you are a Legacy Duke employee who retired before January 1, 2006, or if you are a Legacy Cinergy retiree[‡], you are not eligible to elect coverage for your domestic partner. Please refer to the sections *Enrolling in the Medical Plan – Eligible Retirees* and *Mid-Year Coverage Changes* for additional information.

Duke Energy Corporation reserves the right to amend, modify or terminate retiree coverage offered under the Medical Plan at any time, including termination of eligibility.

## Eligible Dependents

When you enroll for certain coverage, you may elect to cover your eligible dependents, which may include:

- your eligible spouse
- your eligible domestic partner[§]
- your eligible child(ren)[*]

### Spouse Eligibility

Your spouse, eligible for coverage as a dependent, is a person to whom you are legally married under applicable law, which may include "common law marriage."

Generally, for health coverage of a taxpayer's spouse to be tax-free to the taxpayer, the spouse must be recognized as such under applicable state law, which may include "common law marriage," and the spouse must meet the federal tax requirement of being a person of the opposite sex who is the taxpayer's husband or wife.

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[†] When used in this booklet, the term "Legacy Duke" refers to an individual who (1) terminated employment with Duke Energy Corporation, a North Carolina corporation, and its affiliates prior to the merger of Cinergy Corp. and Duke Energy Corporation, a North Carolina corporation, (2) was employed by Duke Energy Corporation, a North Carolina corporation, and its affiliates immediately prior to such merger or (3) except as provided in footnote 2 below, was hired following such merger by a payroll company that was affiliated with (or has been designated as having been affiliated with) Duke Energy Corporation, a North Carolina corporation, immediately prior to such merger

[‡] When used in this booklet, the term "Legacy Cinergy" refers to an individual who (1) terminated employment with Cinergy Corp. and its affiliates prior to the merger of Cinergy Corp. and Duke Energy Corporation, a North Carolina corporation, (2) was employed by Cinergy Corp. and its affiliates immediately prior to such merger, (3) was hired following such merger by a payroll company that was affiliated with (or has been designated as having been affiliated with) Cinergy Corp. immediately prior to such merger or (4) was hired by Duke Energy Business Services, LLC on or after July 1, 2008 at a work location such that he or she would have been employed by Duke Energy Shared Services, Inc. if he or she was hired to work at such location immediately prior to July 1, 2008 and he or she is so designated as Legacy Cinergy in accordance with rules prescribed by the Plan Administrator.

[§] See *Eligible Retirees* for information regarding eligible retirees' ability to elect coverage for a domestic partner.

[*] A child of divorced parents will generally be recognized by Section 152(c) of the Internal Revenue Code as a dependent of both parents for purposes of coverage under the Medical Plan

By enrolling a spouse, you represent that the individual meets these requirements. You must immediately drop coverage for a spouse who no longer meets these requirements.

## Domestic Partner Eligibility

If you are an active employee** enrolled in Medical Plan coverage, you can elect coverage for your eligible same- or opposite-gender domestic partner. You and your domestic partner must continuously:

- be in an ongoing, exclusive and committed relationship with one another of mutual caring and support, in which each is responsible for the other's welfare and which is intended to continue indefinitely;
- be at least 18 years old and mentally competent to enter into a legal contract;
- reside together in a joint household for the preceding 6 consecutive months;
- share financial obligations of, and be jointly responsible for, the joint household;
- not be legally married to or legally separated from anyone else, and not be in a domestic partnership with anyone else; and
- not be blood relatives to a degree where marriage would be prohibited.

## Child Eligibility

Your child is:

- your biological child; **or**
- your legally adopted child, including a child placed in your home for adoption by you as long as the child remains in your home and the adoption procedure has not been terminated (a legally adopted child will not qualify as a dependent if the child has reached age 18 as of the date of adoption or placement for adoption); **or**
- a stepchild for whom you or your spouse has full or joint custody or managing conservatorship; **or**
- any other child related to you by blood or marriage or for whom you or your spouse has court-appointed legal guardianship or managing conservatorship, who is living in your household on a substantially full-time basis, who you claim as a dependent for federal income tax purposes, and with whom you have a regular parent/child relationship.

In addition to meeting the above requirements, a child must also meet the following eligibility criteria:

- Unmarried; **and**
- Primarily dependent on you for support; **and**
- Less than age 19 if not a full-time student; **or**

** See *Eligible Retirees* for information regarding eligible retirees' ability to elect coverage for a domestic partner.

- Less than age 25 if a full-time student at an accredited educational institution taking nine or more hours per term; **or**
- Any age if he or she became physically or mentally incapable of self-support while enrolled in the Medical Plan and before reaching the applicable limiting age of 19 or 25 and continuously remains incapacitated and enrolled in the Medical Plan; **or**
- Any age if he or she was physically or mentally incapable of self-support on your date of employment with the Company, was enrolled in the Medical Plan as of your employment date and continuously remains incapacitated and enrolled in the Medical Plan.

In addition, your child must meet the Internal Revenue Code requirements for tax-free health coverage to be eligible for coverage in the Medical Plan.

By enrolling a dependent child, you represent that the individual satisfies these requirements. You must immediately drop coverage for a dependent child who no longer meets these requirements.

An eligible child can only be covered by one Company employee or retiree.

### Employee and Retiree Couples

No one may be considered as a dependent of more than one employee or more than one retiree.

### Verification of Dependent Status

You may be required to provide evidence of dependent eligibility, such as, but not limited to, a marriage license, divorce decree, birth certificate, court order, adoption papers, certificate/affidavit of common-law marriage or proof of joint residency. Verification of a dependent child's full-time student status may be requested at age 19 and each year beyond age 19.

To continue coverage beyond age 19 for a child who is physically or mentally incapable of self-support, you must provide evidence of your child's incapacity to the applicable Claims Administrator. The application can be obtained by contacting the myHR Service Center. You may be required periodically to provide evidence of the child's continuing incapacity.

### If a Dependent Becomes Ineligible

If a covered spouse, domestic partner or dependent child becomes ineligible for coverage during the year (for example, if your child graduates from college), the individual(s) who become(s) ineligible for coverage will be dropped from your coverage.

You must immediately report that any dependents should be dropped from coverage due to a loss of eligibility within 31 calendar days of the loss of eligibility. When you report a dependent's loss of eligibility within 31 calendar days of the loss of eligibility:

- The dependent's coverage ends at midnight on the last day of the month in which the dependent loses eligibility for coverage; and

- Changes to your contribution amounts will be made as soon as administratively practicable after the date on which you notify the myHR Service Center that your dependent is no longer eligible.

If you do not inform the myHR Service Center of a covered dependent's ineligibility within 31 calendar days of the loss of eligibility:

- The dependent's coverage ends at midnight on the last day of the month in which the dependent loses eligibility for coverage;

- No changes to your coverage level, if applicable, may be made until the next annual enrollment period or, if earlier, the date you experience another work/life event which allows you to change your Medical Plan elections (this means that you must continue to pay for the dependent's coverage through the end of the year in which the dependent loses eligibility for coverage even though he or she is no longer covered, unless you experience another work/life event which allows you to change your Medical Plan elections);

- The coverage provided while your dependent is ineligible will be considered as part of the individual's COBRA coverage period (this period begins on the first day of the month following the month in which eligibility is lost); and

- COBRA contributions (102% of the total cost) will be required to pay for the coverage received since the end of the month in which eligibility was lost if the individual elects continuation of coverage under COBRA.

To drop coverage for ineligible dependents, go to the myHR link on the Duke Energy Portal or contact the myHR Service Center.

The Company reserves the right to seek recovery of any benefits paid under the Medical Plan to your ineligible dependents.

# Enrolling in the Medical Plan – Eligible Employees

## When You Are First Eligible

When you are eligible to enroll as an employee, you will make your Medical Plan elections using an online enrollment tool. You will receive additional information about the online enrollment tool when you become eligible.

If you have questions or need assistance in making your Medical Plan elections, contact the myHR Service Center.

When you enroll in the Medical Plan as an eligible employee, based on the dependent(s) that you elect to cover, if any, your coverage level will be one of the following:

- Individual Only

- Individual + Spouse/Domestic Partner
- Individual + Child(ren)
- Individual + Family (spouse/domestic partner and child(ren))

You must make your election within 31 calendar days of becoming eligible for coverage.

You may also decline coverage altogether.

## During Annual Enrollment

Each fall you will have the opportunity to change your Medical Plan elections for the following plan year, including changing your coverage option or electing to drop or add eligible dependents. This is "annual enrollment." You will receive information and instructions each fall about annual enrollment.

## Other Opportunities to Enroll

Under the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), you can enroll yourself and your eligible dependents for coverage under the Medical Plan during the year if:

- You or your dependent had other coverage under another health plan or health insurance at the time the Medical Plan was previously offered to you; and
- You did not enroll in the Medical Plan; and
- You or your dependents lose such other coverage and are otherwise eligible for coverage under the Medical Plan.

To enroll for Medical Plan coverage, the following conditions must be satisfied:

- The other coverage was:
  - Under a federal continuation provision (COBRA) and the continuation period for the other coverage was exhausted. (COBRA coverage is considered exhausted when it ceases for any reason other than either failure of the individuals to pay contributions on a timely basis or for cause (fraudulent or intentional misrepresentation).)
  - Not under COBRA and the other coverage terminated as a result of (1) loss of eligibility (such as loss of eligibility due to legal separation, divorce, death, termination of employment or reduction in the number of hours of employment), or (2) employer contributions toward the other coverage end.

In any case, the other coverage must not have terminated because you failed to pay timely contributions, or for cause (such as filing fraudulent claims).

If you need to enroll for coverage under the Medical Plan as a result of one of these events, such as loss of other coverage, or because you acquire an eligible dependent through marriage, birth, adoption or placement for adoption, you must enroll within 31 calendar days of the event.

Otherwise, unless a subsequent work/life event giving rise to a mid-year election change occurs (see *Mid-Year Coverage Changes*), you must wait until the next annual enrollment.

### If You Are Rehired

If your Medical Plan coverage ends due to your termination of employment with the Company or layoff and you are reemployed by the Company as an active employee within 31 calendar days and within the same plan year, you will be automatically reenrolled in the Medical Plan (in the previous coverage option and at the previous coverage level). If you have experienced a life event for which you can make a change in your Medical Plan elections (such as marriage, divorce or birth), you can add and/or drop coverage for your eligible dependent(s), as applicable, within 31 calendar days of the date you again become an eligible employee. If you are reemployed more than 31 calendar days after your termination or in a subsequent plan year, you must reenroll as a new employee.

## Enrolling in the Medical Plan – Eligible Retirees

### When You Are First Eligible

If you are an eligible retiree as described in *Eligible Retirees*, you may elect retiree coverage under the Medical Plan when you retire. When your employment terminates, if you are an eligible retiree, you can choose to:

- Begin Medical Plan coverage immediately or at a later date; or
- Decline Medical Plan coverage.

When you enroll in the Medical Plan as an eligible retiree, based on the dependent(s) that you elect to cover, if any, your coverage level will be one of the following :

- Individual Only;
- Individual + Spouse[††];
- Individual + Child(ren); or
- Individual + Family (spouse and child(ren))

You must make your election within 31 calendar days of becoming eligible for retiree coverage.

When you are eligible to enroll as a retiree, you can make your Medical Plan elections using an online enrollment tool. You will receive additional information about the online enrollment tool when you become eligible. You can also make your Medical Plan elections by contacting the myHR Service Center.

If you have any questions or need assistance in making your enrollment elections, contact the myHR Service Center.

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[††] See *Eligible Retirees* for information regarding your ability to elect coverage for a domestic partner.

## At a Later Date

If you are an eligible retiree and you do not immediately begin retiree coverage under the Medical Plan at your termination of employment, or if you subsequently discontinue your retiree coverage, you can elect to enroll during a subsequent annual enrollment period or within 31 calendar days of a work/life event for which mid-year election changes are allowed.

For example, if you are an eligible retiree covered as a dependent of a spouse enrolled as an active employee under the Medical Plan, you may elect retiree coverage under the Medical Plan during a future annual enrollment period or within 31 calendar days of a work/life event for which mid-year election changes are allowed.

Please refer to *During Annual Enrollment* and *Mid-Year Coverage Changes* for additional information.

## During Annual Enrollment

Each fall you will have the opportunity to change your Medical Plan elections for the following plan year, including changing your coverage option or electing to drop or add eligible dependents. This is "annual enrollment." You will receive information and instructions each fall about annual enrollment.

## If You Are Rehired

If you retire from the Company as an eligible retiree and are later rehired as an eligible active employee, you will be eligible for coverage as an active employee. When your employment terminates, you may reelect retiree coverage; however, unless you were represented by IBEW 1347, IBEW 1393, USW 12049, USW 5541-06 or UWUA, you will not receive additional service credit for the time you worked as an active employee after your rehire date for purposes of determining your eligibility for or the amount of any Company contribution towards the cost of retiree medical coverage, either in the form of subsidized monthly coverage under the Medical Plan or Health Reimbursement Account benefits.

# Cost of Coverage

## Active Employees

If you are an active employee, you and the Company share in the cost of medical coverage for yourself and your covered dependents. Your contribution amount is based on the Medical Plan coverage option that you elect and the eligible dependent(s) you choose to cover. Information about contribution amounts is available through the YBR Web site.

### Paying for Coverage as an Active Employee

Your contributions for medical coverage while an employee are deducted from your pay on a pre-tax basis each pay period. Because your contributions are taken as deductions on a pre-tax basis, they are not subject to federal income, Social Security and most states' income taxes.

Even though you reduce your income for tax purposes through pre-tax contributions for medical coverage, you are not reducing the value of your other Company pay-related benefits, such as life insurance, disability insurance and retirement benefits. These benefits are based on your pay before contributions for medical coverage are deducted.

If you elect coverage for a domestic partner, the portion of your contribution required to cover a domestic partner under the Medical Plan is deducted on a pre-tax basis. On pay advice statements, the contribution amount for your coverage will appear as a pre-tax deduction and the contribution amount for your domestic partner will appear as imputed income.

While the Company subsidy amount for domestic partner coverage under the Medical Plan is the same as for spousal coverage, the subsidy amount for domestic partner coverage is reported each pay period as imputed income to the employee and is subject to applicable taxes.

Non-tobacco user discounts may be available for certain active employee Medical Plan coverage options. To qualify for applicable non-tobacco user discounts, you and all covered dependents must not have used tobacco products, including smokeless tobacco, during the 12 months prior to the effective date of your coverage. When you enroll, you will be asked to indicate if the non-tobacco user discount applies.

## Non-Tobacco User Discount – Alternate Procedure for Active Employees in Certain Medical Plan Options

If you (or your covered dependent) are unable, due to a medical condition, to meet the requirements for the non-tobacco user discount (or if it is medically inadvisable for you to attempt to meet the requirements for the non-tobacco user discount), you may still apply to receive the discount by providing these two items:

1. A written statement from your (or your covered dependent's) physician stating that you (or your covered dependent) have a medical condition that makes it unreasonably difficult (or medically inadvisable) for you (or your covered dependent) to meet the requirements for the non-tobacco user discount. This statement should identify the health factor, explaining why the health factor makes it unreasonably difficult (or medically inadvisable) for you (or your covered dependent) to meet the requirements for the discount, and recommending a specific tobacco-cessation program that is appropriate for you (or your covered dependent), and
2. Either of the following:
   - A written statement from the recommended tobacco-cessation program stating that you (or your covered dependent) are either currently enrolled or that you (or your covered dependent) have completed the program within the last 12 months, or
   - If it is your initial year of claiming the discount in accordance with this procedure, a written certification from you that you (or your covered dependent) will enroll in the tobacco-cessation program recommended by your (or your dependent's) physician within the next three months.

In order to continue the non-tobacco user discount under this procedure, a new physician's statement and a new tobacco cessation program's statement will be required each year. In order

for you to qualify for the non-tobacco user discount, you and each of your covered dependents will have to meet the requirements for the discount or satisfy the alternate procedure.

If you would like to apply for the non-tobacco user discount under the alternate procedure, you should indicate at enrollment that you are a tobacco user and then contact the myHR Service Center to discuss remitting the information required under the alternate procedure. All information must be received within 31 calendar days of the date you become an eligible employee or, in the case of enrollment during a future annual enrollment period, by the deadline communicated in your annual enrollment materials. You will pay tobacco user rates until your alternate procedure application has been approved, at which time the non-tobacco user discount will be applied on a prospective basis as soon as administratively practicable.

## Retirees

If you are an eligible retiree, the cost of your retiree coverage under the Medical Plan is based on the Medical Plan coverage option that you elect and the eligible dependent(s) you choose to cover. The portion of that cost that you must pay depends on multiple factors, including your date of hire, your date of termination and your retiree group. As described below, you may be eligible for a Company contribution towards the cost of retiree medical coverage, either in the form of subsidized monthly coverage under the Medical Plan or Health Reimbursement Account benefits. Information about contribution amounts is available through the YBR Web site.

If you were hired before January 1, 2009, you may be eligible for a Company contribution towards the cost of retiree medical coverage if you terminate employment after satisfying all applicable requirements. Your eligibility for Company contributions is governed by the eligibility rules in effect at the time of your date of termination, but remains subject to Duke Energy Corporation's right to amend, modify or terminate the Medical Plan, including termination of eligibility for Company contributions toward the cost of retiree medical coverage.

If you are hired on or after January 1, 2009 (including most rehired employees) and you subsequently terminate your employment with the Company as an eligible retiree, you will not be eligible for a Company contribution toward the cost of retiree medical coverage and will be responsible for paying the full cost of any retiree coverage you elect under the Medical Plan, unless you are represented by IBEW 1347, IBEW 1393, USW 12049, USW 5541-06 or UWUA, in which case the rules directly above for individuals hired before January 1, 2009 continue to apply to you.

If you are rehired on or after January 1, 2009 and you subsequently terminate your employment with the Company as an eligible retiree, you will be eligible for a Company contribution towards the cost of retiree medical coverage only if you satisfied the eligibility requirements for Company contributions toward the cost of retiree medical coverage in effect at the time of your previous termination of employment. If you did not satisfy the eligibility requirements in effect at the time of your previous termination, you will be treated as a new hire and will be responsible for paying the full cost of any retiree coverage you elect. The rules described in this paragraph do not apply to individuals represented by IBEW 1347, IBEW 1393, USW 12049, USW 5541-06 or UWUA. If you are represented by one of these unions, the rules directly above for individuals hired before January 1, 2009 continue to apply to you.

### Paying for Coverage as a Retiree

Initially, you will be billed directly for the monthly contribution for your medical coverage. There are several different options available to you for making payment, which are listed below:

- If you are billed directly each month, you will receive a statement that explains how to make your payments, when they are due and where they need to be sent.
- You also have the option to pay contributions in advance for the quarter (three months); semi-annually or for the entire year. If you later drop coverage for any reason, your unused contributions will be refunded. Contact the myHR Service Center to set up alternate billing arrangements.
- Rather than receiving a monthly bill, you may set up an automatic withdrawal from your checking or savings account for monthly contribution payments. If you choose this option, a *Direct Debit Authorization* must be completed and returned to the myHR Service Center.
- If you are receiving annuity payments under a Company-sponsored pension plan, you may elect to have your contributions deducted from your monthly pension check by contacting the myHR Service Center.

If you would like to change your payment method, contact the myHR Service Center.

### Termination of Coverage for Non-Payment

Your coverage will be terminated for non-payment if:

- you do not make the required payment in full for two months, or
- you are two months behind but have been sending in partial payments, or
- you call the myHR Service Center to indicate the payment is being sent, but it does not arrive by the due date.

If your coverage is terminated for non-payment, you will receive a Confirmation of Coverage statement indicating that your coverage has been cancelled.

Reinstatement after non-payment is possible if you contact the myHR Service Center no later than three months from the date printed on the Confirmation of Coverage statement; however, past due contributions must be paid in full to reinstate coverage. Reinstatement after non-payment will be allowed only one time.

Any amounts owed in arrears at the time of a death or coverage change will continue to be billed and must be paid.

## When Coverage and Contributions Begin

When you make your Medical Plan elections as a newly eligible employee or retiree, coverage begins on the date you become eligible (assuming that you make your elections within 31 calendar days of becoming eligible). Deductions for your contributions (or payment for your

coverage, in the case of eligible retirees) begin as soon as administratively practicable following the date that you make your elections.

## Mid-Year Coverage Changes

As a covered active employee or retiree, once you have made your Medical Plan election for the year, you may not change it during that year unless you have a work or life event that results in the gain or loss of eligibility for coverage. Specific information about these "work/life" events and allowable mid-year election changes is available through the myHR link located on the Duke Energy Portal or by contacting the myHR Service Center.

If you experience a work/life event for which changes are allowed, you have 31 calendar days from the date of the event (for example, your marriage date) to change your elections. Otherwise, unless a subsequent work/life event giving rise to a mid-year election change occurs, you cannot change your Medical Plan elections until annual enrollment.

If a covered dependent ceases to be eligible for benefits, your dependent's coverage ends at midnight on the last day of the month in which the dependent loses eligibility for coverage. If you notify the myHR Service Center within 31 calendar days of the loss of eligibility, changes to your contribution amounts will be made as soon as administratively practicable after the date on which you provide notice. See *If a Dependent Becomes Ineligible* for information about the consequences of failing to notify the myHR Service Center within 31 calendar days of a loss of eligibility.

If you are eligible to make changes, the elections you make must be consistent with and on account of the work/life event.

Below is a list of some work/life events for which mid-year election changes are allowed:

- Your legal marital status changes
  - you get married
  - you get divorced or have your marriage annulled
  - you get legally separated and lose coverage under your spouse's employer plan
  - your spouse dies
- Your domestic partner status changes
  - your domestic partner becomes eligible for coverage
  - your domestic partner relationship ends
  - your domestic partner dies
- The number of your eligible children changes
  - you have, or adopt, a child
  - you become the legal guardian of a child
  - your child gains or loses eligibility for coverage under the Medical Plan (for example, your dependent child marries or turns 19 and is not a full-time student)

- a QMCSO is received*
- your child dies

- You begin or end an international assignment scheduled for at least nine months
- Your dependent's benefits coverage changes because:
  - he or she gains or loses coverage due to a change in eligibility as a result of a change in employment status or work schedule
  - his or her period of coverage and annual enrollment window is different from yours
- You or your dependent's COBRA coverage from another employer expires
- You or your dependent becomes entitled to or loses Medicare or Medicaid*
- You or your dependent loses or gains coverage under a group health plan
- There is a significant increase or decrease in the cost of coverage under the employer plan in which your dependent participates
- You die

## When Mid-Year Election and Contribution Changes Are Effective

The following chart shows when coverage and contributions change if you notify the myHR Service Center of a work/life event within 31 calendar days of the event.

| Election Change | Coverage | Contributions |
|---|---|---|
| Start or increase coverage | Coverage changes on the day the work/life event occurred (Event Date) | Changes to your contribution amounts are effective as soon as administratively practicable after your Election Date* |
| Decrease or stop coverage (your elective decrease or coverage termination)** | Coverage changes on the first day of the month after your Election Date* | Changes to your contribution amounts are effective as soon as administratively practicable after your Election Date* |
| Decrease coverage due to a covered individual becoming ineligible for coverage (for example, divorce, child is age 19 and not a full-time student)*** | Coverage for individuals no longer eligible ends at midnight on the last day of the month in which the individual loses eligibility for coverage (Event Date) | Changes to your contribution amounts are effective as soon as administratively practicable after your Election Date* |

* Court Orders. If a Qualified Medical Child Support Order is issued requiring medical coverage for your child, you may change your medical coverage election to provide coverage for your child. You may also make an election change to cancel medical coverage for the child if the order requires the child's other parent to provide coverage.

* Entitlement to Medicare or Medicaid. If you, your spouse or any dependent child is enrolled in the Medical Plan and subsequently become entitled to coverage in Part A or Part B of Medicare or in Medicaid, you may make an election to cancel Medical Plan coverage for that individual.

| Election Change | Coverage | Contributions |
|---|---|---|
| * Your Election Date is the date you submit your election changes.<br>**Does not include termination of employment.<br>*** Does not include death. If you die, coverage ends on the date of your death. | | |

# Situations Impacting Your Coverage

## If You Are on an Authorized Leave of Absence

While you are on an authorized leave of absence, you may be eligible to continue your coverage under the Medical Plan. Contact the myHR Service Center for additional information regarding your ability to continue coverage under the Medical Plan during an authorized leave of absence. If your authorized leave of absence is unpaid such that you begin to be billed directly for the monthly contribution for your medical coverage, see *Termination of Coverage for Non-Payment* for a description of what happens when required payments for coverage are not made.

## If You Become Disabled

If you begin receiving disability benefits under the Duke Energy Short-Term Disability Plan or the Duke Energy Long-Term Disability Insurance Plan or pay under the Sick Time Pay Benefit, you may be eligible for continued coverage under the Medical Plan. Contact the myHR Service Center for additional information regarding your ability to continue coverage under the Medical Plan if you begin receiving disability benefits. If you begin to be billed directly for the monthly contribution for your medical coverage, see *Termination of Coverage for Non-Payment* for a description of what happens when required payments for coverage are not made.

## When You Reach Age 65

If you continue to work past age 65, your Medical Plan coverage will continue as long as you remain an eligible employee and pay any required contributions, and your coverage will be primary to Medicare.

## If You Become Entitled to Medicare

If you are not actively at work and you become entitled to Medicare, you will be required to enroll in an option that coordinates with Medicare. Contact the myHR Service Center for additional information regarding the options available to you when you become entitled to Medicare.

If you elect to terminate your coverage under the Medical Plan when you become entitled to Medicare, any of your eligible dependents who are covered under the Medical Plan and are not eligible for Medicare may continue coverage under the Medical Plan until reaching age 65.

If you and/or a covered dependent enroll in a Medicare prescription drug plan for a calendar year, you and/or your covered dependent will not be eligible for coverage under the Medical Plan for that calendar year. Therefore, Medical Plan coverage ends for a calendar year for individuals who enroll in a Medicare prescription drug plan mid-year. Such individuals may be able to enroll

for Medical Plan coverage at the next annual enrollment if Medicare prescription drug coverage is dropped for the following calendar year.

# Termination of Coverage

## When Coverage Ends

Your coverage under the Medical Plan will cease on the earliest of the following dates:

- the last day of the month in which your employment ends, unless you elect to continue coverage under COBRA or as an eligible retiree;
- the last day of the month in which you cease to be an eligible employee, retiree or dependent or otherwise cease to be eligible for coverage under the Medical Plan;
- the end of the period for which your last required contribution was made;
- the date the Company informs the Claims Administrator that you (while you are still eligible) are canceling Medical Plan coverage; or
- when the Medical Plan is discontinued.

Your dependent's coverage will end when your coverage ends, at the end of the period for which your last required contribution was made, on the last day of the month in which you elect not to cover the dependent, or on the last day of the month in which the dependent loses eligibility, unless he or she continues his or her coverage under COBRA. Medical Plan coverage will actually terminate, but will be reinstated retroactive to the coverage termination date if your COBRA enrollment is properly received and processed. COBRA enrollment forms must be completed and received within 60 days of the event or notification, whichever is later.

When your coverage ends, you will receive a certificate of coverage that indicates the length of time you had coverage under the Medical Plan to the extent required by applicable law. You may need this certificate of coverage when enrolling in another plan. With this certificate, the time you were covered may be credited toward any pre-existing condition limitations in your new plan, provided you are enrolled in the new plan within 63 days of losing your Medical Plan coverage.

## Benefits if You Die

If you die while you and your spouse/domestic partner are covered under the Medical Plan, your surviving spouse/domestic partner may continue Medical Plan coverage by making contribution payment arrangements with the myHR Service Center. This coverage can be continued until the earliest of your spouse's remarriage, your domestic partner's establishment of a new domestic partner relationship, the death of your spouse/domestic partner and the date that your spouse/domestic partner becomes eligible for other coverage (e.g., through an employer's plan or Medicare).

If you are survived by dependent children, their medical coverage may continue for as long as they:

- continue to meet the definition of eligible dependents; and
- make required payments for coverage. Payment arrangements should be coordinated with the myHR Service Center.

This provision applies even if your spouse dies or loses coverage after you.

Your surviving spouse/domestic partner and/or dependent children will be charged for their component of the contribution for coverage. If coverage under the Medical Plan is declined or ends, your covered dependents may be eligible for continued coverage under COBRA for up to 36 months in certain situations.

Your spouse/domestic partner must immediately report that any dependents should be dropped from survivor coverage due to a loss of eligibility within 31 calendar days of the loss of eligibility. See *If a Dependent Becomes Ineligible* for a description of what happens when your spouse/domestic partner either does or does not report a dependent's loss of eligibility within 31 calendar days of the loss of eligibility. To drop coverage for ineligible dependents, your spouse/domestic partner should go to the YBR Web site or contact the myHR Service Center.

See *Termination of Coverage for Non-Payment* for a description of what happens when required payments for coverage are not made.

If you are covered under the Medical Plan and your spouse/domestic partner is an eligible retiree who is covered as your dependent, your spouse/domestic partner may elect retiree coverage under the Medical Plan at the time of your death.

## If You Become Divorced or Your Domestic Partner Relationship Ends

If you cover a spouse/domestic partner under the Medical Plan and you become divorced or your domestic partner relationship ends, you must drop coverage for your former spouse/domestic partner within 31 calendar days of the divorce or the date on which your domestic partner relationship ends. Your former spouse/domestic partner will then be notified that he or she may continue coverage through COBRA by contacting the COBRA administrator within 60 days of the qualifying event.

See *If a Dependent Becomes Ineligible* for a description of what happens when you either do or do not report your divorce or the end of your domestic partner relationship within 31 calendar days.

To drop coverage for your former spouse/domestic partner, go to the myHR link on the Duke Energy Portal or contact the myHR Service Center.

## If You Leave the Company

If your employment with the Company terminates, your coverage under the Medical Plan will end, unless you elect to continue coverage under COBRA or as an eligible retiree.

See *If You Are Rehired* for a description of what happens if you are reemployed by the Company after your termination of employment.

## COBRA Continuation Coverage

Under COBRA (Consolidated Omnibus Budget Reconciliation Act), you, your spouse and eligible dependent children may elect to continue Medical Plan coverage if certain qualifying events occur. Although domestic partners are not entitled to COBRA continuation coverage under the terms of COBRA, to maintain consistent administration, Duke Energy will apply the same rules to a domestic partner as to a spouse.

### Continued Coverage for You

You may continue coverage for yourself and your covered eligible dependents under the Medical Plan for up to 18 months if you lose coverage under the Medical Plan due to:

- termination of your employment (for reasons other than gross misconduct), or
- a reduction of your work hours.

### Continued Coverage for Your Dependents

Your covered dependents may continue their coverage under the Medical Plan for up to 36 months if they lose coverage as a result of your:

- death,
- divorce,
- termination of domestic partner status,
- entitlement to Medicare, or
- dependent child ceasing to be a dependent as defined by the Medical Plan.

### Newborn and Adopted Children

If you give birth or adopt a child while you are on COBRA continuation coverage, you may enroll your new child for COBRA coverage within 31 calendar days following the date of the birth or adoption. Your newborn or adopted child will be a "qualified beneficiary." This means that your child will have independent election rights and multiple qualifying event rights. (Refer to *Multiple Qualifying Events*.)

### Bankruptcy Proceeding

If you are a retired employee and you or your eligible dependents lose coverage resulting from a bankruptcy proceeding against your Company, you may qualify for continuation coverage under COBRA.

## In Case of Disability

You and your covered dependents may be eligible for up to 29 months of continued coverage if you or your dependents receive a determination from the Social Security Administration stating that you or your dependents were disabled at the time you elected COBRA coverage or at any time during the first 60 days of COBRA coverage. The disability must last at least until the end of the 18-month period of continuation coverage.

You must notify the myHR Service Center in writing within the initial 18-month coverage period and within 60 days of the Social Security Administration's determination. Your verbal notice is not binding until confirmed in writing and the myHR Service Center receives a copy of the Social Security disability determination. You must also notify the myHR Service Center within 30 days of the date you are determined by the Social Security Administration to no longer be disabled.

## If You Become Covered by Medicare

If you become entitled to Medicare while you are an active employee and you later experience a qualifying event (e.g., a termination of employment), you and your dependents may be eligible for continued coverage when the qualifying event occurs. If COBRA is elected, coverage for your covered dependents will extend 36 months from the date you first became covered by Medicare or the maximum coverage period for the qualifying event (18 months in the case of termination of employment or reduction in hours) whichever is later.

For example, suppose you are actively employed on January 1, 2009, when you reach age 65 and become covered under Medicare. If you terminate your employment (a qualifying event) 12 months later on January 1, 2010, your eligible dependents would be eligible for continued coverage until the later of:

- 36 months following the date you become covered for Medicare – January 1, 2012; or
- 18 months following your termination of employment - July 1, 2011

In this case, your eligible dependents would be eligible for continued coverage until January 1, 2012 if COBRA continuation coverage is elected.

## Multiple Qualifying Events

If your dependents experience more than one qualifying event while COBRA coverage is active, they may be eligible for an additional period of continued coverage not to exceed 36 months from the date of the first qualifying event.

For example, if you terminate employment, you and your dependents may be eligible for 18 months of continued coverage. During this 18-month period, if your dependent child ceases to be a dependent under the Medical Plan (a second qualifying event), your child may be eligible for an additional period of continued coverage. This period would not exceed a total of 36 months from the date of your termination (the first qualifying event).

## Procedures to Obtain Continued Coverage

Both you and the Company have responsibilities if qualifying events occur that make you or your covered dependents eligible for continued coverage.

You or your covered dependents must notify the myHR Service Center within 60 days when one of these qualifying events occurs:

- you become divorced;
- your domestic partner relationship ends;
- your dependent child is no longer considered an eligible dependent as defined by the Medical Plan;
- you become entitled to Medicare;
- you or an eligible dependent is determined to be disabled by the Social Security Administration

For other qualifying events, such as your death, termination of employment or reduction in work hours, it is the Company's responsibility to notify the COBRA administrator.

## Election Period

Duke Energy's COBRA administrator will notify you or your covered dependents of your right to elect continued coverage. Each qualified beneficiary has independent election rights and has 60 days to elect coverage, beginning on the later of:

- the date coverage terminates by reason of the qualifying event, or
- the date notification of the right to elect continued coverage is mailed to you and your covered dependents.

## Type of Coverage

If you choose continued coverage, you will initially have the same medical coverage you had on the day before your qualifying event. During your COBRA continuation period, any changes to the medical coverage of similarly situated active employees will also apply to your medical coverage as a COBRA qualified beneficiary. In addition, if your COBRA continuation period extends into a future plan year, you will be able to change your Medical Plan COBRA election for the following plan year during annual enrollment to the same extent that similarly situated active employees are able to change their Medical Plan elections for the following plan year during annual enrollment.

## Cost

You and your covered dependents will be required to pay 102% of the full group cost for your continued coverage. The 2% is used to cover administrative fees. The contributions are paid on an after-tax basis.

You will be asked to pay for coverage in monthly installments. Your first payment will be retroactive to the date of your qualifying event and will be due no later than 45 days after the date you elected continued coverage. Coverage will be effective once the initial premium is paid. Once payment is received, notification of coverage will be passed on to the applicable Claims Administrator. You may refile claims that may have been denied between your benefits termination and your election to continue coverage. You will be required to make monthly payments thereafter, with a 30-day grace period. If the cost or benefits change in the future for active employees, the changes will also affect continued coverage under COBRA. You will be notified prior to any changes in the cost or benefits associated with your coverage.

### Termination of Continued Coverage

COBRA coverage automatically ends if any of the following occurs:

- The COBRA participant fails to make the required contribution on time;
- The Company terminates the Medical Plan for all employees; or
- The COBRA participant becomes covered under another group medical plan (as an employee or otherwise) after the election of COBRA coverage. (If the other plan limits coverage of a pre-existing condition, COBRA coverage may be continued in certain circumstances).

### Pre-existing Condition Limitation

If you become covered under another group medical plan and are affected by a pre-existing condition limitation under that plan, COBRA coverage may continue for that condition until you have satisfied the pre-existing condition limitation, as long as you remain within the COBRA period. When you are eligible for full benefits under your new plan, your COBRA coverage will be terminated.

## Conversion Privilege

The Medical Plan has no conversion privilege. This means that you are not able to convert your coverage under the Medical Plan to an individual policy upon your termination from the Company or when coverage ends.

## Medical Child Support Orders

If the Company receives notification that, as a result of a Qualified Medical Child Support Order, you are required to provide Medical Plan coverage for a dependent child, the Company will:

- Notify you (and any other person named in the order) of receipt of the order; and
- Within a reasonable period of time (up to 30 days), determine if the child is eligible for coverage under the Medical Plan and notify you in writing of the decision.

As appropriate to the court order, the child will be enrolled for medical coverage, unless there are legal proceedings that dispute the determination. If the court order is disputed, claims processing will be delayed until the dispute is resolved.

If the child's covered expenses are paid by a custodial parent or legal guardian who is not a participant in the Medical Plan, reimbursement of these expenses will be made directly to the custodial parent or legal guardian if required by the order. Custodial parents and legal guardians may also sign claim forms and assign benefits to providers. The Claims Administrator will send notification of payment to providers to the custodial parent.

If you do not comply with the procedures required by the order, the Company may change your coverage status to that required by the court order and deduct the appropriate contributions from your pay at the direction of the court.

## Your Role

As a participant in the Medical Plan, please follow these guidelines:

- File accurate claims. If someone else (other than the provider) files a claim on your behalf, you must review the form before you sign it.
- Review the explanation of benefits when it is returned to you. Make sure that benefits have been paid correctly based on your knowledge of the expenses incurred and the services rendered.
- Never allow another person to seek medical treatment under your identity.
- Provide complete and accurate information on claim forms and any other forms; answer all questions to the best of your knowledge.

You must notify the applicable Claims Administrator if a provider:

- Bills you for services or treatment that you have never received.
- Asks you to sign a blank claim form.
- Asks you to undergo tests that you feel are not needed.

Any covered person who knowingly intends to defraud the Medical Plan will be considered guilty of fraud. If you are concerned about any of the charges that appear on a bill or explanation of benefits form or if you know of or suspect any illegal activity, call the applicable Claims Administrator at the toll-free number on your I.D. card. All calls are strictly confidential.

## Other Important Information

### Plan Sponsor

Duke Energy Corporation is the sole sponsor of the Medical Plan. The company address, telephone number and employer identification number (EIN) are:

Duke Energy Corporation
526 South Church Street
Charlotte, NC 28202
704-594-6200
EIN: 20-2777218

## Identification Numbers

If you need to correspond with the federal government about the Medical Plan, you should include in the correspondence the Duke Energy Corporation EIN and the plan number assigned to the Medical Plan. The plan number assigned to the Medical Plan is 502.

## Funding

Benefits under the Medical Plan generally are provided from funds held by trustees. All Medical Plan claims except for post-retirement coverage for non-key employees are paid from the Duke Energy Corporation Welfare Benefits Trust VEBA I with Mellon Bank NA as trustee. Claims for post-retirement coverage for non-key employees are paid from the Duke Energy Corporation Post-Retirement Medical Benefits Trust VEBA II with Mellon Bank, NA as trustee. The address for Mellon Bank, NA is:

Mellon Bank, NA
One Mellon Bank Center
Pittsburgh, PA 15258

The Company may also provide benefits under the Medical Plan through insurance or from its general assets, and may also transfer assets from the 401(h) retiree account under the Duke Energy Corporation Master Retirement Trust to the Medical Plan to provide benefits for post-retirement coverage for non-key employees.

## Plan Administrator

The Plan Administrator for the Medical Plan is the Duke Energy Benefits Committee. The Benefits Committee has responsibility and authority to control and manage the operation and administration of the Medical Plan, except to the extent delegated or assigned to others.

The Benefits Committee may assign or delegate any of its authority or duties to others. The Benefits Committee has appointed the Claims Committee, which serves as Denied Claim Reviewer for claims as to whether an individual is eligible to participate in or obtain coverage under, or whether an eligible individual is enrolled for participation in or coverage under, the Medical Plan or any coverage option under the Medical Plan. The Benefits Committee and the Claims Committee may be contacted as follows:

| Benefits Committee | Claims Committee |
|---|---|
| Duke Energy Corporation | Duke Energy Corporation |
| 400 South Tryon Street, ST06 | 400 South Tryon Street, ST06 |
| Charlotte, NC 28285 | Charlotte, NC 28285 |
| 704-594-6200 | 704-594-6200 |

The Benefits Committee has appointed the Claims Administrators, which serve as Initial Claim Administrators and Denied Claim Reviewers for claims for benefits under the Medical Plan. The Claims Administrators may be contacted at the addresses listed in the Medical Plan booklets. You can also obtain additional information by contacting the myHR Service Center.

The Benefits Committee, the Claims Committee and the Claims Administrators, each within its area of authority and responsibility, have power and discretion to construe and interpret the Medical Plan and to make factual determinations.

## Investment Committee

The named fiduciary for the maintenance and investment of the plan assets that are held in the Duke Energy Corporation Welfare Benefits Trust VEBA I and the Duke Energy Corporation Post-Retirement Medical Benefits Trust VEBA II is the Duke Energy Investment Committee. The Chief Executive Officer of Duke Energy Corporation, or its delegate, appoints the Chairman of the Investment Committee, who in turn appoints the other members of the Investment Committee.

The Investment Committee oversees the maintenance and investment of plan assets for which it is named fiduciary, selects investment managers and collective investment funds, issues investment guidelines and objectives and monitors investment performance. The Investment Committee may be contacted through the following address:

Investment Committee
General Manager, Long Term Investments
Duke Energy Corporation
526 South Church Street, EC04Z
Charlotte, NC 28202

## Plan Year

The plan year for the Medical Plan is January 1 through December 31.

## Service of Legal Process

The person designated for service of legal process upon the Medical Plan is:

Vice President, Legal
139 East Fourth Street - Room 25 ATII
P.O. Box 960
Cincinnati, OH 45201-0960
(513) 419-1851

Legal process may also be served upon the Medical Plan's trustees, if applicable, or upon the Benefits Committee as Plan Administrator.

## Affiliated Employers of the Company That Have Adopted the Medical Plan

Contact the myHR Service Center for information regarding affiliated employers of Duke Energy that have adopted the Medical Plan.

# Claim Determination Procedures Under ERISA

The following are two different types of claims that may be made under the Medical Plan:

- claims for Medical Plan benefits; and
- claims as to whether an individual is eligible to participate in or obtain coverage under, or whether an eligible individual is enrolled for participation in or coverage under, the Medical Plan or Medical Plan option (referred to as an "Eligibility or Enrollment Claim").

## Claims for Medical Plan Benefits

The Claims Administrators for your Medical Plan options have the authority to decide initial claims for Medical Plan benefits, as the Initial Claim Administrators, and denied claims for Medical Plan benefits on review, as the Denied Claim Reviewers. The Company has no discretionary authority with respect to claims for Medical Plan benefits.

Claims submission procedures for your Medical Plan benefits are described in the Medical Plan booklets for the Medical Plan options in which you participate. You can also obtain additional information by calling the myHR Service Center. To file a valid claim for Medical Plan benefits, you (or your authorized representative) must follow the claim submission procedures for the Medical Plan as described in the Medical Plan booklets applicable to the Medical Plan options in which you participate and any updating materials.

## Eligibility or Enrollment Claims

Authority to decide an Eligibility or Enrollment Claim is assigned for initial claims to Duke Energy Human Resources, which is the Initial Claim Administrator. Human Resources has delegated its authority to the Hewitt Associates Benefits Determination Review Team. For denied claims on review, authority is assigned to the Duke Energy Claims Committee, which is the Denied Claim Reviewer.

To file a valid Eligibility or Enrollment Claim, you (or your authorized representative) must follow the claim submission procedures for the Medical Plan as described in this General Information booklet and any updating materials.

### Initial Claim

If you have an Eligibility or Enrollment Claim, you (or your authorized representative) must submit a claim initiation form. This form can be obtained by calling the myHR Service Center.

The claim form must be submitted in writing to the address on the form and include:

- A statement that the claim is a "Claim for Eligibility/Enrollment" and identification of the Medical Plan;
- Your name, Social Security number, mailing address and daytime telephone number;

- A complete description of the claim, including the eligibility/enrollment issue presented;
- Dependent information, if applicable; and
- Any additional information you want considered.

A "Claim for Eligibility/Enrollment" must be received by the Benefit Determination Review Team within 90 days after the end of the plan year in which you are claiming eligibility/enrollment should have occurred.

The Benefits Determination Review Team will notify you or your representative of the determination within 30 days after receiving the request. However, if more time is needed to make a determination due to matters beyond the Benefit Determination Review Team's control, it will notify you or your representative within 30 days after receiving the request. The extension notice will include the date a determination can be expected, which will be no more than 45 days after receipt of the request.

If more time is needed because necessary information is missing from the request, the notice will also specify what information is needed. The determination period will be suspended on the date the Benefits Determination Review Team sends such a notice of missing information, and the determination period will resume on the date you or your representative responds to the notice. You will have 45 days to respond to the request for information.

### Adverse Determination

In the event of an adverse eligibility or enrollment determination, in whole or in part, you (or your authorized representative) will be notified of the adverse determination in writing.

An adverse determination notification for an Eligibility or Enrollment Claim will contain:

- the specific reason or reasons for the adverse determination;
- reference to the specific plan provisions on which the determination is based;
- a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary;
- a description of the Medical Plan's review procedures and the time limits applicable, including a statement of a claimant's rights to bring a civil action under section 502(a) of ERISA following an adverse determination on appeal;
- if an internal rule, guideline, protocol or other similar criterion was relied on in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion (or a statement that such a rule, guideline, protocol or similar criterion was relied upon in making the determination) and that a copy of such rule, guideline, protocol, or criterion will be provided free of charge upon request; and
- if the adverse determination is based on a medical necessity or experimental or investigative treatment, either a clinical or scientific explanation of the determination, applying the terms of the Medical Plan to your medical circumstances, or a statement that such clinical or scientific explanation will be provided free of charge upon request.

## Appeal of Adverse Determination

If you disagree with an adverse eligibility or enrollment determination, you (or your authorized representative) can request a review of the initial determination by submitting a written request to the Claims Committee within 180 calendar days after receipt of the adverse determination.

A request to the Claims Committee must be submitted in writing to:

Claims Committee
Duke Energy Corporation
400 South Tryon Street, ST06
Charlotte, NC 28285

When reviewing an adverse determination that has been appealed, any new information that you provide that was not available or utilized when the initial determination was made will be considered. Someone other than an individual involved in the initial determination, or a subordinate of such individual, will make the determination on appeal.

You will be notified regarding the decision on your claim within 60 days. The determination of your appeal will be in writing and, if adverse, will contain the following:

- the specific reasons for the adverse determination of your appeal;
- reference to the specific plan provisions on which the determination of your appeal is based;
- a statement regarding your right, upon request and free of charge, to access and receive copies of documents, records and other information relevant to the claim;
- a statement regarding your right to sue under Section 502(a) of ERISA following an adverse determination on your appeal and about any available voluntary alternative dispute resolution options;
- if an internal rule, guideline, protocol or other similar criterion was relied on in making the adverse determination, either the specific rule, guideline, protocol or other similar criterion (or a statement that such a rule, guideline, protocol or similar criterion was relied upon in making the determination) and that a copy of such rule, guideline, protocol, or criterion will be provided free of charge upon request;
- if the adverse determination is based on a medical necessity or experimental or investigative treatment, either a clinical or scientific explanation of the determination, applying the terms of the Medical Plan to your medical circumstances, or a statement that such clinical or scientific explanation will be provided free of charge upon request; and
- the statement: "You and your plan may have other voluntary dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your state insurance regulatory agency."

After completing all mandatory appeal levels, you have the right to further appeal adverse determinations by bringing a civil action under ERISA. Please refer to the *Statement of ERISA Rights* section below.

For additional information on filing an Eligibility or Enrollment Claim or filing an appeal of an adverse determination, you should contact the Claims Committee.

## Legal Action

You have the right to bring a civil action under section 502(a) of ERISA if you are not satisfied with the outcome of the Appeals Procedure. You may not initiate a legal action against the Claims Administrators, the Medical Plan, the Company, or the Plan Administrator until you have completed appeal processes. No legal action may be brought more than one year following a final decision on the claim under the appeal processes. If a civil action is not filed within this period, your claim will be deemed permanently waived and abandoned, and you will be precluded from reasserting it.

## Discretionary Authority

Authority to decide initial claims (including claims for Medical Plan benefits) under the Medical Plan and denied claims on review (including denied claims for Medical Plan benefits on review) under the Medical Plan includes the full power and discretion to interpret Medical Plan provisions and to make factual determinations, with the Initial Claim Administrators' and Denied Claim Reviewers' decisions, interpretations and factual determinations controlling. Requests for information regarding individual claims, or review of a denied claim, are to be directed in writing and properly addressed to the particular entity identified as having the authority to decide the initial claim, or to decide the denied claim on review.

# Right to Change or Terminate the Medical Plan

Duke Energy reserves the right to amend or terminate the Medical Plan in any respect and at any time. For example, the Medical Plan may be discontinued in part or in its entirety, or what the Medical Plan or Medical Plan option covers or what benefits it provides may be changed. Cost sharing between the Company and covered individuals is also subject to change, which may include initiating or increasing contributions required of employees, retirees, other former employees and their dependents.

The amendment or termination of the Medical Plan may affect the benefits or benefit coverage not only of active employees (and their dependents), but also of former active employees who retired, became disabled, died or whose Company employment has otherwise terminated (and their dependents), and also of any covered person who began receiving benefit coverage or payments prior to the amendment or termination. If such a termination or amendment occurs, affected participants will be notified. The right to amend or terminate the Medical Plan may be exercised by the Board of Directors, or its authorized delegates, and any amendment shall be in writing.

In the event of a complete termination of the Medical Plan, eligible claims for Medical Plan benefits will be paid by the Duke Energy Corporation Welfare Benefits Trust VEBA I, the Duke Energy Corporation Post-Retirement Medical Benefits Trust VEBA II and/or the Duke Energy Corporation Master Retirement Trust – 401(h) Account, as applicable, to the extent that funds are available.

# Statement of Rights

As a participant in the Medical Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Medical Plan participants shall be entitled to:

## Receive Information About Your Plan and Benefits

- examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Medical Plan, including insurance contracts, collective bargaining agreements and copy of the latest annual report (Form 5500 Series) filed by the Medical Plan with the U.S. Department of Labor and available at the Public Disclosure room of the Employee Benefits Security Administration.
- obtain, upon written request to the Plan Administrator, copies of documents governing the Medical Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- receive a summary of the Medical Plan's annual financial report. The Plan Administrator is required by law to furnish each person under the Medical Plan with a copy of this summary financial report.
- obtain a copy of the Medical Plan's procedures for determining a qualified medical child support order (QMCSO).

## Continue Group Health Plan Coverage

- continue health care coverage for yourself, your spouse* or dependents if there is a loss of coverage under the Medical Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the Medical Plan on the rules governing your federal continuation coverage rights.
- reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect federal continuation coverage, when your federal continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

* Additionally, the Company extends continuation of coverage under COBRA to covered domestic partners if they lose eligibility for coverage in certain situations.

## Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people responsible for the operation of the Medical Plan. The people who operate your Medical Plan, called "fiduciaries" of the Medical Plan, have a duty to do so prudently and in the interest of you and other Medical Plan participants and beneficiaries. No one, including the Company, your union, or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

## Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Medical Plan documents or the latest annual report from the Medical Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court once you have exhausted the Medical Plan's claims procedures.

In addition, if you disagree with the Medical Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in federal court. If it should happen that plan fiduciaries misuse the Medical Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example if it finds your claim is frivolous.

## Assistance with Your Questions

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

# Keep Us Informed

It is your responsibility to make sure that your benefits records are correct and that the personal information needed to administer your benefits is current. Promptly review any confirmation and

other benefit statements carefully, and immediately advise the myHR Service Center, if applicable, if you believe there is an error. If you move, marry, divorce, or gain a new child, or if your child marries, ceases to be a full-time student or is otherwise no longer an eligible dependent, contact the myHR Service Center as soon as possible. Certain work/life events allow you to change benefit elections that you previously made, but to do so, you must make the benefit election change within 31 calendar days of the work/life event.

## A Final Note

Although this SPD describes the principal features of the Medical Plan that are generally applicable, it is only a summary. The complete provisions of the Medical Plan are set forth in the plan documents, which are available upon request from Duke Energy Human Resources. An SPD is an overview and is written to be read in its entirety. Descriptions of Medical Plan features should not be taken out of context. Inquiries about specific situations should be directed in writing to Duke Energy Human Resources. Changes to the Medical Plan, pending revision of the SPD, will be communicated in benefit newsletters, letters, Duke Energy Portal announcements and/or enrollment materials. In the event of a conflict between this SPD or any other communication regarding the Medical Plan and the plan documents themselves, the plan documents control. Remember, the Medical Plan may be amended only by proper corporate action and not by oral or written communications about benefits under the Medical Plan.

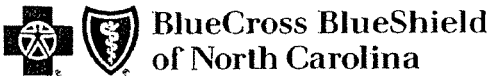
Neither the Medical Plan, this SPD, nor your Medical Plan participation is an employment contract, and does not give any employee the right to continue to be employed by the Company. Employees may resign and are subject to discipline, discharge or layoff as if the SPD had never been published and the Medical Plan had never gone into effect.

Benefit Booklet

# Benefit Booklet
# For Participants of
# Duke Energy Medical Plan
# for

# BlueOPTIONS℠

## EPO
## (Blue Card Network)




An Independent Licensee of the Blue Cross and Blue Shield Association

BlueOptions/DESTEP/2BU6/010109/123109

# BENEFIT BOOKLET

This benefit booklet describes benefits provided under the Duke Energy Medical Plan Exclusive Provider Organization (EPO) option (the *Plan*). Blue Cross and Blue Shield of North Carolina provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims. **Please read this benefit booklet carefully.**

The benefit plan described in this booklet is an employee health benefit plan, subject to the Employee Retirement Income Security Act of 1974 (ERISA) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Conditions, limitations and exclusions are set forth in this benefit booklet for easy reference.

In the event of a conflict between this benefit booklet and the terms in the *Plan* document, the *Plan* document will control.

**Blue Cross and Blue Shield of North Carolina is an independent licensee of the Blue Cross and Blue Shield Association.**

## Quick Reference - Toll Free Phone Numbers, Web Site and Addresses



| | |
|---|---|
| **BCBSNC Web Site**<br>www.bcbsnc.com/members/duke-energy | To find a network provider by location or specialty, get general benefit information, search through our corporate medical policies to see medical criteria used to administer your benefits, obtain claim forms, access information about all the Blue Extras℠ discounts, "proof of coverage" portability certificates and more. |
| **Member Services Web Site**<br>www.bcbsnc.com/members/duke-energy | To enroll in a safe and secure customer service web site to: Check claim status, verify benefits and eligibility or request a new ID card. |
| **BCBSNC Customer Service**<br>1-888-554-3202<br>8 a.m-8 p.m., Monday-Friday, except holidays | For questions regarding your benefits, claim inquiries and new ID card requests. |
| **Magellan Behavioral Health**<br>1-800-359-2422 | For mental health and substance abuse inpatient and outpatient pre-certification. Note: You do not need certification for office visits. |
| **Blue Card® PPO Program**<br>1-800-810-BLUE (2583) | To find a participating provider. |
| **Medical Claims Filing:**<br>BCBSNC Claims Department<br>PO Box 35<br>Durham, NC 27702-0035 | Mail completed medical claims to this address. |
| **Add/Remove Someone From Your Policy** | Contact Duke Energy's myHR Service Center at 1-888-465-1300 |

# Tips for Getting the Most Out of Your Health Care Benefits

1

### *Manage your out-of-pocket costs by managing the locations in which you receive care*

Generally speaking, care received in a doctor's office is the most cost-effective for you, followed by hospital outpatient services. Hospital inpatient services often bear the highest cost. In addition, remember that in-network care (services from a BCBSNC participating provider who agrees to charge specified rates) will cost you less than similar care provided by an out-of-network provider. Know what your financial responsibility is before receiving care.

2

### *Pick a primary care physician*

While our products do NOT require you to have a primary care physician, we strongly urge you to select and use one. A primary care physician informs you of your health care options, documents your care, and maintains your records for you. In addition, they save you time and unnecessary copayments by recommending appropriate specialists, coordinating your care with them, and informing them of things such as your medical history and potential drug interactions.

3

### *Understand your health care plan*

The more you know about your benefits, the easier it will be to take control of your health. Let BCBSNC help you understand your plan and use it effectively through our customer-friendly Web site **(www.bcbsnc.com/members/duke-energy)**, toll free Customer Service line (1-888-554-3202).

## MEMBER RIGHTS AND RESPONSIBILITIES

***As a Blue Cross and Blue Shield of North Carolina member, you have the right to:***

- Receive, upon request, information about Blue Options including its services, doctors, a benefit booklet, benefit summary and directory of in-network providers
- Receive courteous service from BCBSNC
- Receive considerate and respectful care from your in-network providers
- Receive the reasons for BCBSNC's denial of a requested treatment or health care service, including (upon request) an explanation of the Utilization Management criteria and treatment protocol used to reach the decision
- Receive (upon request) information on the procedure and medical criteria used by BCBSNC to determine whether a procedure, treatment, facility, equipment, drug or device is investigational, experimental or requires prior approval
- Receive accurate, reader-friendly information to help you make informed decisions about your health care
- Participate actively in all decisions related to your health care
- Discuss all treatment options candidly with your health care provider regardless of cost or benefit coverage
- Expect that measures will be taken to ensure the confidentiality of your health care information
- File a grievance and expect a fair and efficient appeals process for resolving any differences you may have with BCBSNC
- Be treated with respect and recognition of your dignity and right to privacy
- Voice complaints or appeals about the organization or the care it provides
- Make recommendations regarding the organization's members' rights and responsibilities policies

***As a Blue Cross and Blue Shield of North Carolina member, you have the responsibility to:***

- Present your ID card each time you receive services
- Give your doctor permission to ask for medical records from other doctors you have seen. You will be asked to sign a transfer of medical records authorization form.
- Read your Blue Options benefit booklet and all other Blue Options member materials
- Call BCBSNC Customer Services if you have a question or do not understand the material provided by BCBSNC
- Follow the course of treatment prescribed by your doctor. If you choose not to comply, tell your doctor.
- Provide complete information about any illness, accident or health care issues to BCBSNC and providers
- Make and keep appointments for non-emergency medical care. If it is necessary to cancel an appointment, give the doctor's office adequate notice.
- Participate in understanding your health problems and the medical decisions regarding your health care
- Be considerate and courteous to Blue Options providers, their staff and BCBSNC representatives
- Notify your employer and BCBSNC if you have any other group coverage
- Notify your group administrator of any changes regarding dependents and marital status
- Protect your ID card from unauthorized use.

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# WELCOME TO BLUE OPTIONS

Welcome to Blue Cross and Blue Shield of North Carolina's Blue Options plan!

As a *member* of the Blue Options plan, you will enjoy quality health care from a network of health care *providers* and easy access to *in-network specialists*. There are no benefits for services from *out-of-network providers*. You may verify a North Carolina *provider's* participation by calling Customer Services at the number given in "Whom Do I Call?"

You may receive, upon request, information about Blue Options, its services and *doctors*, including this benefit booklet with a benefit summary, and a directory of *in-network providers*.

## How To Use Your Blue Options Benefit Booklet

This benefit booklet provides important information about your benefits and can help you understand how to maximize them. Please read it carefully.

If you are trying to determine whether coverage will be provided for a specific service, you may want to review all of the following:

- "Summary of Benefits" to get an overview of your specific benefits, such as *deductible*, *coinsurance* and maximum amounts
- "*Covered Services*" to get more detailed information about what is covered and what is excluded from coverage
- "*Utilization Management*" for important information about when *prior review* and *certification* are required
- "What Is Not Covered?" to see general exclusions from coverage.

If you still have questions, you can call BCBSNC Customer Services at the number listed on your *ID Card* or in "Whom Do I Call?" and get further information.

As you read this benefit booklet, keep in mind that any word you see in **italics** ***(italics)*** **is a defined term** and will appear in "Definitions" at the end of this benefit booklet.

You will also want to review the following sections of this benefit booklet:

- "How Blue Options Works" explains the coverage levels available to you
- "What If You Disagree With A Decision?" explains the rights available to you when BCBSNC makes a decision and you do not agree.

## Notice For Non-English Speaking *Members*

This benefit booklet contains a summary in English of your rights and benefits under the *Plan*. If you have difficulty understanding any part of this benefit booklet, contact BCBSNC Customer Service to obtain assistance.

AVISO PARA *AFILIADOS* QUE NO HABLAN INGLES

Este manual de beneficios contiene un resumen en inglés de sus derechos y beneficios que le ofrece el *Plan*. Si usted tiene dificultad en entender alguna sección de este manual, por favor llame al BCBSNC Customer Service para recibir ayuda.

# WHOM DO I CALL?

## BCBSNC Web Site

To view your claims, get *Plan* information, claim forms, health and wellness information, find a *doctor*, change your address, and request new *ID cards*, visit the BCBSNC Web site: **www.bcbsnc.com/members/duke-energy**

## BCBSNC Customer Service

For questions about your benefits or claims, *ID card* requests, or to voice a complaint:

BCBSNC Customer Service . . . . . 1-888-554-3202 (toll free)

## Mental Health And Substance Abuse Services

Companies who have signed contracts with BCBSNC administer these benefits. You must contact these vendors directly and request *prior review* for *inpatient* and *outpatient* services, except for *office visit* services and in *emergencies*. In the case of an *emergency*, please notify the vendor as soon as reasonably possible:

Magellan Behavioral Health . . . . . 1-800-359-2422 (toll free)

## HealthLine Blue SM

To receive confidential, up-to-date health information 24 hours a day from specially trained nurses:

HealthLine Blue . . . . . 1-877-477-2424 (toll free)

## COBRA Administrator

UMR . . . . . 1-800-523-3578 (toll free)

## *Prior Review*

Some services require *prior review* and *certification* by BCBSNC. The list of these services may change from time to time. Please visit the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** or call BCBSNC Customer Service at the number listed above for current information about which services require *prior review*. See "Prospective Review/*Prior Review*" in "*Utilization Management*" for information about the review process. To request *prior review*, call:

*Providers* . . . . . 1-800-214-4844 (toll free)
*Members* . . . . . 1-877-258-3334 (toll free)

# HOW BLUE OPTIONS WORKS

## *In-Network* Benefits

*In-network providers* are health care professionals and facilities that have contracted with BCBSNC, or *providers* participating in the BlueCard PPO program. *In-network providers* agree to limit charges for *covered services* to the *allowed amount*. If the billed amount is greater than the *allowed amount*, you are not responsible for the difference. You pay only the applicable *copayment* or *coinsurance*, and noncovered expenses. Your *in-network provider* is required to use the Blue Options network *hospital* where he/she practices, unless that *hospital* cannot provide the services you need.

Your *ID card* gives you access to participating *providers* outside the state of North Carolina through the Blue Options program. Your *ID card* tells participating *providers* that you are a *member* of BCBSNC. When you use a *provider* participating in the local Blue Cross or Blue Shield Plan's *provider* network, benefits are provided at the *in-network copayment* or *coinsurance*.

You are not required to obtain any referrals to see an *in-network provider*. *In-network providers* will file claims for you. It is the *member's* responsibility to request *prior review* when necessary. *Prior review* is not required for an *emergency*.

The list of *in-network providers* may change from time to time. *In-network providers* are listed on the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** or call BCBSNC Customer Service at the number listed in "Whom Do I Call?" Please note that *dentists* and orthodontists do not participate in the *provider* network.

## *Out-Of-Network* Benefits

There are no benefits for services from *out-of-network providers*.

## *Out-Of-Network* Benefit Exceptions

In an *emergency*, in situations where *in-network providers* are not reasonably available as determined by BCBSNC's access to care standards, or in continuity of care situations, *out-of-network* benefits will be paid at your *in-network copayment* or *coinsurance* and will be based on the billed amount. However, you may be responsible for charges billed separately by the *provider* which are not eligible for additional reimbursement. If you are billed by the *provider*, you will be responsible for paying the bill and filing a claim with BCBSNC.

For more information, see "*Emergency* Care," "Continuity Of Care" in "*Utilization Management*," and for information about BCBSNC's access to care standards, see the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy**. If you believe an *in-network provider* is not reasonably available, you can help assure that benefits are paid at the correct benefit level by calling BCBSNC before receiving care from an *out-of-network provider*.

## The Role Of A *Primary Care Provider (PCP)* Or *Specialist*

It is important for you to maintain a relationship with a *PCP*, who will help you manage your health and help you make decisions about your health care. If you change *PCPs*, be sure to have your medical records transferred, especially immunization records, to provide your new *doctor* with your medical history. You should participate actively in all decisions related to your health care and discuss all treatment options with your health care *provider* regardless of cost or benefit coverage. *PCPs* are trained to deal with a broad range of health care issues and can help you to determine when you need a *specialist*.

Please visit the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** or call BCBSNC Customer Service to be sure the *provider* you choose is available to be a *PCP*. You may want to confirm that the *provider* is in the network before receiving care.

If your *PCP* or *specialist* leaves the BCBSNC *provider* network and they are currently treating you for an ongoing special condition, see "Continuity Of Care" in "*Utilization Management*."

*Members* with serious or chronic disabling or life-threatening conditions may be allowed to select the *specialist* treating this condition as their *PCP*. The selected *specialist* would be responsible for providing and coordinating the *member's* primary and specialty care. The selection of a *specialist* under these circumstances shall be made under a treatment plan approved by the *specialist*, and BCBSNC, with notice to the *PCP* if applicable. A request may be denied where it is determined that the *specialist* cannot appropriately coordinate the *member's* primary and specialty care. To make this request or if you would like the professional qualifications of your *PCP* or *in-network specialist*, you may call BCBSNC Customer Service at the number given in "Whom Do I Call?"

## Carry Your *Identification Card*

Your *ID card* identifies you as a Blue Options *member*. If any information on your *ID card* is incorrect or if you need additional cards, please visit the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** or call BCBSNC

# HOW BLUE OPTIONS WORKS *(cont.)*

Customer Service at the number listed in "Whom Do I Call?" **Be sure to carry your *ID card* with you at all times and present it each time you seek health care.**

## Making An Appointment

Call the *provider's* office and identify yourself as a Blue Options *member*. Please ask the receptionist whether the *provider's* office is *hospital*-owned or operated or provides *hospital*-based services. Your *medical services* may be covered under *Outpatient* Services benefit. Your *provider* directory will also help you make this determination. *Provider* directories are available through the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** or by calling BCBSNC Customer Service at the number given in "Whom Do I Call?" If you need nonemergency services after your *provider's* office has closed, please call your *provider's* office for their recorded instructions. You may also contact the nurse advice line, HealthLine Blue, for assistance.

If you cannot keep an appointment, call the *provider's* office as soon as possible. Charges for missed appointments, which *providers* may require as part of their routine practice, are not covered.

## HealthLine Blue

You may call a HealthLine Blue nurse to assist you with medical questions, offer support, and send you free videotapes and brochures on health topics appropriate for your condition. *Members* may ask to speak with the same nurse on an ongoing basis. You may also visit the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** to search a library of current health topics, send secure messages to the HealthLine Blue nurses, learn about symptoms and medications and use tools that guide you through important health care decisions. See the number listed in "Whom Do I Call?" to speak to a HealthLine Blue nurse.

## How To File A Claim

*In-network providers* will file claims for you. When you file a claim, mail the completed claim form for all *medical services*, including mental health and substance abuse services, to:

BCBSNC
Customer Services
PO Box 2291
Durham, NC 27702-2291

# COVERED SERVICES

Blue Options covers only those services that are *medically necessary*. Also keep in mind as you read this section:

- **Certain services require *prior review* and *certification* in order for you to avoid a partial (penalty) or complete denial of benefits. General categories of services are noted below as requiring *prior review*. Also see "Prospective Review/*Prior Review*" in "*Utilization Management*" for information about the review process, and visit the BCBSNC Web site at www.bcbsnc.com/members/duke-energy or call BCBSNC Customer Service to ask whether a specific service requires *prior review* and *certification*.**
- Exclusions and limitations apply to your coverage. Service-specific exclusions are stated along with the benefit description in "*Covered Services*." Exclusions that apply to many services are listed in "What Is Not Covered?" To understand the exclusions and limitations that apply to each service, read "*Covered Services*," "Summary Of Benefits" and "What Is Not Covered?"
- You may also receive, upon request, information on the procedure and medical criteria used by BCBSNC to determine whether a procedure, treatment, facility, equipment, drug or device is *medically necessary* and eligible for coverage, *investigational* or *experimental*, or requires *prior review* and *certification* by BCBSNC. BCBSNC medical policies are guides considered by BCBSNC when making coverage determinations. If you need more information about BCBSNC medical policies, see the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy**, or call BCBSNC Customer Service at the number listed in "Whom Do I Call?"

## Office Services

Care you receive as part of an *office visit* or house call is covered with a *copayment*, except as otherwise noted in this benefit booklet. Some *providers* may receive items such as supplies or drugs from third parties. In these cases, you may be billed directly by the supplier. Benefit payments for these services will be based on the type of supplier and how the services are billed.

The *Plan* also provides benefits for six nutritional visits per *benefit period*. Your benefits cover a total of six visits to an *in-network provider*. If you see an *in-network provider*, any applicable *copayment*, or *coinsurance* is waived for these six visits.

A *copayment* will not apply if you only receive services, such as allergy shots or other injections, and are not charged for an *office visit*.

Certain diagnostic imaging procedures, such as CT scans and MRIs, are subject to *coinsurance* and any applicable *deductible*, and may require *prior review* and *certification* or services will not be covered.

Some *doctors* or *other providers* may practice in *outpatient clinics* or provide *hospital*-based services in their offices. These services are covered as *Outpatient* Services and are listed as *Outpatient Clinic* Services in "Summary Of Benefits." The *provider* search on the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** indicates which *providers* will collect *deductible* and *coinsurance*, or you can call BCBSNC Customer Service at the number listed in "Whom Do I Call?" for this information.

### Office Services Exclusion

- Services in free-standing surgical facilities, independent laboratories, therapy facilities or *outpatient hospital* departments.

## *Preventive Care*

The *Plan* covers *preventive care* services that can help you stay safe and healthy.

### Routine Physical Examinations

One routine physical examination and related diagnostic services per *benefit period* will be covered for each *member* age two and older.

### Well-Baby And Well-Child Care

These services are covered for each *member* up to 24 months of age including periodic assessments and immunizations. Benefits are limited to six well-baby visits for *members* through 12 months old and three well-child visits for *members* 13 months to 24 months old.

### Immunizations

The full series of standard immunizations recommended by the Centers for Disease Control and Prevention (CDC) and the American Academy of Family Physicians (AAFP) is covered.

Covered immunizations include the following:

- Tetanus, diphtheria, pertussis (Td/Tdap)
- Polio
- HiB
- Hepatitis A and B

- Measles-Mumps-Rubella (MMR)
- Influenza
- Pneumococcal vaccine
- Shingles
- Meningococcal vaccine.
- Human papillomavirus vaccine
- Chicken pox
- Rotavirus

**Immunizations Exclusions**

- Immunizations required for occupational hazard
- Immunizations required for international travel.

### Gynecological Exam And Cervical Cancer Screening

The cervical cancer screening benefit includes the examination and laboratory tests for early detection and screening of cervical cancer, and *doctor's* interpretation of the lab results. Coverage for cervical cancer screening includes Pap smear screening, liquid-based cytology, and human papilloma virus detection, and shall follow the American Cancer Society guidelines or guidelines adopted by the North Carolina Advisory Committee on Cancer Coordination and Control.

### Ovarian Cancer Screening

For female *members* age 25 and older at risk for ovarian cancer, an annual screening, including a transvaginal ultrasound and a rectovaginal pelvic examination, is covered. A female *member* is considered "at risk" if she:

- Has a family history with at least one first-degree relative with ovarian cancer; and a second relative, either first-degree or second-degree with breast, ovarian, or nonpolyposis colorectal cancer; or
- Tested positive for a hereditary ovarian cancer syndrome.

### Screening Mammograms

Beginning at age 35, one screening mammogram will be covered per female *member* per calendar year, along with a *doctor's* interpretation of the results. More frequent or earlier mammograms will be covered as recommended by a *doctor* when a female *member* is considered at risk for breast cancer.

A female *member* is "at risk" if she:

- Has a personal history of breast cancer
- Has a personal history of biopsy-proven benign breast disease
- Has a mother, sister, or daughter who has or has had breast cancer, or
- Has not given birth before the age of 30.

### Colorectal Screening

Colorectal cancer examinations and laboratory tests for cancer are covered for any symptomatic or asymptomatic *member* who is at least 50 years of age, or is less than 50 years of age and at high risk for colorectal cancer. Increased/high risk individuals are those who have a higher potential of developing colon cancer because of a personal or family history of certain intestinal disorders. Some of these procedures are considered *surgery*, such as colonoscopy and sigmoidoscopy, and others are considered lab tests, such as Hemoccult screenings.

The *provider* search on the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** can help you find office-based *providers* or call BCBSNC Customer Service at the number listed in "Whom Do I Call?" for this information.

### Prostate Screening

One prostate specific antigen (PSA) test or an equivalent serological test will be covered per male *member* per calendar year. Additional PSA tests will be covered if recommended by a *doctor*.

## Diagnostic Services

Diagnostic procedures such as laboratory studies, radiology services and other diagnostic testing, which may include electroencephalograms (EEGs), electrocardiograms (ECGs), Doppler scans and pulmonary function tests (PFTs), help your *doctor* find the cause and extent of your condition in order to plan for your care.

Certain diagnostic imaging procedures, such as CT scans and MRIs, may require *prior review* and *certification* or services will not be covered.

Your *doctor* may refer you to a freestanding radiology center for these procedures. Separate benefits for interpretation of diagnostic services by the attending *doctor* are not provided in addition to benefits for that *doctor's* medical or surgical services, except as otherwise determined by BCBSNC.

Benefits may differ depending on where the service is performed and if the service is received with any other service or associated with a surgical procedure. See "Summary Of Benefits."

### Bone Mass Measurement Services

The *Plan* covers one scientifically proven and approved bone mass measurement for the diagnosis and evaluation of osteoporosis or low bone mass during any 23-month period for certain qualified individuals only. Additional follow-up bone mass measurement tests will be covered if *medically necessary*. Qualified individuals include *members* who have any one of the following conditions:

- Estrogen-deficient and at clinical risk of osteoporosis or low bone mass
- Radiographic osteopenia anywhere in the skeleton
- Receiving long-term glucocorticoid (steroid) therapy
- Primary hyperparathyroidism
- Being monitored to assess the response or effect of commonly accepted osteoporosis drug therapies
- History of low-trauma fractures
- Other conditions, or receiving medical therapies known to cause osteoporosis or low bone mass.

See *Outpatient* Services in the "Summary Of Benefits."

## *Emergency* Care

The *Plan* provides benefits for *emergency services*. An *emergency* is the sudden and unexpected onset of a condition of such severity that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in any of the following:

- Placing the health of an individual, or with respect to a pregnant woman the health of the pregnant woman or her unborn child, in serious jeopardy
- Serious physical impairment to bodily functions
- Serious dysfunction of any bodily organ or part
- Death.

Heart attacks, strokes, uncontrolled bleeding, poisonings, major burns, prolonged loss of consciousness, spinal injuries, shock and other severe, acute conditions are examples of *emergencies*.

### What To Do In An *Emergency*

In an *emergency*, you should seek care immediately from an emergency room or other similar facility. If necessary and available, call 911 or use other community emergency resources to obtain assistance in handling life-threatening *emergencies*. If you are unsure if your condition is an *emergency*, you can call HealthLine Blue; and a HealthLine Blue nurse will provide information and support that may save you an unnecessary trip to the emergency room.

*Prior review* is not required for *emergency services*. Your visit to the emergency room will be covered if your condition meets the definition of an *emergency*.

If you go to an emergency room for treatment of an *emergency*, your *coinsurance* will be the same, whether you use an *in-network* or *out-of-network provider*. When you receive these services from an *out-of-network provider*, benefits are based on the billed amount. However you may be responsible for charges billed separately by the *provider* which are not eligible for additional reimbursement, and you may be required to pay the entire bill at the time of service, and file a claim with BCBSNC.

*Prior review* and *certification* by BCBSNC are required for *inpatient* hospitalization and other selected services following *emergency services* (including screening and stabilization) in order to avoid a penalty. You may need to transfer to an *in-network hospital* once your condition has been *stabilized* in order to continue receiving *in-network* benefits.

### Care Following *Emergency Services*

In order to receive *in-network* benefits for follow-up care related to the *emergency* (such as *office visits* or therapy once you left the emergency room or were discharged from the *hospital*), you must use *in-network providers*. Follow-up care related to the *emergency* condition is not considered an *emergency* and will be treated the same as a normal health care benefit.

## *Urgent Care*

The *Plan* also provides benefits for *urgent care* services. When you need *urgent care*, call your *PCP*, a *specialist* or go to an *urgent care provider*. If you are not sure if your condition requires *urgent care*, you can call HealthLine Blue.

## COVERED SERVICES (cont.)

*Urgent care* includes services provided for a condition that occurs suddenly and unexpectedly and requires prompt diagnosis or treatment such that, in the absence of immediate care, the *member* could reasonably be expected to suffer chronic illness, prolonged impairment or the need for more serious treatment. Fever over 101 degrees Fahrenheit, ear infection, sprains, some lacerations and dizziness are examples of conditions that would be considered urgent.

### Family Planning

#### Maternity Care

Maternity care benefits, including prenatal care, labor and delivery and post-delivery care, are available to all female *members*. A *copayment* may apply for the *office visit* to diagnose pregnancy. If a *member* changes *providers* during pregnancy, terminates coverage during pregnancy, or the pregnancy does not result in delivery, one or more *copayments* may be charged for pre-natal services depending upon how the services are billed by the *provider*.

**Statement Of Rights Under The Newborns' And Mothers' Health Protection Act**

Under federal law, group health plans and health insurance issuers offering group health insurance coverage generally may not restrict benefits for any *hospital* length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a delivery by cesarean section. However, the plan or issuer may pay for a shorter stay if the attending *provider* (e.g., your *doctor*, nurse midwife or physician assistant), after consultation with the mother, discharges the mother or newborn earlier.

Also, under federal law, group health plans and health insurance issuers may not set the level of benefits or out-of-pocket costs so that any later portion of the 48-hour (or 96-hour) stay is treated in a manner less favorable to the mother or newborn than any earlier portion of the stay.

In addition, a plan or issuer may not, under federal law, require that a *doctor* or other health care *provider* obtain *certification* for prescribing a length of stay of up to 48 hours (or 96 hours). However, to use certain *providers* or facilities, or to reduce your out-of-pocket costs, you may be required to obtain *certification*.

If the mother chooses a shorter stay, coverage is available for a *home health* visit for post-delivery follow-up care if received within 72 hours of discharge. In order to avoid a penalty, *prior review* and *certification* are required for *inpatient* stays extending beyond 48 hours following a vaginal delivery or 96 hours following a cesarean section. For information on *certification*, contact BCBSNC Customer Service at the number listed in "Whom Do I Call?"

#### Termination of Pregnancy (Therapeutic Abortion)

Benefits for therapeutic abortion are available through the first 16 weeks of pregnancy for all female *members*.

#### *Complications Of Pregnancy*

Benefits for *complications of pregnancy* are available to all female *members* including dependent children. Please see "Definitions" for an explanation of *complications of pregnancy*.

#### Newborn Care

*Inpatient* newborn care of a well baby is covered under the mother's maternity benefits described above only during the first 48 hours after a vaginal delivery or 96 hours after delivery by cesarean section. This *inpatient* newborn care (well baby) requires only one admission *copayment* or *benefit period deductible* for both mother and baby. Benefits also include newborn hearing screening ordered by a *doctor* to determine the presence of permanent hearing loss.

For additional coverage of the newborn, whether *inpatient* (sick baby) or *outpatient*, the newborn must be enrolled for coverage as a dependent child within 31 days of the birth. At this time, the baby must meet the individual *benefit period deductible* if applicable, and *prior review* and *certification* are required to avoid a penalty.

#### *Infertility* And *Sexual Dysfunction* Services

Benefits are provided for certain services related to the diagnosis, treatment and correction of any underlying causes of *infertility* and *sexual dysfunction* for all *members* except dependent children.

#### Sterilization

This benefit is available for all *members* except dependent children. Sterilization includes female tubal ligation and male vasectomy.

### Family Planning Exclusions

- The collection and storage of blood and stem cells taken from the umbilical cord and placenta for future use in fighting a disease
- Artificial means of conception, including, but not limited to, artificial insemination, in-vitro fertilization (IVF), ovum or embryo placement, intracytoplasmic sperm insemination (ICSI), and gamete intrafallopian tube placement (GIFT) and associated services
- Donor eggs and sperm
- Surrogate mothers
- Care or treatment of the following:
  - termination of pregnancy
  - contraceptive devices
  - reversal of sterilization
  - *infertility* and *sexual dysfunction* for dependent children.
- Elective abortion
- Treatment for *infertility* or reduced fertility that results from a prior sterilization procedure or when *infertility* or reduced fertility is the result of a normal physiological change such as menopause.

## Facility Services

- *Outpatient* services received in a *hospital*, a *hospital*-based facility or an *outpatient clinic*.
- *Inpatient hospital* services. If you are admitted before the *effective date*, benefits will not be available for services received prior to the *effective date*. *Prior review* must be requested and *certification* must be obtained in advance from BCBSNC to avoid a penalty, except for maternity deliveries and *emergencies*. See "Maternity Care" and "*Emergency* Care."
- Surgical services received in an *ambulatory surgical center*
- *Covered services* received in a *skilled nursing facility*. *Prior review* must be requested and *certification* must be obtained in advance from BCBSNC to avoid a penalty. *Skilled nursing facility* services are limited to a day maximum per *benefit period*. See "Summary Of Benefits."

## Other Services

### *Ambulance* Services

The *Plan* covers services in a ground *ambulance* traveling:

- From a *member's* home or scene of an accident or *emergency* to a *hospital*
- Between *hospitals*
- Between a *hospital* and a *skilled nursing facility*

when such a facility is the closest one that can provide *covered services* appropriate to your condition. Benefits may also be provided for *ambulance* services from a *hospital* or *skilled nursing facility* to a *member's* home when *medically necessary*.

The *Plan* covers services in an air *ambulance* traveling from the site of an *emergency* to a *hospital* when such a facility is the closest one that can provide *covered services* appropriate to your condition and ground transportation is not medically appropriate due to the severity of the illness or the pick-up point is inaccessible by land. Nonemergency air *ambulance* services require *prior review* and *certification* or services will not be covered.

#### *Ambulance* Service Exclusion

- No benefits are provided primarily for the convenience of travel.

### Blood

The *Plan* covers the cost of transfusions of blood, plasma, blood plasma expanders and other fluids injected into the bloodstream. Benefits are provided for the cost of storing a *member's* own blood only when it is stored and used for a previously scheduled procedure.

#### Blood Exclusion

- Charges for the collection or obtainment of blood or blood products from a blood donor, including the *member* in the case of autologous blood donation.

### Clinical Trials

The *Plan* provides benefits for participation in clinical trials phases II, III, and IV. Coverage is provided only for *medically necessary* costs of health care services associated with the trials, and only to the extent such costs

have not been or are not funded by other resources. The *member* must meet all protocol requirements and provide informed consent in order to participate. The trial must involve the treatment of a life-threatening medical condition with services that are medically indicated and preferable for that *member* compared to non-*investigational* alternatives. In addition, the trial must:

- Involve determinations by treating physicians, relevant scientific data and opinions of relevant medical specialists
- Be approved by centers or groups funded by the National Institutes of Health, the Food and Drug Administration (FDA), the Centers for Disease Control and Prevention, the Agency for Health Care Research and Quality, the Department of Defense or the Department of Veterans Affairs
- Be conducted in a setting and by personnel of high expertise based on training, experience and patient volume.

**Clinical Trials Exclusions**

- Clinical trials phase 1
- Non-health care services, such as services provided for data collection and analysis
- *Investigational* drugs and devices and services that are not for the direct clinical management of the patient.

### Dental Treatment Covered Under Your Medical Benefit

The *Plan* provides benefits for services provided by a duly licensed *doctor, doctor* of dental *surgery* or *doctor* of dental medicine for diagnostic, therapeutic or surgical procedures, including oral *surgery* involving bones or joints of the jaw, when the procedure is related to one of the following conditions:

- Accidental injury of the natural teeth, jaw, cheeks, lips, tongue, roof and floor of the mouth
- *Congenital* deformity, including cleft lip and cleft palate
- Disease due to infection or tumor, including tumors, cysts and exostosis
- Temporomandibular joint (TMJ) disease, including splinting and use of intra-oral *prosthetic appliances* to reposition the bones. Surgical benefits for TMJ disease are limited to *surgery* performed on the temporomandibular joint. If TMJ is caused by malocclusion, then benefits are provided for surgical correction of malocclusion if surgical management of the TMJ is *medically necessary*. Please have your *provider* contact BCBSNC before receiving treatment for TMJ.
- Impacted wisdom teeth.

The *Plan* provides benefits for extractions, crowns, bridges, and dentures for treatment of disease due to infection or tumor. For treatment of *congenital* deformity including cleft lip and cleft palate, benefits may be provided for dentures and orthodontic braces used to treat the condition.

When any of the conditions listed above require surgical correction, benefits for *surgery* will be subject to *medical necessity* review to examine whether or not the condition resulted in functional impairment. Examples of functional impairment include an impairment that affects speech or the ability to eat, or injury to soft tissue of the mouth.

In special cases, benefits are only provided for anesthesia and facility charges related to dental procedures performed in a *hospital* or *ambulatory surgical center*. This benefit is only available to dependent children below the age of nine years, persons with serious mental or physical conditions and persons with significant behavioral problems. The treating *provider* must certify that the patient's age, condition or problem requires hospitalization or general anesthesia in order to safely and effectively perform the procedure. Other *dental services*, including the charge for *surgery*, are not covered unless specifically covered by the *Plan*. *Prior review* and *certification* are required or services will not be covered, unless treatment is for an *emergency*.

**Dental Treatment Excluded Under Your Medical Benefit**

- Injury related to chewing or biting
- Preventive dental care, diagnosis or treatment of or related to the teeth or gums
- For disease due to infection or tumor:
  - Dental implants
  - Treatment for periodontal disease
  - Dental root form implants or root canals
  - Orthodontic braces
- For TMJ disease:
  - Dental implants
  - Treatment for periodontal disease

- Dental root form implants or root canals
- Crowns and bridges
- Extractions
- Dentures
- Orthodontic braces

- Replacement of crowns, bridges, dentures or in-mouth appliances, except as specifically stated as covered.

### *Durable Medical Equipment*

Benefits are provided for *durable medical equipment* and supplies required for operation of equipment when prescribed by a *doctor*. Equipment may be purchased or rented at the discretion of the *Plan*. The *Plan* provides benefits for repair or replacement of the covered equipment. Benefits will end when it is determined that the equipment is no longer *medically necessary*. Certain *durable medical equipment* requires *prior review* and *certification* or services will not be covered.

#### *Durable Medical Equipment* Exclusions

- Appliances that serve no medical purpose or that are primarily for comfort or convenience
- Repair or replacement of equipment due to abuse or desire for new equipment
- Rental or purchase of wheelchairs, hospital type beds, oxygen equipment (including oxygen), insulin pumps, Glucowatch and Autosensors, nebulizers and supplies related to the use of nebulizers and other *durable medical equipment*, subject to the following:
  - The equipment must be prescribed by a physician and needed in the treatment of an illness or injury and will be provided on a rental basis for the period of treatment. At our option, such equipment may be purchased. If the equipment is purchased, benefits will be payable for subsequent repairs necessary to restore the equipment to a serviceable condition; subsequent repairs due to abuse or misuse, as determined by BCBSNC, are not covered;
  - Benefits will be limited to the standard models, as determined by BCBSNC;
  - The *Plan* will pay benefits, if determined to be *medically necessary*, for ONE of the following: a manual wheelchair, a motorized wheelchair, or motorized scooter.

BCBSNC will pay benefits for the replacement of any *durable medical equipment* subject to the proof of change in a medical condition or that the equipment is no longer usable or repairable.

### Eye Exams

The *Plan* provides coverage for one routine comprehensive eye examination per *benefit period*. Diagnosis and treatment of medical conditions of the eye, and drugs administered for purposes other than for a visual examination, are not considered to be part of a routine eye exam and are subject to the benefits, limitations and exclusions of the *Plan*.

#### Eye Exams Exclusion

- Fitting for contact lenses, glasses or other hardware.

### *Home Health* Care

*Home health* care services, such as professional services of a *registered nurse (RN)* or *licensed practical nurse (LPN)* for visits totaling 8 hours a day, are covered by the *Plan* when the *member* is *homebound* due to illness or injury. *Home health* care requires *prior review* and *certification* or services will not be covered.

#### *Home Health* Care Exclusions

- Homemaker services, such as cooking and housekeeping
- Dietitian services or meals
- Services that are provided by a close relative or a member of your household.

### Home Infusion Therapy Services

Home infusion therapy is covered for the administration of *prescription drugs* directly into a body organ or cavity or via intravenous, intraspinal, intramuscular, subcutaneous or epidural routes, under a plan prescribed by a *doctor*. These services must be provided under the supervision of an *RN* or *LPN*. Home infusion therapy requires *prior review* and *certification* or services will not be covered.

### *Hospice* Services

- Your coverage provides benefits for *hospice* services for care of a terminally ill *member* with a life expectancy of six months or less. Services are covered only as part of a licensed health care program centrally coordinated through an interdisciplinary team directed by a *doctor* that provides an integrated set

of services and supplies designed to give comfort, pain relief and support to terminally ill patients and their families.

**Hospice Services Exclusion**

- Homemaker services, such as cooking, housekeeping, food or meals.

### Medical Supplies

Coverage is provided for *medical supplies* such as ostomy supplies, catheters, oxygen and diabetic pump and pump supplies (needles, syringes, teststrips are covered under the pharmacy plan). To obtain *medical supplies*/equipment, please find a *provider* on the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy** or call BCBSNC Customer Service.

**Medical Supplies Exclusion**

- *Medical supplies* not ordered by a *doctor* for treatment of a specific diagnosis or procedure.

### Orthotic Devices

Orthotic devices, which are rigid or semi-rigid supportive devices that restrict or eliminate motion of a weak or diseased body part, are covered if *medically necessary* and prescribed by a *provider*. Foot orthotics may be covered only when custom molded to the patient. Charges for custom built orthopedic shoes when *medically necessary* must be prescribed by a *doctor* and limited to two (2) pairs per calendar year. Orthotic devices for correction of *positional plagiocephaly*, including dynamic orthotic cranioplasty (DOC) bands and soft helmets, are subject to a benefit limit.

**Orthotic Devices Exclusions**

- Pre-molded foot orthotics
- Over-the-counter supportive devices.

### Private Duty Nursing

The *Plan* provides benefits for *medically necessary* private duty services of an *RN* or *LPN* when ordered by your *doctor*. *Prior review* must be requested and *certification* must be obtained or services will not be covered. These services are always subject to the *deductible* and *coinsurance*, regardless of location of service.

**Private Duty Nursing Exclusion**

- Services provided by a close relative or a member of your household.

### Prosthetic Appliances

The *Plan* provides benefits for the purchase, fitting, adjustments, repairs, and replacement of *prosthetic appliances*. The *prosthetic appliances* must replace all or part of a body part or its function. The type of *prosthetic appliance* will be based on the functional level of the *member*. Therapeutic contact lenses may be covered when used as a corneal bandage for a medical condition. Benefits include a one-time replacement of eyeglass or contact lenses due to a prescription change after cataract *surgery*. Certain *prosthetic appliances* require *prior review* and *certification* or services will not be covered.

**Prosthetic Appliances Exclusions**

- Dental appliances except when *medically necessary* for the treatment of temporomandibular joint disease
- *Cosmetic* improvements, such as implantation of hair follicles and skin tone enhancements
- Lenses for keratoconus or any other eye procedure except as specifically covered under the *Plan*.

## Surgical Benefits

Surgical benefits by a professional or facility *provider* on an *inpatient* or *outpatient* basis, including pre-operative and post-operative care and care of complications, are covered. Surgical benefits include diagnostic *surgery*, such as biopsies, sigmoidoscopies and colonoscopies, and reconstructive *surgery* performed to correct *congenital* defects that result in functional impairment of newborn, adoptive and foster children.

Certain surgical procedures, including those that are potentially *cosmetic*, require *prior review* and *certification* or services will not be covered.

Multiple surgical procedures performed on the same date of service and/or during the same patient encounter, may not be eligible for separate reimbursement. For information about coverage of multiple surgical procedures, please refer to BCBSNC's medical policies, which are on the BCBSNC Web site at **www.bcbsnc.com/members/duke-energy**, or call BCBSNC Customer Service at the number listed in "Whom Do I Call?"

### Anesthesia

Your anesthesia benefit includes coverage for general, spinal block or monitored regional anesthesia ordered by the attending *doctor* and administered by or under the supervision of a *doctor* other than the attending surgeon or assistant at *surgery*. Separate benefits are not available for related services. Your coverage does not provide additional benefits for local anesthetics, which are covered as part of your surgical benefit.

### Mastectomy Benefits

Under the Women's Health and Cancer Rights Act of 1998, the *Plan* provides for the following services related to mastectomy *surgery*:

- Reconstruction of the breast on which the mastectomy has been performed
- *Surgery* and reconstruction of the nondiseased breast to produce a symmetrical appearance without regard to the lapse of time between the mastectomy and the reconstructive *surgery*
- Prostheses and physical complications of all stages of the mastectomy, including lymphedemas.

Please note that the decision to discharge the patient following mastectomy *surgery* is made by the attending physician in consultation with the patient.

The benefits described above are subject to the same *deductibles, copayment* or *coinsurance* and limitations as applied to other medical and surgical benefits provided under the *Plan*.

## Therapies

The *Plan* provides coverage for the following therapy services to promote the recovery of a *member* from an illness, disease or injury. A *doctor* or *other professional provider* must order these services.

### *Short-Term Rehabilitative Therapies*

The following therapies are covered only for treatment of conditions that are expected to result in significant clinical improvement in a *member's* condition:

- Occupational therapy and/or physical therapy
- Speech therapy.

Benefits are limited to a visit maximum for occupational and/or physical therapy, speech therapy, chiropractic or any combination of these therapies. These visit limits apply in all places of service except *inpatient* (e.g., *outpatient*, office and home) regardless of the type of *provider* (chiropractors, other *doctors*, physical therapists). *Short-term rehabilitative therapy* received while an *inpatient* is not included in the *benefit period maximum*.

### *Other Therapies*

The *Plan* covers:

- Cardiac rehabilitation therapy
- Pulmonary and respiratory therapy
- Dialysis treatment
- Chemotherapy, including intravenous chemotherapy. For bone marrow or peripheral blood stem cell *transplants*, see "*Transplants*."