

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE ADJUSTMENT
OF NATURAL GAS RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2025-00125

FILING REQUIREMENTS

VOLUME 13

Duke Energy Kentucky, Inc.
Case No. 2025-00125
Forecasted Test Period Filing Requirements
Table of Contents

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	Amy B. Spiller
1	2	807 KAR 5:001 Section 7(1)	The original and 10 copies of application plus copy for anyone named as interested party.	Amy B. Spiller
1	3	807 KAR 5:001 Section 12(2)	<p>(a) Amount and kinds of stock authorized.</p> <p>(b) Amount and kinds of stock issued and outstanding.</p> <p>(c) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.</p> <p>(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.</p> <p>(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.</p> <p>(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.</p> <p>(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.</p> <p>(h) Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.</p> <p>(i) Detailed income statement and balance sheet.</p>	Thomas J. Heath, Jr. Linda L. Miller
1	4	807 KAR 5:001 Section 14(1)	Full name, mailing address, and electronic mail address of applicant and reference to the particular provision of law requiring PSC approval.	Amy B. Spiller
1	5	807 KAR 5:001 Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.	Amy B. Spiller

1	6	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	Amy B. Spiller
1	7	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	Amy B. Spiller
1	8	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	Amy B. Spiller Sarah E. Lawler
1	9	807 KAR 5:001 Section 16 (1)(b)(2)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Amy B. Spiller
1	10	807 KAR 5:001 Section 16 (1)(b)(3)	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.	Bruce L. Sailors
1	11	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Bruce L. Sailors
1	12	807 KAR 5:001 Section 16 (1)(b)(5)	A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.	Amy B. Spiller
1	13	807 KAR 5:001 Section 16(2)	If gross annual revenues exceed \$5,000,000, written notice of intent filed at least 30 days, but not more than 60 days prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Amy B. Spiller
1	14	807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	Amy B. Spiller
1	15	807 KAR 5:001 Section 16(6)(a)	The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.	Clare C. Hudson
1	16	807 KAR 5:001 Section 16(6)(b)	Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.	Jefferson "Jay" P. Brown Claire C. Hudson Sharif S. Mitchell
1	17	807 KAR 5:001 Section 16(6)(c)	Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.	Jefferson "Jay" P. Brown
1	18	807 KAR 5:001 Section 16(6)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Claire C. Hudson

1	19	807 KAR 5:001 Section 16(6)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Claire C. Hudson
1	20	807 KAR 5:001 Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Jefferson "Jay" P. Brown
1	21	807 KAR 5:001 Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All Witnesses
1	22	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Claire C. Hudson Brian R. Weisker
1	23	807 KAR 5:001 Section 16(7)(c)	Complete description, which may be in prefilled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Claire C. Hudson
1	24	807 KAR 5:001 Section 16(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Claire C. Hudson
1	25	807 KAR 5:001 Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Amy B. Spiller
1	26	807 KAR 5:001 Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	Claire C. Hudson Brian R. Weisker
1	27	807 KAR 5:001 Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Claire C. Hudson Brian R. Weisker

1	28	807 KAR 5:001 Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Claire C. Hudson Jonathon C. Thorpe Brian R. Weisker
1	29	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	Linda L. Miller
1	30	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	Thomas J. Heath, Jr.
1	31	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	Linda L. Miller
2	32	807 KAR 5:001 Section 16(7)(l)	Annual report to shareholders or members and statistical supplements for the most recent 2 years prior to application filing date.	Thomas J. Heath, Jr.
3	33	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Linda L. Miller
3	34	807 KAR 5:001 Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Linda L. Miller
3	35	807 KAR 5:001 Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Linda L. Miller Claire C. Hudson
3-8	36	807 KAR 5:001 Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Linda L. Miller
8	37	807 KAR 5:001 Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Linda L. Miller
8	38	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Thomas J. Heath, Jr.

9	39	807 KAR 5:001 Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
9	40	807 KAR 5:001 Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Jefferson "Jay" P. Brown
9	41	807 KAR 5:001 Section 16(7)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Rebekah E. Buck
9	42	807 KAR 5:001 Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	Douglas J. Heitkamp
9	43	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	Not Applicable
9	44	807 KAR 5:001 Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Jefferson "Jay" P. Brown

9	45	807 KAR 5:001 Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Jefferson "Jay" P. Brown Douglas J. Heitkamp Claire C. Hudson Linda L. Miller Sharif S. Mitchell John R. Panizza
9	46	807 KAR 5:001 Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Jefferson "Jay" P. Brown
9	47	807 KAR 5:001 Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Jefferson "Jay" P. Brown Douglas J. Heitkamp Claire C. Hudson Sharif S. Mitchell Lindsay B. Philemon
9	48	807 KAR 5:001 Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	John R. Panizza
9	49	807 KAR 5:001 Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Jefferson "Jay" P. Brown
9	50	807 KAR 5:001 Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Jefferson "Jay" P. Brown Shannon A. Caldwell
9	51	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Jefferson "Jay" P. Brown
9	52	807 KAR 5:001 Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Claire C. Hudson Linda L. Miller
9	53	807 KAR 5:001 Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Thomas J. Heath, Jr.
9	54	807 KAR 5:001 Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Thomas J. Heath, Jr. Claire C. Hudson Linda L. Miller Sharif S. Mitchell
9	55	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailors
9	56	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Bruce L. Sailors
9	57	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailors
9	58	807 KAR 5:001 Section 16(9)	The commission shall notify the applicant of any deficiencies in the application within thirty (30) days of the application's submission. An application shall not be accepted for filing until the utility has cured all noted deficiencies.	Sarah E. Lawler

9	59	807 KAR 5:001 Section 16(10)	<p>A request for a waiver from the requirements of this section shall include the specific reasons for the request. The commission shall grant the request upon good cause shown by the utility. In determining if good cause has been shown, the commission shall consider:</p> <ol style="list-style-type: none"> 1. if other information that the utility would provide if the waiver is granted is sufficient to allow the commission to effectively and efficiently review the rate application; 2. if the information that is the subject of the waiver request is normally maintained by the utility or reasonably available to it from the information that it maintains; and 3. the expense to the utility in providing the information that is the subject of the waiver request. 	Not Applicable
9	60	807 KAR 5:001 Section (17)(1)	<p>(1) Public postings.</p> <p>(a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission.</p> <p>(b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites:</p> <ol style="list-style-type: none"> 1. A copy of the public notice; and 2. A hyperlink to the location on the commission's Web site where the case documents are available. <p>(c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.</p>	Amy B. Spiller
9	61	807 KAR 5:001 Section 17(2)	<p>(2) Customer Notice.</p> <p>(a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission.</p> <p>(b) If a utility has more than twenty (20) customers, it shall provide notice by:</p> <ol style="list-style-type: none"> 1. Including notice with customer bills mailed no later than the date the application is submitted to the commission; 2. Mailing a written notice to each customer no later than the date the application is submitted to the commission; 3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or 4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission. <p>(c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.</p>	Amy B. Spiller

9	62	807 KAR 5:001 Section 17(3)	<p>(3) Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission:</p> <p>(a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing;</p> <p>(b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or</p> <p>(c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.</p>	Amy B. Spiller
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9	63	807 KAR 5:001 Section 17(4)	<p>(4) Notice Content. Each notice issued in accordance with this section shall contain:</p> <p>(a) The proposed effective date and the date the proposed rates are expected to be filed with the commission;</p> <p>(b) The present rates and proposed rates for each customer classification to which the proposed rates will apply;</p> <p>(c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;</p> <p>(d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;</p> <p>(e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);</p> <p>(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at http://psc.ky.gov;</p> <p>(g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;</p> <p>(h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</p> <p>(i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and</p> <p>(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.</p>	Bruce L. Sailors
9	64	807 KAR 5:001 Section 17(5)	<p>(5) Abbreviated form of notice. Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all the required information.</p>	Not Applicable

10	-	807 KAR 5:001 Section 16(8)(a) through (k)	Schedule Book (Schedules A-K)	Various
11	-	807 KAR 5:001 Section 16(8)(l) through (n)	Schedules L-N	Bruce L. Sailors
12	-	-	Workpapers	Various
13	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 3)	Various
14	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 3)	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 3)	Various
16-17	-	KRS 278.2205(6)	Cost Allocation Manual	Rebekah E. Buck

TESTIMONY

VOLUME 1 OF 3

**AMY B. SPILLER
JEFFERSON “JAY” P. BROWN
REBEKAH E. BUCK
SHANNON A. CALDWELL**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC., FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS RATES;)	CASE NO.
2) APPROVAL OF NEW TARIFFS; AND 3) ALL)	2025-00125
OTHER REQUIRED APPROVALS, WAIVERS,)	
AND RELIEF.)	

DIRECT TESTIMONY OF

AMY B. SPILLER

ON BEHALF OF

DUKE ENERGY KENTUCKY, INC.

June 2, 2025

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ATTACHMENTS:

Attachment ABS-1 CONFIDENTIAL CX Monitor Summary 2018 through 2024
Attachment ABS-2 CONFIDENTIAL 2024 Fastrack Report Summary

I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Amy B. Spiller, and my business address is 139 East Fourth Street,
3 Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC (DEBS), as State
6 President of Duke Energy Kentucky, Inc., (Duke Energy Kentucky or the
7 Company) and its parent, Duke Energy Ohio, Inc. (Duke Energy Ohio). DEBS
8 provides various administrative and other services to Duke Energy Kentucky and
9 other affiliated companies of Duke Energy Corporation (Duke Energy).

10 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
11 **PROFESSIONAL EXPERIENCE.**

12 A. I received a bachelor's degree in economics and management from Albion
13 College in Michigan and a law degree from Wake Forest University in Winston-
14 Salem, N.C. Following law school, I spent two years working for Business Laws,
15 Inc., a legal publishing company in northeast Ohio. Then, from 1993 to 2003, I
16 rose from associate to partner at Wilson & Markesbery Co., L.P.A., a small
17 insurance defense law firm in Cincinnati, Ohio.

18 I joined Cinergy Corp., (Cinergy) in 2003 as an associate general counsel,
19 focusing on litigation matters. In 2008, following the 2006 merger between
20 Cinergy and Duke Energy, I was promoted to deputy general counsel, assuming
21 responsibility relative to Duke Energy's strategic planning in Ohio and Kentucky.
22 I was also responsible for advancing Duke Energy's rate and regulatory initiatives
23 before the Public Utilities Commission of Ohio and the Kentucky Public Service

1 Commission (Commission). In January 2018, I was named Vice President of
2 Government and Community Affairs for Duke Energy Ohio, where I was
3 responsible for managing state government and regulatory policies, strategies, and
4 relationships affecting Duke Energy Ohio's interests and those of our Ohio
5 customers. On June 1, 2018, I was named to my current position of State
6 President, Duke Energy Ohio and Duke Energy Kentucky.

7 **Q. PLEASE DESCRIBE YOUR DUTIES AS STATE PRESIDENT, DUKE**
8 **ENERGY KENTUCKY.**

9 A. As State President, Duke Energy Kentucky, I am responsible for ensuring that our
10 customers continue to have access to adequate, efficient, and reasonable electric
11 and natural gas service at a fair, just, and reasonable rate and that these services
12 are provided in accordance with applicable federal and state laws and regulations.
13 I am also involved in external efforts relating to governmental and regulatory
14 affairs, interacting with state and community leaders and regulators on matters
15 relevant to Duke Energy Kentucky's business and presence in the
16 Commonwealth. Finally, I am responsible for the Company's community
17 relations and economic development efforts, as well as Duke Energy's charitable
18 contributions in northern Kentucky and southwest Ohio.

19 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY**
20 **PUBLIC SERVICE COMMISSION?**

21 A. Yes. I have previously testified before the Commission.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
2 **PROCEEDING?**

3 A. My testimony provides an overview of Duke Energy Kentucky's natural gas
4 business operations and community involvement in our Northern Kentucky
5 service territory. I discuss Duke Energy Kentucky's levels of customer
6 satisfaction and how the constructive regulatory treatment sought in this
7 proceeding will enable the Company to meet our customers' ever-changing
8 expectations for adequate, efficient, and reasonable service at a fair, just, and
9 reasonable rate.

10 I next provide an overview of Duke Energy Kentucky's need for an
11 increase in natural gas rates and the reasonableness of this request. In this regard,
12 I discuss the Company's support for regional development and growth, while
13 acknowledging – and responding to – our customers' expectations around the
14 services we provide and adapting to a changing energy landscape. Through our
15 Application, the Company is proposing to adjust our rates to reflect the current
16 cost of providing service, recover investments since the Company's last natural
17 gas base rate case, and to recover pipeline replacement costs related to Aldyl-A
18 pipe through the Company's existing pipeline replacement mechanism, the
19 Pipeline Modernization Mechanism (Rider PMM).

20 I introduce the other witnesses testifying on the Company's behalf and, in
21 doing so, provide an overview of their testimony. I also sponsor several Filing
22 Requirements (FR), including those mandated under 807 KAR 5:001: FR 7(1),
23 FR 14(1) through FR 14(4), FR 16(1)(b)(1), FR 16(1)(b)(2), FR 16(1)(b)(5), FR

1 16(2), and FR 16(3). I discuss the existing programs designed to improve
2 efficiency and productivity and the purpose of each program, as required by FR
3 16(7)(a). I provide the management statement of attestation, required by FR
4 16(7)(e), concerning the forecasted financial data. Additionally, I sponsor the
5 affidavit in support of the notice requirements under FR 17(1) through (3).
6 Finally, I sponsor the pre-filing notice as required by KRS 278.180.

II. OVERVIEW OF KENTUCKY OPERATIONS

A. Company Overview

7 **Q. PLEASE DESCRIBE DUKE ENERGY KENTUCKY'S UTILITY**
8 **OPERATIONS IN NORTHERN KENTUCKY.**

9 A. Duke Energy Kentucky provides natural gas service to customers in Bracken,
10 Boone, Campbell, Gallatin, Grant, Kenton, and Pendleton counties in Northern
11 Kentucky.¹ The Company owns, operates, and maintains approximately 1,581
12 miles of gas mains on our natural gas distribution system.

13 Duke Energy Kentucky's natural gas customer classes include
14 approximately 98,656 residential customers, 7,285 commercial customers, and
15 201 industrial customers. Additionally, the Company provides service to
16 numerous public authorities, as well as firm and interruptible transportation
17 customers. Although not heavily industrialized, our relatively densely populated
18 territory consists of a diverse mix of commercial and industrial customers that
19 includes automotive suppliers, food production, transportation, colleges and
20 universities, manufacturing and retail, and health care providers.

¹ Duke Energy Kentucky also provides electric service to approximately 155,000 customers in Boone, Campbell, Grant, Kenton, and Pendleton counties.

1 The Company's local operations as it relates to natural gas utility service
2 are as follows:

- 3 • Cincinnati, Ohio – the headquarters for Duke Energy Kentucky, the
4 Queensgate meter testing facility, and Kellogg Avenue Resource
5 Center
- 6 • Monroe, Ohio – Todhunter Resource Center
- 7 • Monford Heights, Ohio – Resource Center
- 8 • Erlanger, Kentucky – Duke Energy Kentucky's construction and
9 maintenance facility

10 From these locations, Duke Energy Kentucky directs the planning,
11 construction, operation, and maintenance of our natural gas transmission and
12 distribution systems.

13 **Q. PLEASE PROVIDE AN OVERVIEW OF THE DUKE ENERGY**
14 **CORPORATE AND BUSINESS STRUCTURE.**

15 A. Duke Energy is one of the largest utility companies in the United States. Through
16 a series of mergers and acquisitions, including the 2006 merger with Cinergy, the
17 2012 merger with Progress Energy, and the more recent merger with Piedmont
18 Natural Gas Company, Duke Energy now serves approximately 8.6 million
19 electric customers and over 1.7 million natural gas customers in seven states,
20 comprising Kentucky, Ohio, Indiana, Florida, North Carolina, South Carolina,
21 and Tennessee.

22 Duke Energy Kentucky is a wholly owned subsidiary of Duke Energy
23 Ohio. Duke Energy Ohio is a wholly owned subsidiary of Cinergy, which is
24 wholly owned by Duke Energy.

1 **Q. PLEASE DESCRIBE HOW BEING A PART OF THE DUKE ENERGY**
2 **FAMILY OF COMPANIES ASSISTS DUKE ENERGY KENTUCKY IN**
3 **PROVIDING ADEQUATE, EFFICIENT, AND REASONABLE NATURAL**
4 **GAS SERVICE AT A FAIR, JUST, AND REASONABLE RATE FOR ITS**
5 **KENTUCKY CUSTOMERS.**

6 A. As further explained by Duke Energy Kentucky witness Rebekah E. Buck, Duke
7 Energy Kentucky is a party to multiple affiliate service agreements that provide
8 the Company with access to a vast level of resources, experience, and expertise
9 beyond what Duke Energy Kentucky could achieve as a stand-alone utility.²
10 These various agreements include, among other things, a service
11 company/operating company agreement and an operating company agreement.
12 Under the former, Duke Energy Kentucky and, by extension, our customers,
13 benefit from the defined pool of highly skilled attorneys, accountants, engineers,
14 customer service representatives, and other professionals whose time and cost are
15 shared among all utility affiliates within Duke Energy. Under the latter
16 agreement, Duke Energy Kentucky and our customers benefit from the services
17 provided by affiliated utility companies that furnish natural gas and electric
18 service in seven states.

19 Consequently, Duke Energy Kentucky's customers have access to
20 resources, including a highly trained and dedicated workforce from multiple
21 jurisdictions, that are familiar with the Company's systems and are experienced in

² The Commission approved these services agreements in Case No. 2005-00228, involving the Duke Energy/Cinergy merger, again in Case No. 2011-00124 involving the merger between Duke Energy and Progress Energy, and most recently in Case No. 2016-00312 to incorporate Piedmont as an affiliate party to these agreements.

1 the safe operation of the Company's utility infrastructure, thereby enabling the
2 continued and efficient operation of Duke Energy Kentucky's utility system.
3 Pursuant to Commission-approved service agreements, Duke Energy Kentucky is
4 allocated only a portion of these costs. Although this structure affords significant
5 benefit to our customers, it is not a structure with which they have reason to take
6 notice. Indeed, the legal entity structure and relationships discussed above are
7 essentially invisible to and seamless for our Kentucky customers, who receive all
8 their utility services from Duke Energy Kentucky. This corporate structure is
9 designed such that our Kentucky customers will continue to receive adequate,
10 efficient, and reasonable service at a fair, just, and reasonable rate without regard
11 to corporate structure or organization.

B. Community Engagement

12 **Q. PLEASE GIVE AN OVERVIEW OF DUKE ENERGY KENTUCKY'S**
13 **ECONOMIC DEVELOPMENT ACTIVITIES.**

14 A. Duke Energy Kentucky embraces our responsibility to promote economic
15 development in the communities in which we do business. We appreciate that
16 access to affordable, reliable utility service is a critical factor in a company's
17 decision about where to locate or expand its facilities. Duke Energy Kentucky is
18 well-positioned to meet our customers' energy needs and attract job-creating
19 industries and capital investment to our service territory. However, business
20 clients need more than reliable utility service. They also need readily available
21 building sites, access to state and local incentives, flexible workforce training
22 programs, and proximity to a community of customers and business partners.

1 Duke Energy Kentucky assists in meeting these needs through partnerships with
2 our local communities and the Commonwealth of Kentucky.

3 In 2024, Site Selection magazine named Duke Energy one of its Top
4 Utilities in Site Selection for North America, marking the twenty-first consecutive
5 year that Duke Energy has received this honor. To facilitate regional
6 development, Duke Energy launched our Site Readiness Program in 2010. This
7 program is designed to identify, assess, and improve large tracts of industrial land
8 in the service territory, moving them closer to being fully marketable. Under the
9 program, the Company pays for a national site consultant to conduct the site
10 evaluation and due diligence to prepare a robust, comprehensive report that
11 provides recommendations on site improvements and target industries, along with
12 labor statistics tied to the region. A local engineering firm hired by Duke Energy
13 Kentucky provides a detailed desktop analysis of the site's wetlands, topography,
14 and soils and creates conceptual drawings based on the developable acres. The
15 program also helps the local economic development professionals hone their skills
16 for the highly competitive process of responding to requests for information and
17 showcasing their site and community.

18 The Duke Energy Site Readiness Program has evaluated eighteen sites in
19 our Duke Energy Kentucky footprint; five of which have seen substantial
20 development or additional funding to further site readiness, including the Amazon
21 Air Hub facility in Boone County, Niagara Bottling, Diversey, and Chick-Fil-A in
22 Kenton County, and the Southern Campbell County Industrial Site in Campbell

1 County. Thirteen of the eighteen sites are being actively marketed by BE NKY
2 (Build + Elevate Northern Kentucky).

3 In addition to this successful program, our economic development team
4 collaborates with local, regional, and state economic development professionals in
5 attracting new business and jobs to our communities, whether in the field of
6 Advanced Manufacturing, Food and Beverage, Life Sciences, Automotive,
7 Aerospace and Defense, Batteries, Healthcare, Data Centers, or Logistics.

8 Duke Energy Kentucky's strategic partnerships and board memberships
9 with local and regional economic development efforts such as the Regional
10 Economic Development Initiative (REDI) Cincinnati and BE NKY, combined
11 with Duke Energy Kentucky's competitive rates, have resulted in a number of
12 economic development successes in Northern Kentucky.

13 We estimate that our cooperative efforts, along with those of state and
14 local economic development officials, have contributed to the creation of nearly
15 7,039 jobs and more than \$3,214 billion of capital investment in Northern
16 Kentucky since 2012.

17 In addition to these partnerships, Duke Energy Kentucky advances
18 economic development and community vibrancy through our Urban
19 Revitalization Initiative. Since its inception in 2011, this initiative has provided
20 over \$3.4 million to support over 110 projects in our Duke Energy Kentucky and
21 Ohio service areas. These projects, located in the urban core, are designed to
22 restore blighted, vacant properties, thereby enabling, among other things,
23 commercial redevelopment, and job creation. Around half of the funding over the

1 past thirteen years has supported projects in the Northern Kentucky River Cities
2 of Bellevue, Covington, Dayton, Ludlow, and Newport.

3 Along with other Company leaders, I serve on various regional boards and
4 organizations focused on promoting economic development as well as the related
5 topics of workforce, transportation, and community vibrancy. This participation
6 allows Duke Energy Kentucky to effectively support growth in the region and
7 better understand the challenges and opportunities facing our customers. Some of
8 the organizations in which Duke Energy Kentucky leaders have recently been or
9 are currently involved include:

- 10 • INKY Alliance;
- 11 • BE NKY (formerly known as NKY Tri-ED)
- 12 • Catalytic Funding Corp. of Northern Kentucky;
- 13 • Cincinnati Business Committee;
- 14 • Cincinnati Regional Business Committee;
- 15 • Cincinnati Center City Development Corporation;
- 16 • Cincinnati USA Regional Chamber of Commerce;
- 17 • Cintrifuse;
- 18 • Covington Business Council;
- 19 • European American Chamber of Commerce;
- 20 • Gateway Community & Technical College;
- 21 • Kentucky Association of Economic Development;
- 22 • Kentucky Chamber of Commerce;
- 23 • NKU Foundation;

- 1 • NKY Education Council;
- 2 • NKY Workforce Investment Board;
- 3 • NKY Works (formerly known as GROW NKY)
- 4 • Northern Kentucky Chamber of Commerce;
- 5 • Ohio Business Roundtable;
- 6 • Ohio Chamber of Commerce;
- 7 • REDI Cincinnati;
- 8 • The Port of Greater Cincinnati Development Authority; and
- 9 • The Workforce Council of SW Ohio (formerly known as SW Ohio
- 10 Regional Workforce Investment Board).

11 **Q. DESCRIBE DUKE ENERGY KENTUCKY'S CHARITABLE GIVING**
12 **PHILOSOPHY.**

13 A. Duke Energy Kentucky has made good corporate citizenship a priority by giving
14 back to the communities we serve. Since 2016 alone, Duke Energy and the Duke
15 Energy Foundation have contributed over \$7 million in shareholder dollars to
16 Kentucky charitable organizations. In addition to our Urban Revitalization
17 Initiative, these contributions have historically supported initiatives that help
18 create vibrant economies, advance climate resiliency and support opportunity and
19 inclusion. Increasingly, however, over the last several years, financial support has
20 also been directed to victims of extreme weather events as well as relief for small
21 businesses as they continue to recover from the pandemic and economic
22 challenges. Our philanthropic engagement is not only financial in nature. Rather,
23 consistent with Duke Energy's culture of caring, our employees and retirees and

1 their families regularly give back to our communities by volunteering their time.
2 Indeed, from 2016 through this year, over 500 employees and retirees and their
3 families volunteered over 18,000 hours of their time to help our local neighbors.
4 Whether through playground renovation, cemetery improvements, tree planting,
5 or painting, our employees, and retirees, as well as their families, are continually
6 giving back to our communities.

7 **Q. DESCRIBE THE DUKE ENERGY KENTUCKY CUSTOMER SERVICE**
8 **FUNCTIONS AND HOW THE COMPANY ENGAGES WITH**
9 **CUSTOMERS.**

10 A. Duke Energy Kentucky strives to provide superior customer service to our diverse
11 customer base. From the front lines – the customer care call centers and field
12 technicians – to the technology that makes customer service interactions possible,
13 we are investing and improving to meet increasing customer expectations. On the
14 technology front, these digital channels enable real-time communication and
15 interactions between customers and Duke Energy. Of these digital channels, the
16 mobile app and web portal are increasingly critical channels for customers to
17 interact with the Company. Duke Energy Kentucky continues to develop and
18 deploy technologies via its digital channels, such as live agent chat that is
19 available on the web.

20 In addition to technology advancements, the Company continues to
21 explore ways to serve diverse customer needs by establishing dedicated support
22 roles such as Account Managers who are assigned to our large, complex customer
23 accounts to answer questions, provide solutions, and resolve issues. The role of

1 Account Managers and other support roles that are employed by the Company are
2 further discussed in Company witness Lindsay B. Philemon's testimony.

3 **Q. DOES DUKE ENERGY KENTUCKY HAVE OPTIONS TO ASSIST**
4 **FINANCIALLY VULNERABLE CUSTOMERS?**

5 A. Duke Energy Kentucky has a long history of Company, customer, and employee
6 support for low-income customers, some of which I describe herein, and as
7 further detailed in the direct testimony of Company witness Philemon:

- 8 1. Share the Light Fund: Duke Energy continues to aid qualifying
9 customers who are struggling to pay their energy bills through Share
10 the Light Fund contributions that are received from the Company
11 and our employees and customers, as well as Duke Energy
12 shareholders. Each year, Duke Energy contributes \$25,000 and will
13 match, dollar for dollar, up to \$25,000 in customer contributions.
14 The Share the Light Fund is administered in partnership with the
15 Northern Kentucky Community Action Commission (NKCAC)
16 using federal low-income guidelines, as well as need, to determine
17 program eligibility. Residential customers who are eligible may
18 receive assistance of up to \$300 per program year;
- 19 2. Home Energy Assistance: This program provides another source of
20 monthly bill assistance for eligible customers (up to 200 percent of
21 the federal poverty level). Electric or combination electric and
22 natural gas customers can receive up to \$99 per month between
23 January-April and July-September through the subsidy component

1 and up to \$400 is available for immediate assistance through the
2 crisis component for customers who have a past-due balance and/or
3 are in danger of disconnection. This program is funded through a
4 combination of customer charges and shareholder contributions, and
5 is managed by Community Action Kentucky, Inc., and locally, its
6 subcontractor, the NKCAC; and,

- 7 3. Neighborhood Energy Saver Program (NES): This program is an
8 energy efficiency initiative for lower income customers and program
9 measures include attic insulation, air sealing, duct sealing, and smart
10 thermostats. NES resulted in installations of energy efficient
11 upgrades in more than 480 homes in the 2023-2024 program fiscal
12 year.

13 Additionally, the Payment Plus program is available to qualifying
14 residential customers and provides the opportunity to receive up to a \$500
15 reduction of their utility bill. This program is coordinated by the NKCAC and
16 customers are able to earn the reduction on their utility bill by participating in
17 three activities at no cost to them. Through participation in the program,
18 customers will learn how to control their energy bills, receive money-saving tips
19 for balancing their budget and can have their home weatherized. The Company
20 partners with People Working Cooperatively (PWC) to aid in its Weatherization
21 Program that aims to help qualifying customers save energy and decrease
22 expenses through the implementation of energy-saving measures in their homes.

1 In the 2023-2024 program year, nearly 100 Duke Energy Kentucky customers’
2 homes received weatherization services.

3 Lastly, to improve efficiency and effectiveness in applying pledges to
4 customer accounts, we established the Centralized Agency Team as a single
5 contact point for utility assistance agencies. A digital self-service portal was
6 created for agencies to securely access customer account information, process
7 commitments, and make payments. This allows agencies to easily track pledge
8 history and receive notifications for pledge deadlines, leading to better pledge
9 decisions.

C. Customer Satisfaction

10 **Q. HOW DOES DUKE ENERGY KENTUCKY MEASURE PERFORMANCE**
11 **FOR PROVIDING HIGH QUALITY CUSTOMER SERVICE?**

12 A. Duke Energy Kentucky recognizes that customer expectations continuously
13 evolve and that it is critical for the Company to hear and understand the “Voice of
14 the Customer” to improve overall customer satisfaction (CSAT). To that end, the
15 Company operates a robust CSAT program that measures customer satisfaction
16 performance through two primary proprietary tools: Duke Energy’s annual
17 relationship survey – the Customer Experience Monitor (CX Monitor), and Duke
18 Energy’s proprietary transaction survey – Fastrack. These tools are used to
19 measure overall customer satisfaction and perceptions and are discussed further
20 by Company witness Philemon.

1 **Q. PLEASE DESCRIBE THE CX MONITOR SURVEY AND DUKE**
2 **ENERGY KENTUCKY’S PERFORMANCE IN THIS SURVEY.**

3 A. In 2018, the Company launched the CX Monitor, a randomized, census-based
4 survey that measures overall customer sentiment and the ongoing perceptions of
5 the customer experience via an email invitation with an embedded online survey
6 link. The CX Monitor survey is sent annually to all residential, small and medium
7 business customers, and large business customers for whom the Company has a
8 valid email address. Customers are asked to provide feedback regarding their
9 overall sentiment as well as satisfaction with key experiences they have had with
10 the Company over the past 12 months. Examples of these experiences include
11 billing and payment and power quality and reliability. Customers rate overall
12 sentiment and key experience satisfaction on a ‘0-10’ scale while also providing
13 open-ended verbatim comments detailing the primary reason(s) for their score.
14 Scores are reported on a ‘Net’ basis – shown as the share of Promoters (customers
15 providing a score of ‘9’ or ‘10’) minus the share of Detractors (customers
16 providing a score of ‘0-6’). Since the CX Monitor survey launched in 2018, Duke
17 Energy Kentucky alone has collected nearly 39,000 residential natural gas
18 customer surveys through December 2024. Duke Energy Kentucky measured an
19 initial score of +5.3 in February 2018 and improved our NPS score to +47.0 in
20 December 2024. This means that the Company has seen strong improvement in
21 overall customer sentiment in the commonwealth.

1 Confidential Attachment ABS-1 is a copy of the Duke Energy Kentucky
2 Natural Gas Residential CX Monitor customer sentiment results from 2018
3 through 2024.

4 **Q. PLEASE DESCRIBE FASTRACK AND THE COMPANY’S FASTRACK**
5 **PERFORMANCE.**

6 A. In addition to CX Monitor, the Company uses “Fastrack,” a proprietary, post-
7 transaction CSAT measurement program. Fastrack measures customer satisfaction
8 with recent interactions customers have had with the Company. Fastrack was
9 intentionally designed to complement the CX Monitor survey and provide greater
10 insight into experiences that matter to our customers and near real-time feedback
11 to our front line, customer-facing employees. The survey questions cover the
12 customer’s experience regarding completed field work, including requests to
13 “move in” (start and transfer natural gas service), and repair gas trouble/leaks.
14 Analysis of these ratings helps identify specific service strengths and
15 opportunities that drive overall satisfaction and provides guidance for the
16 implementation of process and performance improvement efforts.

17 Duke Energy Kentucky’s customer satisfaction scores indicate that,
18 overall, customer satisfaction with these experiences is relatively high.
19 Throughout 2024, customers provided the following ratings:

- 20 • **Start/Transfer Natural Gas Service:** On average, 70 percent of Duke
21 Energy Kentucky residential customers were Promoters – reporting
22 high levels of satisfaction with their overall start/transfer natural gas

1 service experience – with especially strong performance noted
2 regarding the ‘timeliness’ of their connection.

- 3 • **Gas Trouble/Leak:** With an average share of Promoters topping 87
4 percent, Duke Energy Kentucky residential customers reported
5 significantly high levels of satisfaction with their overall natural gas
6 trouble/leak experience. Customers were especially pleased with the
7 timeliness of the repair, the technician’s performance respecting their
8 property, and the company keeping them informed throughout the
9 process.

10 Confidential Attachment ABS-2 is a copy of the 2024 Duke Energy
11 Kentucky Fastrack results by module.

D. Developments Since the Company’s Last Natural Gas Base Rate Case

12 **Q. PLEASE SUMMARIZE THE SIGNIFICANT OPERATIONAL**
13 **DEVELOPMENTS AND INVESTMENTS THAT HAVE OCCURRED**
14 **SINCE THE COMPANY’S LAST NATURAL GAS BASE RATE CASE.**

15 A. Duke Energy Kentucky continues to make prudent operational decisions and
16 investments in our natural gas delivery system. Since the Company’s last natural
17 gas base rate case filed in 2021, Duke Energy Kentucky has invested
18 approximately \$153 million in additional natural gas infrastructure to enhance the
19 safety, reliability, and resiliency of our natural gas delivery system and to support
20 localized economic development through adequate infrastructure and capacity in
21 areas where growth is occurring. Additionally, since our last natural gas rate case,
22 the Company has made investments needed to respond to controlling pipeline
23 safety regulations and evolving customer expectations. These investments are

1 discussed in greater detail by Company witnesses Brian R. Weisker and Adam
2 Long in their testimonies.

3 **Q. PLEASE BRIEFLY DESCRIBE THE COMPANY'S AM07 PIPELINE.**

4 A. AM07 is the primary artery that transports natural gas from upstream suppliers to
5 Duke Energy Kentucky's natural gas delivery system. The existing AM07
6 pipeline extends approximately sixteen miles to the Ohio River and supports
7 natural gas delivery throughout the Duke Energy Kentucky natural gas delivery
8 system via connected pipelines. The AM07 pipeline was constructed in the
9 1950's, in accordance with industry standards at the time. Today, AM07 is of a
10 vintage where the materials are no longer industry standard. The majority of
11 AM07 was constructed with A. O. Smith (AOS) pipe. AOS pipe has a history of
12 failures due to hard spots in the pipe body along with failures on the longitudinal
13 seam. As part of the Company's 2021 natural gas rate case, the Company received
14 approval to implement Rider PMM to recover the costs of replacing the AM07
15 through several phases. These costs are not included in rate base in this
16 proceeding as they are recovered through Rider PMM separately.

17 **Q. PLEASE BRIEFLY DISCUSS THE NEED FOR CONTINUING**
18 **INVESTMENTS IN THE DISTRIBUTION SYSTEM.**

19 A. Duke Energy Kentucky has regularly made prudent investments in our natural gas
20 delivery system, as needed for its continued safe, reliable, and efficient operation.
21 And, over the years, the system has evolved, consistent with applicable standards,
22 changes in technology, and, importantly, changes in our customers' expectations.
23 Our investments and the manner in which they are made have thus also evolved.

1 The Company continues to explore strategies and opportunities to make prudent
2 investments to improve not only the performance of our natural gas delivery
3 system, but also how we interact directly with our customers. These strategies
4 involve examination of new operational technologies including, but not limited to,
5 in-line inspections, metering infrastructure, and additional communication
6 platforms.

7 In addition, as further explained by Mr. Weisker and Mr. Long, ever-
8 evolving federal regulations prompt investments to enable the continued safe and
9 reliable operation of the natural gas system. These projects are included in the
10 Company's Distribution and Transmission Integrity Management Plans. Finally,
11 additional investments are being made that will further enhance customers'
12 overall experience with Duke Energy Kentucky.

13 **Q. NOTWITHSTANDING THE CHANGES YOU PREVIOUSLY**
14 **MENTIONED, DO YOU BELIEVE DUKE ENERGY KENTUCKY**
15 **SUCCESSFULLY MANAGED ITS COSTS OF PROVIDING SERVICE TO**
16 **CUSTOMERS SINCE ITS 2021 NATURAL GAS RATE CASE?**

17 A. Yes. Duke Energy Kentucky has proven successful in and capable of
18 implementing initiatives to manage our costs to serve customers. As explained by
19 Company witness Sarah E. Lawler, the Company's operating expenses have
20 remained relatively stable since our last natural gas base rate case in 2021. This
21 natural gas base rate proceeding is driven by needed capital investments.

22 Although the Company has been diligent in controlling operational and
23 maintenance expense over an extended time, we have had to make significant

1 investment in our natural gas system. As a result, the Company must seek an
2 increase in natural gas base rates in order to have the opportunity to earn a fair
3 and reasonable return.

III. OVERVIEW OF DUKE ENERGY KENTUCKY'S RATE CASE

4 **Q. PLEASE EXPLAIN WHY DUKE ENERGY KENTUCKY PROPOSES TO**
5 **INCREASE ITS NATURAL GAS RATES.**

6 A. Duke Energy Kentucky's natural gas base rates were last updated in 2021 and
7 went in effect in 2022. Those rates are no longer sufficient to cover our cost of
8 service and do not provide an opportunity to earn a fair rate of return on
9 investments. There is a need to adjust rates to reflect the changes in cost of service
10 related to increased capital investments for our natural gas infrastructure. These
11 factors have prompted the Company to propose new rates, as reflected in this
12 proceeding.

13 **Q. PLEASE GENERALLY DESCRIBE DUKE ENERGY KENTUCKY'S**
14 **PROPOSED RATE INCREASE.**

15 A. Duke Energy Kentucky proposes to increase our annual natural gas base rate
16 revenues by \$26.4 million or approximately 17.1 percent, including riders, across
17 all customer classes. This rate increase is necessary to allow Duke Energy
18 Kentucky to recover our costs for providing reliable natural gas service and have
19 the opportunity to earn a fair return on shareholders' investment in natural gas
20 facilities.

21 Additionally, through this case, the Company is also proposing the
22 following enhancements for customers:

- 23 • A fee-free electronic payment process for customers; and

- 1 • Amending its Rider PMM to include replacement of Aldyl-A pipe.

2 **Q. WHAT TEST PERIOD IS THE COMPANY USING IN THIS**
3 **PROCEEDING?**

4 A. Duke Energy Kentucky is using a forecasted test period that spans the twelve
5 months beginning January 1, 2026, and ending December 31, 2026.

6 **IV. INTRODUCTION OF WITNESSES**

7 **Q. PLEASE INTRODUCE THE OTHER WITNESSES IN THIS**
8 **PROCEEDING.**

9 A. I identify below the other individuals who will present testimony on behalf of
10 Duke Energy Kentucky, as well as the subject matters of their respective
11 testimony:

- 12 • Jefferson “Jay” P. Brown, Director, Rates and Regulatory Planning,
13 provides testimony supporting Duke Energy Kentucky’s overall
14 revenue requirement for the test period and certain adjustments to the
15 test period financial data as well as the Company’s request to continue
16 and expand Rider PMM;
- 17 • Rebekah E. Buck, Director of Allocations and Reporting, supports the
18 Company’s various service agreements and associated allocations;
- 19 • Shannon A. Caldwell, Director, Compensation, supports the
20 Company’s compensation and benefits programs;
- 21 • Daniel S. Dane, President, Concentric Energy Advisors, supports the
22 Company’s Lead-Lag Study;

- 1 • Douglas J. Heitkamp, Manager, Rates & Regulatory Strategy, provides
2 testimony regarding Duke Energy Kentucky's cost of service study;
- 3 • Thomas J. Heath Jr., Corporate Finance Director, discusses the
4 Company's credit ratings, financial objectives, cash requirements,
5 capital structure and discusses the Company's dissolution of Cinergy
6 Receivables;
- 7 • Claire C. Hudson, Manager Financial Forecasting, offers testimony
8 supporting Duke Energy Kentucky's budgeting and forecasting
9 processes and sponsors certain forecast information used for the test
10 period financial data;
- 11 • Sarah E. Lawler, Vice President, Rates and Regulatory Strategy
12 OH/KY, provides a detailed overview of the filing;
- 13 • Adam Long, Vice President and Chief Operations Officer Natural Gas,
14 offers testimony discussing the Company's natural gas investments
15 since its last natural gas base rate case and the Company's proposal to
16 replace Aldyl-A pipe and recover related costs through the Company's
17 Rider PMM;
- 18 • Linda L. Miller, Director, Gas & Other Accounting, offers testimony
19 regarding the Company's accounting policies and supports other actual
20 financial data included in this application;
- 21 • Sharif S. Mitchell, Manager Accounting II, offers testimony on Duke
22 Energy Kentucky's capital accounting processes and supports the

1 actual net plant-in service included in proposed rate base and other
2 actual plant-related information;

- 3 • Joshua C. Nowak, Vice President, Concentric Energy Advisors, offers
4 testimony supporting Duke Energy Kentucky's requested rate of
5 return;
- 6 • John R. Panizza, Director, Tax Operations, addresses the Company's
7 tax expense in the test period revenue requirement;
- 8 • Lindsay B. Philemon, Manager Customer Governance and
9 Compliance, discusses the Company's current customer satisfaction
10 initiatives to further improve the customers' experience;
- 11 • Bruce L. Sailors, Director Jurisdictional Rate Administration, offers
12 testimony as to rate design and tariff language;
- 13 • John J. Spanos, Gannet Fleming Valuation and Rate Consultants, LLC,
14 provides testimony on Duke Energy Kentucky's 2024 depreciation
15 study and necessary updates;
- 16 • Jonathan C. Thorpe, Lead Load Forecasting Analyst, performed and
17 supports the Company's natural gas load forecast; and
- 18 • Brian R. Weisker, Senior Vice President and President, Natural Gas,
19 provides an overview of the natural gas operations for both Duke
20 Energy and Duke Energy Kentucky. Mr. Weisker also discusses the
21 Company's safety and integrity initiatives.

V. ATTACHMENTS SPONSORED BY WITNESS

1 **Q. PLEASE DESCRIBE FR 7(1).**

2 A. FR 7(1) requires the original and 10 copies of the Application to be filed plus a
3 copy for anyone named as an interested party. Duke Energy Kentucky elected,
4 and was approved for, the use of electronic filing procedures in this matter, in
5 accordance with 801 KAR 5:001, Section 8. Furthermore, in a July 22, 2021,
6 Order in Case No. 2020-00085, the Commission granted a “permanent deviation
7 from the filing requirement in that section that requires a paper copy be filed with
8 the Commission or other parties to that case.” In accordance with the
9 aforementioned rules and orders, Duke Energy Kentucky will retain the original
10 filing in paper medium.

11 **Q. PLEASE DESCRIBE FR 14(1) THROUGH FR 14(4).**

12 A. These filing requirements provide for the Company to seek proposed new rates
13 through a written Application addressing various matters, including the full name,
14 address, and electronic mail address of the Company, and set forth the facts upon
15 which the Application is based, with a request for the order, authorization,
16 permission, or certificate desired and a reference to the particular law requiring or
17 providing the same. FR 14(2) applies to Duke Energy Kentucky because it is a
18 corporation, registered to do business, and is in good standing in the
19 Commonwealth of Kentucky. The Application submitted in this proceeding
20 includes this information and was prepared at my direction. FR 14(3) and FR
21 14(4) are not applicable to Duke Energy Kentucky because it is neither a limited
22 liability company nor a limited partnership.

1 **Q. PLEASE DESCRIBE FR 16(1)(b)(1).**

2 A. FR 16(1)(b)(1) is a statement for the reason for the adjustment. As I explained
3 above and as further explained by Ms. Lawler, the Company is proposing new
4 natural gas base rates because the present rates reflect the cost of service from the
5 Company's last natural gas base rate case filed in 2021 and updated depreciation
6 rates filed in 2021, which are no longer sufficient to enable the Company to
7 furnish adequate, efficient, and reasonable service at a fair, just, and reasonable
8 rate. Duke Energy Kentucky also needs to reflect the costs of service related to
9 capital investments and the operating and maintenance of our natural gas delivery
10 system that has occurred since the 2021 base rate case.

11 **Q. PLEASE DESCRIBE FR 16(1)(b)(2).**

12 A. FR 16(1)(b)(2) is the certificate of assumed name. Duke Energy Kentucky's
13 actual legal name is "Duke Energy Kentucky, Inc." The Company has filed for
14 the assumed name of "Duke Energy." The certificate of assumed name is
15 provided with our filing.

16 **Q. PLEASE DESCRIBE FR 16(1)(b)(5).**

17 A. FR 16(1)(b)(5) is a statement that customer notice has been given in accordance
18 with the Commission's rules. The Company is publishing notice in accordance
19 with the Commission's regulations.

20 **Q. PLEASE DESCRIBE FR 16(2).**

21 A. FR 16(2) is the notice of intent submitted to the Commission at least 30, but no
22 more than 60, days prior to filing the Application. The notice was filed on April
23 17, 2025, at my direction.

1 **Q. PLEASE DESCRIBE FR 16(3).**

2 A. FR 16(3) states that notice given in accordance with 807 KAR 5:001 Section 17
3 will satisfy notice requirements of 807 KAR 5:051, Section 2. The Company
4 provided notice to customers in accordance with 807 KAR 5:001 Section 17.

5 **Q. PLEASE DESCRIBE FR 16(7)(a).**

6 A. FR 16(7)(a) is a statement of attestation from me, the utility's chief officer in
7 charge of Kentucky operations on the existing programs to achieve improvements
8 in efficiency and productivity, including an explanation of the purpose of each
9 program. The efficiency and productivity benefits that have resulted from these
10 programs have occurred over time and thus are reflected in the Company's
11 budgets included in the forecasted test period in this proceeding. These programs
12 are described below:

- 13 • The Gas Transmission and Distribution Integrity Management
14 Programs, which are designed to enhance the safety and reliability of
15 Duke Energy Kentucky's natural gas distribution service by
16 establishing a systematic plan to perform periodic safety assessments
17 and maintenance activities in response to new federal pipeline safety
18 legislation, as discussed in more detail by Company witnesses Weisker
19 and Long.
- 20 • Duke Energy Kentucky has historically offered Demand Side
21 Management programs that provide energy efficiency services to gas
22 and electric customers. Currently there is one program that provides
23 benefits for gas customers, the Residential Income Qualified Services

1 program. The program offers direct benefits to customers through
2 energy efficiency education, energy use audits, and even home
3 weatherization.

4 The cost savings impacts of these programs are reflected in the forecasted
5 test period.

6 **Q. PLEASE DESCRIBE FR 16(7)(e).**

7 A. FR 16(7)(e) is a statement of attestation signed by me, the utility's chief officer in
8 charge of Kentucky operations, that the forecast is reasonable, reliable, and made
9 in good faith and all basic assumptions used in the forecast have been identified
10 and justified and the forecast contains the same assumptions and methodologies
11 as used in the forecast for use by management or an explanation for differences
12 that exist, if applicable, and that productivity and efficiency gains are included.

13 **Q. PLEASE DESCRIBE FR 17(1)**

14 A. FR 17(1) relates to public postings. Duke Energy Kentucky will post a copy of the
15 notice and Application at our place of business and will also make available on
16 the Company's website a copy of the public notice and a hyperlink to the
17 Commission's website where the case documents will be available.

18 **Q. PLEASE DESCRIBE FR 17(2).**

19 A. FR 17(2) is the customer notice.

20 **Q. PLEASE DESCRIBE FR 17(3).**

21 A. FR 17(3) includes the method of notice. Duke Energy Kentucky has published
22 notice in newspapers of general circulation. Company witness Sailors supports FR

1 17(4), which describes required content of the notice. Duke Energy Kentucky has
2 included all content listed in FR 17(4) in its notice.

3 **Q. PLEASE DESCRIBE FR KRS 278.180.**

4 A. FR KRS 278.180 is the pre-filing notice.

5 **VI. CONCLUSION**

6 **Q. WERE FR 7(1), FR 14(1), FR 14(2), 14(3), 14(4), FR 16(1)(b)(1), FR**
7 **16(1)(b)(2), FR 16(1)(b)(5), FR 16(2), FR 16(3), FR 16(7)(a), FR 16(7)(e), FR**
8 **17(1), FR 17(2), FR 17(3), FR KRS 278.180, AND ATTACHMENTS ABS-1**
9 **THROUGH 3 PREPARED BY YOU OR UNDER YOUR SUPERVISION?**

10 A. Yes.

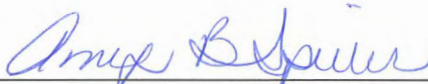
11 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

12 A. Yes.

VERIFICATION

STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:


The undersigned, Amy B. Spiller, State President of Duke Energy Ohio, Inc. and its subsidiary, Duke Energy Kentucky, Inc., being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing testimony and that it is true and correct to the best of her knowledge, information and belief.



Amy B. Spiller, Affiant

Subscribed and sworn to before me by Amy B. Spiller, on this 30TH day of May, 2025.





NOTARY PUBLIC

My Commission Expires:

1/5/2029

CONFIDENTIAL PROPRIETARY TRADE SECRET

CONFIDENTIAL ATTACHMENT ABS-1

FILED UNDER SEAL

CONFIDENTIAL PROPRIETARY TRADE SECRET

CONFIDENTIAL ATTACHMENT ABS-2

FILED UNDER SEAL

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC., FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS RATES;)	CASE NO.
2) APPROVAL OF NEW TARIFFS; AND 3) ALL)	2025-00125
OTHER REQUIRED APPROVALS, WAIVERS,)	
AND RELIEF.)	

DIRECT TESTIMONY OF
JEFFERSON “JAY” P. BROWN
ON BEHALF OF
DUKE ENERGY KENTUCKY, INC.

June 2, 2025

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I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Jefferson “Jay” P. Brown, and my business address is 139 East
3 Fourth Street, Cincinnati, Ohio 45202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC (DEBS) as Director Rates
6 & Regulatory Planning. DEBS provides various administrative and other services
7 to Duke Energy Kentucky, Inc., (Duke Energy Kentucky or Company) and other
8 affiliated companies of Duke Energy Corporation (Duke Energy).

9 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. I earned a Bachelor of Science degree in Business Administration with a major in
12 Business: Finance, Investment and Banking from the University of Wisconsin -
13 Madison. I began my career with The Alexander Companies, a real estate
14 development company, as an Assistant Project Manager in January 2002
15 managing and developing real estate. Subsequently, in December 2003 I began
16 working for Dell Inc., mainly as a Financial Analyst in Worldwide Procurement
17 Finance, accounting for and reporting on supplier rebates. In January 2008, I
18 began working for Bigfoot Networks, a technology start-up. I was in charge of
19 developing distribution, online and retail channels for a new networking product.
20 Beginning in April 2009, I also served as a Financial Advisor for Edward Jones.
21 In June 2011, I began working as a contractor for Progress Energy and since
22 February 2012, I have been employed by, and worked for, companies under what

1 is now Duke Energy. The roles I have held include Sr. Business Finance Analyst
2 and in December 2012, I took the position of Manager Nuclear Station Finance.
3 In August of 2018, I transitioned to the Rates and Regulatory group as a Lead
4 Rates & Regulatory Strategy Analyst, was promoted to Manager of Rates and
5 Regulatory Strategy in January of 2020, and earned a Master of Business
6 Administration from the University of North Carolina Wilmington in July of
7 2020. I assumed my current role as Director of Rates & Regulatory Planning in
8 October of 2020.

9 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS DIRECTOR,**
10 **RATES AND REGULATORY PLANNING.**

11 A. I am responsible for the preparation of financial and accounting data used in retail
12 rate filings and various other rate recovery mechanisms for Duke Energy Kentucky
13 and Duke Energy Ohio, Inc.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY**
15 **PUBLIC SERVICE COMMISSION?**

16 A. Yes.

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
18 **PROCEEDING?**

19 A. I support the revenue requirement proposed by Duke Energy Kentucky. Toward that
20 end, I support various adjustments to the projected data for the forecasted test period
21 provided by Duke Energy Kentucky witness, Claire C. Hudson, and sponsor Filing
22 Requirements (FR) 16(6)(b), 16(6)(c), 16(6)(f), and 16(7)(t). I also sponsor the
23 following schedules: Schedule A in satisfaction of FR 16(8)(a) and Schedule B-1, in

1 response to FR 16(8)(b); Schedules C-1 through C-2.1 in compliance with FR
2 16(8)(c); Schedules D-1, D-2.6, D-2.17 through D.2.23, D.2.25, D.2.27, through D-
3 2.29 in compliance with FR 16(8)(d); Schedules F-1 through F-7 in compliance with
4 FR 16(8)(f); Schedules G-1 and H in response to FR 16(8)(g) and FR16((8)(h),
5 respectively; and Workpapers WPB-1a, WPB-1b, WPB-6c-f, WPC-1a, WPC-2a-e,
6 WPC-2.1a, WPD-2.17a, WPD-2.18a, WPD-2.19a, WPD-2.20a-f, WPD-2.21a,
7 WPD-2.22a-b, WPD-2.23a, WPD-2.25a-b, WPD-2.27a-d, WPD-2.28a-b, WPD-
8 2.29a, WPF-4a-b, WPF-5a-b, WPH-a. In addition to the above, I support the
9 continuation and modification to Rider PMM proposed in this proceeding.

II. TEST PERIOD AND RATE BASE

10 **Q. WHAT IS THE TEST PERIOD IN THIS PROCEEDING?**

11 A. The Company has elected to use a forecasted test period in this proceeding. The
12 forecasted test period reflects the twelve months ending December 31, 2026,
13 adjusted for known and measurable changes. The base period is twelve months
14 ending August 31, 2025, consisting of six months of actual data, through February
15 2025, and the remaining six months of forecasted data.

16 **Q. HOW WERE THE RATE BASE AND CAPITALIZATION DETERMINED**
17 **IN THIS PROCEEDING?**

18 A. The Company determined rate base and capitalization using a thirteen-month
19 average for the forecasted test period ending December 31, 2026. The base period
20 rate base and capitalization represent end-of-period balances.

1 **Q. DID THE COMPANY FOLLOW THE COMMISSION’S GUIDELINES IN**
2 **DEVELOPING THE BASE AND FORECASTED TEST PERIOD DATA?**

3 A. Yes. Per the Commission’s rules, 807 KAR 5:001, Section 16(7)(e)(2), “the forecast
4 contains the same assumptions and methodologies as used in the forecast period for
5 use by management.” As described by Ms. Hudson, the base and forecasted test
6 periods were developed using the same methods applied in the Company’s annual
7 budgeting process. The first six months of the base period are actual results and are
8 taken from the Company’s books and records.

III. FILING REQUIREMENTS SPONSORED BY WITNESS

9 **Q. PLEASE DESCRIBE FR 16(6)(b).**

10 A. FR 16(6)(b) requires that the forecasted adjustments are limited to the twelve months
11 immediately following the suspension period.

12 **Q. PLEASE DESCRIBE FR 16(6)(c).**

13 A. FR 16(6)(c) requires that capitalization and net investment rate base are based on
14 a thirteen-month average for the forecasted test period, in this case, the twelve
15 months ending December 31, 2026.

16 **Q. PLEASE DESCRIBE FR 16(6)(f).**

17 A. FR 16(6)(f) contains a reconciliation of the capital and rate base used to determine
18 the revenue requirement in this case.

19 **Q. PLEASE DESCRIBE FR 16(7)(t).**

20 A. FR 16(7)(t) contains a list of all commercially available or in-house developed
21 computer software, programs, and models used in the development of the schedules
22 and workpapers associated with the filing of the utility’s application.

1 **Q. PLEASE DESCRIBE SCHEDULE A.**

2 A. Schedule A is the overall financial summary for both the base period and the
3 forecasted period at present rates. Based on the filing in this proceeding, as adjusted,
4 the Company's natural gas operations are projected to earn a return on rate base of
5 4.460 percent for the forecasted test period, which is considerably less than the 8.011
6 percent return requested in this proceeding. In order to achieve the appropriate return
7 on rate base, Duke Energy Kentucky's natural gas base revenues must increase
8 \$26,387,365, as shown in Schedule A.

9 **Q. WHY IS THE COMPANY USING RATE BASE AS THE BASIS FOR**
10 **COMPUTING ITS REVENUE REQUIREMENT?**

11 A. The Company believes that using rate base to calculate the revenue requirement is
12 the simplest and most transparent method. The Company's current natural gas base
13 rates were established using rate base as part of the Company's last natural gas base
14 rate proceeding in Case No. 2021-00190. The Commission also authorized Duke
15 Energy Kentucky to use the rate base approach to determine its electric base rates in
16 the Company's most recent electric base rate case. The Company has been
17 requesting, and the Commission has been authorizing the use of rate base in all of its
18 recent electric and natural gas base rate cases since 2018.

19 **Q. PLEASE DESCRIBE SCHEDULE B-1.**

20 A. Schedule B-1 is the jurisdictional rate base summary for both the base and
21 forecasted periods and is supported by various schedules in Section B of the
22 Company's filing. The plant in service, and reserve for accumulated depreciation
23 and amortization for the base and forecasted periods were summarized from

1 Schedules B-2, B-3, and B-3.2 as supported by Company witnesses Mitchell and
2 Hudson. The working capital component was summarized from Schedule B-5, as
3 supported by Ms. Hudson, and other items of rate base were obtained from
4 Schedule B-6, as supported by Company witness John R. Panizza. The
5 jurisdictional natural gas rate base for the forecast period as contained in Schedule
6 B-1 is \$553,831,292.

7 **Q. PLEASE DESCRIBE SCHEDULE C-1.**

8 A. Schedule C-1 is a jurisdictional operating income summary for the forecasted period
9 ended December 31, 2026. This schedule includes the operating income summary at
10 both current and proposed rates. It assumes that the Commission allows the total
11 amount of the requested natural gas base revenue increase of \$26,387,365. The
12 adjusted operating results at current rates were summarized from Schedule C-2 and
13 the proposed increase was obtained from Schedule M. The revenue at proposed rates
14 was developed by adding the revenue increase to the operating revenues at current
15 rates. The related expenses and taxes on the proposed increase were added to the
16 current adjusted operating results to determine the jurisdictional *pro forma* amounts
17 and the corresponding rate of return. The rate base as shown on this schedule is
18 calculated on Schedule B-1.

19 **Q. PLEASE DESCRIBE SCHEDULE C-2.**

20 A. Schedule C-2 is a jurisdictional operating income statement to be used for
21 ratemaking purposes. In order to develop the forecasted test period that is
22 appropriate for ratemaking, a two-step process was required. First, as required by
23 807 KAR 5:001, Section 16(6)(a), it was necessary to show the adjustments

1 necessary to transform the financial data for the base period into the forecasted
2 period. Second, it was necessary to adjust the forecasted period data to reflect any
3 adjustments required to ensure that the revenues and expenses to be recovered in
4 rates are representative of the expected costs to serve Duke Energy Kentucky natural
5 gas customers on an ongoing basis.

6 Schedule C-2 starts with the unadjusted base period and shows the
7 adjustments required to extend the Company's income statement from the base
8 period to the forecasted period. The next column on the schedule summarizes the
9 adjustments to the unadjusted forecasted test period. These adjustments are
10 described below. The unadjusted operating results are summarized from Schedule
11 C-2.1. The adjusted amounts include the effects of the adjustments summarized on
12 Schedule D-1.

13 **Q. PLEASE DESCRIBE SCHEDULE C-2.1.**

14 A. Schedule C-2.1 sets forth the detail of total Company operating results for both the
15 base and forecasted periods. The operating results as shown in this Schedule C-2.1
16 are listed by account and are summarized on Schedule C-2.

17 **Q. PLEASE DESCRIBE SCHEDULE D-1.**

18 A. Schedule D-1 is a summary of the detailed adjustments to base and test period
19 operating revenues and operating expenses as set forth in Schedules D-2.1 through
20 D-2.29.

21 **Q. WHY ARE ADJUSTMENTS TO THE BASE AND FORECASTED**
22 **PERIOD INFORMATION NECESSARY?**

23 A. The adjustments shown in Schedules D-2.1 through D-2.15 reflect the normal

1 budgetary changes that are expected to occur from the base period through the
2 forecasted period. Schedules D-2.1 through D-2.15 are sponsored by Ms. Hudson.
3 The remaining adjustments, shown in Schedules D-2.16 through D-2.29, present
4 adjustments to the forecasted period data needed to ensure that the correct level of
5 revenue and expense is included in rates at the proper ongoing level. Some costs,
6 although reflected in the normal forecasting process, are not recoverable from Duke
7 Energy Kentucky's natural gas customers. Other adjustments were made to reflect
8 traditional ratemaking methodology (e.g., annualizing depreciation expense). The
9 reflection of a proper cost level is necessary in order to ensure that customers are not
10 paying for more than the cost of providing service and to give the Company a
11 reasonable opportunity to earn its authorized return. Ignoring appropriate
12 adjustments to the test period used for setting rates puts customers at risk for
13 overpaying for service and puts the Company at risk for potentially under-recovering
14 its ongoing costs. Schedule D-2.24 is sponsored by Mr. Mitchell and Schedule D-
15 2.26 is sponsored by Company witness Lindsay B. Philemon. Schedules D-2.17
16 through D-2.23, D-2.25, D-2.27 through D-2.29 are discussed in my testimony
17 below.

18 **Q. HOW ARE THE TAX EFFECTS OF THESE ADJUSTMENTS SHOWN ON**
19 **YOUR SCHEDULES?**

20 A. All applicable adjustments to taxes, including taxes other than income taxes and
21 state and federal income taxes resulting from the adjustments described below, are
22 shown for each individual adjustment on Schedule D-1.

- 1 **Q. PLEASE DESCRIBE SCHEDULE D-2.6.**
- 2 A. Schedule D-2.6 is reserved for future use.
- 3 **Q. PLEASE DESCRIBE SCHEDULE D-2.17.**
- 4 A. The adjustment in Schedule D-2.17 is to amortize the projected cost of presenting
- 5 the rate case as reflected on Schedule F-6 and the projected balance of Case No.
- 6 2021-00190 as of December 2025. Duke Energy Kentucky proposes to amortize
- 7 these costs over three years, which increases test period operating expenses by
- 8 \$311,304. The purpose of changing the amortization of the remaining balance of
- 9 the regulatory asset related to Case No. 2021-00190 is because the current
- 10 amortization schedule would end during the test year of the current case.
- 11 **Q. PLEASE DESCRIBE SCHEDULE D-2.18**
- 12 A. The adjustment in Schedule D-2.18 is to reduce Duke Energy Kentucky
- 13 forecasted property tax expense by \$1,976,433 due to House Bill 775 that
- 14 reclassifies pipelines as real property.
- 15 **Q. PLEASE DESCRIBE SCHEDULE D-2.19.**
- 16 A. Interest synchronization is used to ensure that the revenue requirement reflects the
- 17 appropriate income tax effects for interest expense determined in the weighted
- 18 average cost of capital. Schedule D-2.19 presents the calculation of the state and
- 19 federal income taxes on the interest cost included in the cost of capital. The
- 20 adjustment is calculated by first determining the debt portion of total natural gas
- 21 rate base. The natural gas rate base is multiplied by the long-term and short-term
- 22 debt percentage of total capital structure.

1 The result is then multiplied by the average cost of long-term and short-
2 term debt. The sum of these results represents the annualized natural gas interest
3 cost deductible for income tax purposes. From this annualized total, we subtract
4 the forecasted test period natural gas book interest to determine the natural gas
5 interest expense adjustment for income tax purposes. The effect of this adjustment
6 on natural gas operations is to increase test period federal income taxes by
7 \$376,764 and to increase test period state income taxes by \$93,802.

8 **Q. PLEASE DESCRIBE SCHEDULE D-2.20.**

9 A. Schedule D-2.20 reflects the elimination of revenues and expenses applicable to
10 natural gas operations devoted to other than Duke Energy Kentucky customers
11 associated with various feeder lines.

12 The effect of this elimination is to reduce other revenue by \$1,795,608;
13 O&M expenses for distribution by \$467,478; property tax expense by \$369,416;
14 state deferred taxes by \$95,360; and federal deferred taxes by \$383,028.
15 Depreciation expense applicable to these facilities is not included in the
16 annualized depreciation expense calculated on Schedule B-3.2, as a result of the
17 plant investment being excluded on Schedule B-2.1 and therefore has been
18 eliminated from the test period via Schedule D-2.24. There are no adjustments
19 related to production expense because the Erlanger facility has been
20 decommissioned.

21 These adjustments as well as the adjustments calculated in Schedule D-
22 2.22 also impact the accumulated deferred income tax (ADIT) and excess
23 accumulated deferred income tax (EDIT) balances as shown on Schedule B-6.

1 The effect of these adjustments on the test period is shown on workpaper WPB-6d
2 and has the effect of reducing ADIT balances by \$28,675,320 and EDIT balances
3 by \$1,688,509.

4 **Q. PLEASE DESCRIBE SCHEDULE D-2.21**

5 A. Schedule D-2.21 is an adjustment to the forecasted period for uncollectible
6 expenses to reflect annualized uncollectible expense based on the forecasted
7 revenues and the uncollectible account factor from Schedule H. The adjustment
8 decreases operating expenses by \$1,097,552.

9 **Q. PLEASE DESCRIBE SCHEDULE D-2.22**

10 A. Schedule D-2.22 is an adjustment to eliminate Pipeline Modernization
11 Mechanism (Rider PMM) revenue and expenses from the test period because they
12 are being recovered through Rider PMM. The effect of the adjustment is a
13 decrease in forecasted revenue of \$14,689,202 and a decrease in forecasted
14 property tax expenses of \$1,047,216. It also reduces state deferred taxes by
15 \$270,326; and federal deferred taxes by \$1,085,800. Depreciation expense
16 applicable to these facilities is not included in the annualized depreciation
17 expense calculated on Schedule B-3.2, as a result of the plant investment being
18 excluded on Schedule B-2.1 and therefore has been eliminated from the test
19 period via Schedule D-2.24. These adjustments as well as the adjustments
20 calculated in Schedule D-2.20 also impact the ADIT balances as shown on
21 Schedule B-6 as discussed above.

1 **Q. PLEASE DESCRIBE SCHEDULE D-2.23.**

2 A. Schedule D-2.23 is an adjustment to eliminate miscellaneous expenses such as
3 community relations, advertising, donations, employee recognition, governmental
4 affairs, club dues and miscellaneous events expenses from the forecasted test
5 period. These adjustments were made in order to comply with the Commission's
6 orders in prior rate proceedings. The effect of the adjustment on natural gas
7 operations is a decrease in test period operating expenses of \$372,095.

8 **Q. PLEASE DESCRIBE SCHEDULE D-2.25.**

9 A. Schedule D-2.25 is an adjustment to eliminate unbilled revenue and natural gas
10 costs from the forecasted test period. The adjustment decreases revenue in the
11 forecasted test period by \$52,160 and decreases natural gas costs by \$2,882.

12 **Q. PLEASE DESCRIBE SCHEDULE D-2.27.**

13 A. Schedule D-2.27 is an adjustment to eliminate incentive compensation from the
14 forecasted test period related to the achievement of financial goals and
15 compensation for Restricted Stock Units (RSUs) consistent with what the
16 Commission previously approved in the Company's base rate cases, Case No.
17 2018-00261, Case No. 2021-00190, and 2022-00372. The adjustment removes
18 long-term and short-term incentive compensation included in the forecasted test
19 period tied to the achievement of financial goals of the Company. The RSU
20 component of employee compensation is a fixed percentage of the employee's
21 salary and, therefore, it is not related to the achievement of the Company's
22 financial goals. Nevertheless, the Company eliminated this expense consistent

1 with Commission precedence in prior cases. The adjustment decreases incentive
2 compensation expense in the forecasted test period by \$691,166.

3 **Q. PLEASE DESCRIBE SCHEDULE D-2.28**

4 A. Schedule D-2.28 is an adjustment to eliminate pension expense related to
5 employees who participate in both a defined benefit pension program and a 401K
6 company match program and expenses for the Company's Supplemental
7 Executive Retirement Plan (SERP). This adjustment is made to be consistent with
8 Commission rulings in prior cases. The adjustment decreases operating expense in
9 the forecasted test period by \$265,898.

10 **Q. PLEASE DESCRIBE SCHEDULE D-2.29**

11 A. Schedule D-2.29 is an adjustment to include in the operating expense related to
12 the amortization of the Customer Connect regulatory asset. The adjustment
13 increases operating expense in the forecasted period by \$49,680 and complies
14 with the order in Case No. 2021-00190.

15 **Q. PLEASE DESCRIBE SCHEDULE F-1.**

16 A. Schedule F-1 sets forth the detail, by account, of Social and Service Club Dues for
17 both the base and unadjusted forecasted test periods. All amounts are either charged
18 below the line or have been removed from operating expenses on Schedule D-2.23
19 and, thus, not included in the forecasted test period revenue requirement.

20 **Q. PLEASE DESCRIBE SCHEDULE F-2.1.**

21 A. Schedule F-2.1 sets forth the detail, by account, of Charitable Contributions for both
22 the base period and unadjusted forecasted test periods. All amounts are charged
23 below the line and, thus, not included in the forecasted test period revenue

1 requirement.

2 **Q. PLEASE DESCRIBE SCHEDULE F-2.2.**

3 A. Schedule F-2.2 indicates that the Initiation Fees and Country Club expenses for the
4 base and forecasted test periods are included on Schedule F-1.

5 **Q. PLEASE DESCRIBE SCHEDULE F-2.3.**

6 A. Schedule F-2.3 sets forth the detail, by account of Employee Party, Outing, & Gift
7 Expense for both the base and forecasted test periods.

8 **Q. PLEASE DESCRIBE SCHEDULE F-3.**

9 A. Schedule F-3 sets forth the detail, by account, of Customer Service and
10 Informational Expense, Sales Expense and General Advertising Expense for both
11 the base and unadjusted forecasted test periods. Advertising costs included in
12 Account 930150 have been removed from operating expenses on Schedule D-2.23
13 and, thus, not included in the forecasted test period revenue requirement.

14 **Q. PLEASE DESCRIBE SCHEDULE F-4.**

15 A. Schedule F-4 sets forth additional details supporting advertising costs for both the
16 base and unadjusted forecasted test periods. As noted above, these costs are not
17 included in the forecasted test period revenue requirement.

18 **Q. PLEASE DESCRIBE SCHEDULE F-5.**

19 A. Schedule F-5 sets forth the detail of Professional Services Expenses for both the
20 base and forecasted test periods.

21 **Q. PLEASE DESCRIBE SCHEDULE F-6.**

22 A. Schedule F-6, entitled "Rate Case Expense," indicates the estimated expense of
23 presenting this case. The top half of this schedule details the estimated expense of

1 this proceeding. Also included is a comparison to the rate case expense in the
2 Company's last three rate case proceedings. The bottom half of this schedule shows
3 the amortization over a five-year period. This amount is included in expense through
4 the adjustment contained in Schedule D-2.17.

5 **Q. PLEASE DESCRIBE SCHEDULE F-7.**

6 A. Schedule F-7 sets forth Civic, Political and Related Expense for both the base and
7 unadjusted forecasted test periods. All amounts are charged below the line and, thus,
8 not included in the forecasted test period revenue requirement.

9 **Q. PLEASE DESCRIBE SCHEDULE G-1.**

10 A. Schedule G-1 contains a summary of all payroll costs and related benefits and taxes
11 included in natural gas O&M expense for both the base and forecasted test periods.

12 **Q. PLEASE DESCRIBE SCHEDULE H.**

13 A. Schedule H, entitled "Computation of Gross Revenue Conversion Factor," (GRCF)
14 sets forth the calculation of the GRCF. This is the factor, or multiplier, used to gross-
15 up the operating income deficiency to a revenue deficiency amount. It includes the
16 Kentucky Public Service Commission assessment, uncollectible accounts expense
17 factor, and state and federal income taxes. The GRCF is included on Schedule A and
18 is used to compute the calculated revenue deficiency.

19 **Q. DO YOU SPONSOR ANY OTHER WORKPAPERS AS PART OF THIS**
20 **RATE CASE PROCEEDING?**

21 A. Yes, I sponsor workpapers WPB-1a, WPB-1b, WPC-1a, WPC-2a-e, WPC-2.1a,
22 WPD-2.17a, , WPD-2.18a, WPD-2.19a, WPD-2.20a-f, WPD-2.21a, WPD-2.22a-b,
23 WPD-2.23a,-WPD-2.25a-b, WPD-2.27a-d, WPD-2.28a-b, WPD-2.29a, WPF-4a-b,

1 and WPF-5a-b which support schedules B-1, C schedules, D-2.17 through D-2.23,
2 D-2.25, , D-2.27, through D-2.29, F-4, and F5 respectively as well as WPH-a. I also
3 co-sponsor workpapers WPB-6c, WPB-6d, WPB-6e, and WPB-6f with Company
4 witness John R. Panizza ultimately supporting Schedule B-6, sponsored by Mr.
5 Panizza.

6 **Q. CAN YOU DESCRIBE THE ADJUSTMENTS BEING PROPOSED TO ADIT**
7 **AND EDIT BALANCES IN WORKPAPERS WPB-6C-F?**

8 A. Yes. Workpapers WPB-6c and WPB-6d adjust ADIT and EDIT balances for the
9 base period and test period respectively to eliminate the ADIT and EDIT balances
10 applicable to natural gas operations devoted to other than Duke Energy Kentucky
11 customers associated with various feeder lines and Rider PMM.

12 Workpapers WPB-6e and WPB-6f remove ADIT balances associated with
13 assets and liabilities not included in rate base for the base period and test period,
14 respectively. Because the net deferred taxes associated with assets and liabilities
15 not included in rate base is a deferred tax asset, the adjustment to the test period
16 has the effect of increasing ADIT and ultimately reducing rate base by \$87,349.

IV. RIDER PMM

17 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSAL TO CONTINUE**
18 **AND EXPAND THE PIPELINE MODERNIZATION MECHANISM**
19 **(RIDER PMM).**

20 A. Duke Energy Kentucky is proposing to continue its Rider PMM as part of this
21 proceeding. Rider PMM was approved by the Commission as part of a Joint

1 Stipulation in Case No. 2021-00190.¹ Consistent with KRS 278.509, Rider PMM
2 recovers the costs of pipeline replacement programs authorized by the
3 Commission that enable Duke Energy Kentucky to comply with regulations
4 promulgated by the U.S. Department of Transportation Pipeline and Hazardous
5 Materials Administration (PHMSA). Duke Energy Kentucky's Rider PMM is
6 applicable to all natural gas customers and was originally approved for recovery
7 of the Company's costs to replace its AM07 gas pipeline, subject to authorizations
8 for certificates of public convenience and necessity (CPCN) for the AM07
9 replacements.²

10 Here, consistent with the Joint Stipulation approved in Case No. 2021-
11 00190 and the Commission's December 28, 2022 Order in that case, and as more
12 fully explained by Company witness Adam Long, Duke Energy Kentucky
13 proposes to address a new identified integrity risk in the gas delivery system
14 through the replacement of Aldyl-A pipe. If approved, the Company's Aldyl-A
15 pipe replacement project will extend the Rider PMM for an additional five years
16 beyond what was initially approved by the Commission.

17 **Q. PLEASE EXPLAIN WHAT COSTS THE COMPANY PROPOSES TO**
18 **INCLUDE IN RIDER PMM.**

19 A. As outlined in Company witness Long's testimony, the Company is presently
20 authorized to recover the costs of replacing its AM07 Pipeline. The Company will
21 continue to conduct its AM07 replacement as originally approved. In this case, the

¹ *In the Matter of the Electronic Application of Duke Energy Kentucky, Inc., for: 1) An Adjustment of the Natural Gas Rates; 2) Approval of New Tariffs; and 3) All Other Required Approvals, Waivers, and Relief.* Case No. 2021-00190, Order, p. 23 (Ky. P.S.C. Dec. 28, 2021).

² *Id.*

1 Company is proposing to include the replacement of Aldyl-A pipe in Rider PMM
2 to reduce the threat this type of pipe poses to the distribution system.

3 As it does today with the AM07 project, the Company will calculate a
4 revenue requirement to recover a return on the rate base associated with these
5 incremental capital costs along with recovery of the associated depreciation and
6 property tax expenses. Rate base would be calculated as it currently is, as gross
7 plant in-service less accumulated depreciation less accumulated deferred income
8 taxes associated with the plant in-service. The Company is not proposing to
9 include any O&M expenses associated with these projects in Rider PMM.

10 **Q. PLEASE EXPLAIN HOW THE COMPANY PROPOSES TO MANAGE**
11 **ITS ALDYL-A REPLACEMENT PROGRAM UNDER RIDER PMM.**

12 A. Upon approval to expand Rider PMM in this proceeding, Duke Energy Kentucky
13 will file a separate annual CPCN application for each year/phase of the 5 year
14 Aldyl-A project that would be subject to Commission determination of need.
15 Rider PMM charges for the Aldyl-A replacement will not appear on a customer's
16 bill until such applications are approved by the Commission.

17 Also going forward, the Company will make annual applications with the
18 Commission to update Rider PMM, including reconciliation of prior period costs
19 to actuals, on or before July 1 of each year which is consistent with the current
20 practice for AM07, reflecting any new capital projects and the depreciation,
21 property taxes, and accumulated deferred income taxes of previously approved
22 capital. The revenue requirement would then be allocated to customer classes
23 consistent with the cost of service study approved in the Company's most recent

1 natural gas base rate case and included in rates effective the first billing cycle of
2 January of each year.

3 Additionally, to mitigate the charge to customers, the Company is
4 proposing to complete the new Aldyl-A project in phases over a 5 year period
5 commencing after the AM07 project is completed in 2027. If the Company's
6 Aldyl-A proposal is approved in this proceeding, the result is that Rider PMM
7 will be extended by approximately 7 years, depending upon the recovery of costs.
8 The Company will plan each annual CPCN filing for the five year Aldyl-A
9 project to minimize impacts to customers and split the replacements up into
10 logical geographics sections in an effort to minimize any impact to the area during
11 construction.

12 **Q. WHAT ARE THE ANTICIPATED COSTS ASSOCIATED WITH THE**
13 **NEW ALDYL-A PROJECT?**

14 A. The Company has 38 miles of Aldyl-A mains and approximately 3,700 services to
15 replace under this project. Duke Energy Kentucky estimates that the project will
16 cost approximately \$45-50 million dollars over the five year period. This would
17 approximately equate to one of the seven years of the AM07 project so the impact
18 to customer bills would be smaller than the currently approved AM07 project.

19 **Q. HOW DOES THE COMPANY PROPOSE TO CALCULATE THE**
20 **RETURN ON CAPITAL INVESTMENTS INCLUDED IN RIDER PMM?**

21 A. The Company proposes to calculate the return on any incremental capital
22 investments associated with a government mandate at the weighted average cost
23 of capital approved in the Company's most recent natural gas base rate case.

1 **Q. HOW WILL CUSTOMERS BE CHARGED UNDER THIS MECHANISM?**

2 A. As outlined in the proposed tariff supported by Company witness Bruce L.
3 Sailers, customers would be charged on a volumetric per Ccf basis.

4 **Q. WHY IS RIDER PMM REASONABLE FOR A PROJECT FOR THE**
5 **ALDYL-A REPLACEMENT?**

6 A. Rider PMM provides the ability to effectively respond to PHMSA changes that
7 are intended to enhance and ensure the safety of the natural gas delivery system.
8 Rider PMM enables recovery of costs for necessary pipeline replacements in
9 response to PHMSA regulations and is supported by and in accordance with KRS
10 278.509.

11 KRS 278.509 confirms the Commission’s authority to approve pipeline
12 replacement programs upon application by a utility for recovery of such
13 replacements that are not currently in base rates. Presently, Rider PMM has been
14 approved as the mechanism through which the Company recovers costs associated
15 with the replacement of its AM07 pipeline.

16 Including a significant project like the Aldyl-A in Rider PMM will smooth
17 the impact on rates to customers and as opposed to a base rate case where
18 customers would feel the impact all at once and ensures that the customer pays for
19 the actual costs of the project due to the true-up provision in Rider PMM.

V. CONCLUSION

1 **Q. WERE FR 16(6)(b), FR 16(6)(c), FR 16(6)(f), AND FR 16(7)(t),**
2 **SCHEDULES A, B-1, C-1 THROUGH C-2.1, D-1, D-2.6, D-2.17 THROUGH**
3 **D-2.23, D-2.25, D-2.27 THROUGH D-2.29, F-1 THROUGH F-7, G-1, H**
4 **AND WORKPAPERS; WPB-1A, WPB-1B, WPB-6C-F, WPC-1A, WPC-2A-**
5 **E, WPC-2.1A, WPD-2.17A, WPD-2.18A, WPD-2.19A, WPD-2.20A-F, WPD-**
6 **2.21A, WPD-22A-B, WPD-2.23A, WPD-2.25A-B, WPD-2.27A-D, WPD-**
7 **2.28A-B, WPD-2.29A, WPF-4A-B, WPF-5A-B AND WPH-A PREPARED**
8 **BY YOU OR UNDER YOUR DIRECTION AND SUPERVISION?**

9 **A. Yes.**

10 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

11 **A. Yes.**

VERIFICATION

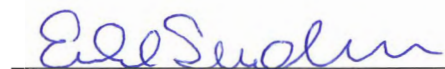
STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The undersigned, Jefferson "Jay" P. Brown, Director Rates & Regulatory Planning, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing testimony and that it is true and correct to the best of his knowledge, information and belief.



Jefferson "Jay" P. Brown Affiant

Subscribed and sworn to before me by Jefferson "Jay" P. Brown on this 30th day of May, 2025.



NOTARY PUBLIC

My Commission Expires: July 8, 2027



EMILIE SUNDERMAN
Notary Public
State of Ohio
My Comm. Expires
July 8, 2027

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC., FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS RATES;)	CASE NO.
2) APPROVAL OF NEW TARIFFS; AND 3) ALL)	2025-00125
OTHER REQUIRED APPROVALS, WAIVERS,)	
AND RELIEF.)	

DIRECT TESTIMONY OF

REBEKAH E. BUCK

ON BEHALF OF

DUKE ENERGY KENTUCKY, INC.

June 2, 2025

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ATTACHMENTS:

Attachment REB-1	Service Company Utility Service Agreement
Attachment REB-2	Operating Companies Service Agreement
Attachment REB-3	Amended Restated Operating Company/Non-Utility Companies Service Agreement
Attachment REB-4	Asymmetrically-Priced Duke Energy Kentucky, Inc./Non-Utility Companies Service Agreement
Attachment REB-5	Intercompany Asset Transfer Agreement

I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Rebekah E. Buck, and my business address is 525 South Tryon Street,
3 Charlotte, North Carolina 28202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC (DEBS), as Director of
6 Allocations and Reporting. DEBS provides various administrative and other services
7 to Duke Energy Kentucky, Inc., (Duke Energy Kentucky or Company) and other
8 affiliated companies of Duke Energy Corporation (Duke Energy).

9 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
10 **PROFESSIONAL EXPERIENCE.**

11 A. I graduated with a Bachelor of Arts Degree in Communication Studies from the
12 University of North Carolina at Chapel Hill and have a Master's Degree in
13 Accounting from the University of North Carolina at Charlotte. I am a Certified
14 Public Accountant in North Carolina. I joined Duke Energy in 2010 in the
15 Corporate Controller's Department as a Finance Associate. I progressed from an
16 Associate to a Lead Accounting Analyst across the six years I supported the
17 Commercial Renewables segment. In 2018, I moved to a Lead Wholesale
18 Renewables Analyst position on the Distributed Energy Technology team where I
19 provided financial modeling support for various regulated renewables projects
20 across the Duke Energy utilities. In 2019, I returned to the Corporate Controller's
21 Department and Commercial Renewables Accounting team as an Accounting

1 Manager. In July of 2023 I was promoted to my current role, Director of Allocations
2 and Reporting.

3 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AS DIRECTOR OF**
4 **ALLOCATIONS AND REPORTING.**

5 A. I am responsible for various accounting activities, including the cost allocation
6 processes for service company costs utilized for Duke Energy and its affiliates,
7 including allocations to Duke Energy Kentucky.

8 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY**
9 **PUBLIC SERVICE COMMISSION?**

10 A. Yes. I recently provided testimony on behalf of Duke Energy Kentucky in support of
11 its application in Case No. 2024-00354.

12 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
13 **PROCEEDING?**

14 A. My testimony in this proceeding addresses the various cost assignment processes
15 utilized by Duke Energy Kentucky and its affiliates, including its service company,
16 DEBS, which as an ordinary course of business provide services among each other.
17 I discuss the primary service agreements used by Duke Energy Kentucky to enable
18 the sharing of expertise and personnel between and among the Duke Energy family
19 of companies and to assign costs for such services. These service agreements
20 include the following: (1) the Service Company Utility Service Agreement (DEBS
21 Service Agreement); (2) the Operating Companies Service Agreement (Operating
22 Company Service Agreement); (3) the Amended and Restated Operating
23 Company/Non-Utility Companies Service Agreement (Cost-Based Non-Utility

1 Service Agreement); (4) the Asymmetrically-Priced Duke Energy Kentucky, Inc.,
2 Non-Utility Companies Service Agreement (Asymmetric Non-Utility Service
3 Agreement); and (5) the Intercompany Asset Transfer Agreement (Asset Transfer
4 Agreement). In my testimony, I briefly describe the history of these agreements as
5 well as the Commission's approval thereof. I also describe the processes to be used
6 to assign costs to the various parties under those agreements as well as the nature
7 and types of cost assignment that Duke Energy Kentucky experiences as a
8 combination gas and electric utility and wholly owned subsidiary of Duke Energy
9 Ohio, Inc. (Duke Energy Ohio). I sponsor certain information that I supplied to
10 Company witness Claire C. Hudson for her use in developing the forecasted
11 financial data. Finally, I also sponsor the information contained in Filing
12 Requirement (FR) 16(7)(u).

II. THE SERVICE AGREEMENTS

A. Overview of the Major Service Agreements

13 **Q. DO ALL CHARGES FOR DUKE ENERGY KENTUCKY ORIGINATE ON**
14 **DUKE ENERGY KENTUCKY'S BOOKS?**

15 A. No. Charges can originate either on Duke Energy Kentucky's books for its own
16 operations or can originate from its parent company, Duke Energy Ohio, and/or
17 other affiliated companies pursuant to several Commission-approved affiliate
18 service agreements. These services enable Duke Energy Kentucky to provide safe
19 and reliable utility service to its Kentucky customers at a reasonable price.

1 **Q. PLEASE BRIEFLY DESCRIBE THE VARIOUS SERVICE AGREEMENTS**
2 **THAT ENABLE DUKE ENERGY KENTUCKY TO PROVIDE SAFE,**
3 **RELIABLE, AND REASONABLE SERVICE TO ITS KENTUCKY**
4 **CUSTOMERS.**

5 A. Duke Energy Kentucky has several service agreements in place that allow the
6 Company to provide services to or receive services from the Duke Energy family
7 of companies that are incidental or necessary to the provision of utility service.
8 These agreements provide for the standard procedures and defined accounting
9 processes for cost assignment that allow these services to occur on an equitably
10 priced basis among all parties.

11 I have attached the five major service agreements to my testimony, all of
12 which were effective when the Company commenced this proceeding and
13 submitted its pre-filing notice. Attachment REB-1 is the DEBS Service Agreement
14 that governs the provision of various services and the associated cost allocations to
15 Duke Energy Kentucky for the services DEBS provides. DEBS is a Federal Energy
16 Regulatory Commission (FERC) authorized service company that provides various
17 administrative and other services to Duke Energy Kentucky and other affiliated
18 companies of Duke Energy.

19 Attachment REB-2 is the Operating Company Service Agreement that
20 governs services performed between or among Duke Energy's regulated utility
21 operating companies and the cost allocations or assignments for providing and
22 receiving those services.

1 Attachment REB-3 and REB-4 are the two Utility/Non-Utility Companies
2 Service Agreements, which govern the services performed and cost allocations
3 between Duke Energy Kentucky and its non-utility affiliates.

4 Finally, Attachment REB-5 is the Asset Transfer Agreement that allows for
5 the “at cost” transfer of assets by and between Duke Energy Kentucky and its
6 regulated utility affiliates.

7 **Q. HAS DUKE ENERGY KENTUCKY HISTORICALLY RELIED UPON**
8 **SERVICE AGREEMENTS TO SERVE ITS KENTUCKY CUSTOMERS?**

9 A. Yes. These service agreements allow Duke Energy Kentucky, and in turn, its
10 customers to have access to equipment and personnel that are common to utility
11 operations and share in those costs between multiple businesses as opposed to
12 having to maintain separate pools of personnel. The use of service agreements has
13 helped Duke Energy Kentucky, and its regulated utility affiliates, manage staffing
14 levels and costs through the sharing of common business functions and to have
15 ready access to experienced and expertly trained personnel to manage its business
16 and various utility functions. Absent the ability to share these resources, Duke
17 Energy Kentucky would have to maintain its own independent organizations and
18 systems, as well as cost responsibility, for various operations including, but not
19 limited to engineering, construction, operations and maintenance, installation
20 services, equipment testing, generation technical support, environmental health and
21 safety and procurement services, not to mention, accounting, human resources,
22 legal, and other necessary business functions.

1 **Q. WHY IS THAT?**

2 A. Duke Energy Kentucky itself is relatively small in size. It has approximately
3 155,000 electric and approximately 106,142 natural gas customers. Because of its
4 size, the relationship between Duke Energy Kentucky and its parent, Duke Energy
5 Ohio, as well as its affiliated regulated and service companies have been
6 instrumental in allowing Duke Energy Kentucky to provide service to its Kentucky
7 customers at a reasonable price. The Company has benefitted from the economies
8 of scale that occur with being part of a larger corporate family that are not present
9 as a stand-alone entity. By sharing resources and personnel, Duke Energy Kentucky
10 is able to function as a lean utility without having to invest in its own full-time
11 corporate personnel and resources that are otherwise able to be shared among a
12 family of companies.

13 Throughout its history, Duke Energy Kentucky has benefitted from the
14 relationships with the families of companies of which it has been a member. Since
15 1945, Duke Energy Kentucky (f/k/a The Union Light Heat & Power Company) has
16 been a wholly owned subsidiary of Duke Energy Ohio (f/k/a/ The Cincinnati Gas
17 & Electric Company [CG&E]). The respective service territories of the two utilities
18 are contiguous and interconnected. The two companies have operated in symmetry
19 in terms of personnel and facilities and have shared in costs, equipment, and
20 personnel, for more than seventy years.

21 With the creation of Cinergy Corp (Cinergy) in the mid 1990's, by way of
22 the merger of the CG&E with Public Service Indiana, to the merger between
23 Cinergy and Duke Power in 2006, followed by the merger of Duke Energy and

1 Progress Energy (Progress) in 2012, to the most recent merger between Duke
2 Energy and Piedmont Natural Gas Company (Piedmont) in 2016, Duke Energy
3 Kentucky has benefitted from the pool of expert personnel resources and access to
4 equipment and expertise from its sister companies. Duke Energy Kentucky has
5 been able to share in common business functions rather than maintain its own
6 dedicated and thus duplicative functions. These shared functions include but are
7 not limited to, executive and management personnel, human resources, accounting,
8 tax, legal services, and engineering. Through the Operating Company Service
9 Agreement, Duke Energy Kentucky has also been able to take advantage of the key
10 personnel employed by its sister utilities, allowing the Company to take advantage
11 of the economies of scale and best practices that exist with an organization the size
12 of Duke Energy through shared expertise and resources.

13 **Q. HAVE THERE BEEN ANY CHANGES TO THESE AGREEMENTS SINCE**
14 **THE TIME OF THE COMPANY'S LAST NATURAL GAS RATE CASE IN**
15 **2021?**

16 A. There are regular and normal updates to these agreements that occur to reflect
17 changes in the Duke Energy corporate structure. Companies are routinely dissolved
18 and are eliminated from some of the agreements. Duke Energy Kentucky routinely
19 files updates to these agreements when there are material changes and also as part
20 of its annual reporting. These agreements are included in the Appendix to the
21 Company's Cost Allocation Manual that is routinely submitted to the Commission
22 annually in March.

1 Since the time of the Company's last natural gas base rate case in 2021,
2 there have been ministerial changes to some of these agreements primarily to reflect
3 the addition or removal of the parties (affiliated companies) to these agreements.
4 As a result of these and other additions and deletions to the service agreement
5 participants, allocations (direct and indirect) between and among the parties have
6 also changed over the years. There have not been any substantial changes to these
7 agreements since the Company's recently concluded electric base rate case, Case
8 No. 2024-00354.

9 **Q. PLEASE BRIEFLY DESCRIBE THE DEBS AGREEMENT.**

10 A. This agreement permits DEBS to provide services that are corporate or general
11 utility in nature and are used by various business units, including Duke Energy
12 Kentucky. In general, the services provided by the service companies include, but
13 are not limited to the following:

- | | |
|---------------------------------|-------------------------------------|
| • Information Systems; | • Power and Gas Planning |
| • Meters; | and Operations; |
| • Transportation; | • Public Affairs; |
| • System Maintenance; | • Legal; |
| • Marketing and Customer | • Rates; |
| Relations; | • Finance; |
| • Transmission and Distribution | • Rights of Way; |
| Engineering and Construction; | • Internal Auditing; |
| • Power and Gas Engineering and | • Environmental, Health and Safety; |
| Construction; | • Fuels; |
| • Human Resources; | • Investor Relations; |
| • Supply Chain; | • Planning; and |
| • Facilities; | • Executive. |
| • Accounting; | |

14 By the terms of the DEBS Service Agreement, compensation for any service
15 rendered by DEBS to its utility affiliates is the fully embedded cost thereof (*i.e.*,
16 the sum of: (i) direct costs; (ii) indirect costs; and (iii) costs of capital), except to

1 the extent otherwise required by Section 482 of the Internal Revenue Code. Each
2 client company is required to reasonably cooperate with each respective service
3 provider to record billings and payments in their common accounting systems. The
4 affiliate companies receiving services from DEBS are referred to as “Client
5 Companies.”

6 **Q. PLEASE BRIEFLY DESCRIBE THE OPERATING COMPANY SERVICE**
7 **AGREEMENT AND ITS HISTORY.**

8 A. Like the DEBS Service Agreement, the Operating Company Service Agreement
9 has been in place in some form for decades. Under this agreement, Duke Energy
10 Kentucky and its utility affiliates, Duke Energy Carolinas LLC., (Duke Energy
11 Carolinas), Duke Energy Ohio, Duke Energy Indiana, LLC., (Duke Energy
12 Indiana), Duke Energy Progress, LLC., Duke Energy Florida, LLC., and Piedmont,
13 are permitted to provide and receive services to and from each other in the normal
14 course of conducting business at the providing company’s fully embedded cost.
15 This agreement was most recently approved by the Commission on June 1, 2017,
16 in Case No 2016-00312 reflecting the addition of Piedmont. Prior to that, the
17 agreement was reviewed and approved by the Commission on August 2, 2011, in
18 Case No 2011-00124, as part of the merger of Duke Energy Corporation and
19 Progress. A copy of this agreement included as Attachment REB-2. The services
20 which may be provided between affiliate operating companies may include, but are
21 not limited to the following:

- Engineering and Construction;
- Operations and Maintenance;
- Installation Services;
- Equipment Testing;
- Generation Technical Support;
- Environmental, Health and Safety;
- Customer Operations; and
- Procurement Services.

1 By the terms of the Operating Company Service Agreement, compensation
2 for any service rendered between utility affiliates is the fully embedded cost thereof
3 (*i.e.*, the sum of: (i) direct costs; (ii) indirect costs; and (iii) costs of capital), except
4 to the extent otherwise required by Section 482 of the Internal Revenue Code. Each
5 client company is required to reasonably cooperate with each respective service
6 provider to record billings and payments in their common accounting systems.

7 **Q. PLEASE DESCRIBE THE TWO NON-UTILITY SERVICE**
8 **AGREEMENTS.**

9 A. Duke Energy Kentucky is a party to two service agreements that identify services
10 and cost allocations between the Company and its non-utility affiliates. The
11 distinction between these two agreements is due to timing in relation to FERC
12 orders and the types of pricing for the provision of services allowed therein.

13 Under the Cost-Based Non-Utility Service Agreement, Duke Energy
14 Kentucky and certain of its non-utility affiliates are authorized to provide certain
15 services to one another, priced at the providing company's fully embedded cost. A
16 copy of this agreement is included in Attachment REB-3. This agreement was last
17 approved by the Commission on November 27, 2005, in Case No 2005-00228, as
18 part of the merger of Duke Energy Corporation and Cinergy Corp. The permitted
19 services provided by Duke Energy Kentucky to certain of its non-utility affiliates
20 may include, but are not limited to the following:

- Engineering and Construction;
- Operations and Maintenance;
- Installation Services;
- Equipment testing;
- Generation Technical Support;

- Environmental, Health and Safety; and
- Procurement Services.

1 The types of services that may be provided by certain non-utility affiliates
2 to Duke Energy Kentucky, include, but are not limited to, the following:

- Information Technology Services;
- Monitoring;
- Surveying;
- Inspecting;
- Constructing;
- Locating and Marking of Overhead and Underground Utility Facilities;
- Meter Reading;
- Materials Management;
- Vegetation Management; and
- Marketing and Customer Relations.

3 By the terms of the Cost-Based Non-Utility Service Agreement, requests
4 for services will be made in writing, in substantially the same form as set forth in
5 “Exhibit A” of the Agreement. Compensation for any service rendered between
6 Duke Energy Kentucky and its non-utility affiliates are the fully embedded cost
7 thereof (*i.e.*, the sum of: (i) direct costs; (ii) indirect costs; and (iii) costs of capital),
8 except to the extent otherwise required by Section 482 of the Internal Revenue
9 Code. The non-utility affiliates that are parties to this agreement are limited to those
10 that existed prior to FERC’s February 2008 Order 707 (Order 707) that expanded
11 FERC’s asymmetrical pricing rules to include transfers of non-power goods and
12 services between a franchised utility and its non-utility affiliates.

13 Non-utility companies that became affiliates of Duke Energy Kentucky
14 after Order 707 are subject to a different service agreement, the Asymmetric Non-
15 Utility Service Agreement, included as Attachment REB-4. The Asymmetric Non-
16 Utility Service Agreement was created in response to Order 707. The non-utility
17 affiliates who are parties to this agreement are subject to the asymmetric pricing
18 requirements of FERC, which is also consistent with Kentucky’s own default

1 affiliate pricing requirements. Duke Energy Kentucky provides (non-tariffed)
2 goods or services to a Party to this agreement at the greater of cost or market but
3 pays the lesser of cost or market for any goods or services received under this
4 agreement.

5 **Q. CAN YOU PLEASE EXPLAIN WHAT CHANGED WITH THE FERC 707**
6 **ORDER?**

7 A. It is my understanding that prior to Order 707, FERC's asymmetrical pricing rules
8 only applied to transfers of non-power goods and services between franchised
9 utilities and nonregulated utility affiliates. However, following the Order 707
10 ruling, FERC's asymmetric pricing requirements were extended to all transactions
11 between utilities and their non-utility affiliates. This asymmetric pricing
12 requirement excluded services provided by service companies or services between
13 and among regulated utility affiliates. The Order 707 ruling also provided a
14 grandfathering exception to the asymmetric pricing for pre-existing service
15 agreements between regulated utilities and their non-regulated non-utility affiliates,
16 as well as state affiliate pricing rules that are stricter than FERC's pricing
17 restrictions.

18 In short, the Asymmetric Non-Utility Service Agreement was entered into
19 in response to FERC Order 707 and includes new affiliates that were created after
20 the effective date of Order 707 and that are not grandfathered as parties under the
21 Cost-Based Non-Utility Service Agreement. The Cost-Based Non-Utility Service
22 Agreement remains unchanged since the issuance of Order 707, except to reflect
23 the dissolution of non-utility companies that were at one time a party. No new

1 companies have been added to that Cost-Based Non-Utility Agreement since the
2 Order 707.

3 **Q. PLEASE EXPLAIN HOW SERVICES BETWEEN DUKE ENERGY**
4 **KENTUCKY AND ITS AFFILIATES THAT ARE NOT COVERED BY THE**
5 **AFOREMENTIONED SERVICE AGREEMENTS ARE PRICED?**

6 A. Non-covered services, as well as non-utility affiliates that are not a party to the
7 Cost-based Non-Utility Service Agreement, must follow Kentucky's stricter
8 asymmetric pricing for any transaction with Duke Energy Kentucky unless
9 Commission approval and a waiver is first obtained.

10 **Q. PLEASE EXPLAIN AND DESCRIBE THE ASSET TRANSFER**
11 **AGREEMENT.**

12 A. This agreement permits the transfer of assets between and among Duke Energy
13 Kentucky and its regulated utility affiliates, excluding commodities, at the
14 transferring company's fully-allocated cost, subject to certain limitations. This
15 agreement was most recently approved by the Commission on June 1, 2017, in Case
16 No. 2016-00312, to reflect the addition of Piedmont. Prior to that, the Commission
17 approved the agreement on August 2, 2011, in Case No. 2011-00124, as part of the
18 merger of Duke Energy and Progress Energy. A copy of this agreement is included
19 as Attachment REB-5.

1 **Q. ARE THERE ANY LIMITATIONS APPLICABLE TO TRANSACTIONS**
2 **INVOLVING DUKE ENERGY KENTUCKY UNDER THE ASSET**
3 **TRANSFER AGREEMENT?**

4 A. Yes. The Commission approved this agreement under several conditions, including
5 that:

- 6 • Duke Energy Kentucky agrees that it would continue to seek
7 Commission approval under KRS 278.218 over all transactions
8 involving Duke Energy Kentucky assets that have an original book
9 value of over \$1,000,000 and that are to be transferred for reasons other
10 than obsolescence or if the parts are to be used to continue to provide
11 service to the utility customers;
- 12 • Duke Energy Kentucky agrees to abide by the KRS 278.218 approval
13 threshold for transfers involving its natural gas assets; and
- 14 • Duke Energy Kentucky maintains a list of all transactions under the
15 Intercompany Asset Transfer Agreement in its Cost Allocation Manual
16 (CAM).

17 **Q. DOES DUKE ENERGY KENTUCKY MAINTAIN THE LIST OF**
18 **TRANSACTIONS IN ITS CAM?**

19 A. Yes. The Company submits those transactions to the Commission annually each
20 March as part of an annual CAM update.

III. COST ALLOCATIONS

A. Overview of Cost Allocations

1 **Q. PLEASE DESCRIBE WHAT IS MEANT BY THE TERM “COST.”**

2 A. “Cost,” as used in the service agreements, excluding the Asset Transfer Agreement,
3 means fully embedded cost, which is the sum of: (1) direct costs; (2) indirect costs;
4 and (3) cost of capital. Direct costs include labor, material and other expenses
5 incurred specifically for a particular service and any associated loadings. Indirect
6 costs include labor, material and other expenses, and any associated loadings that
7 cannot be directly identified with any particular service. Indirect costs include, but
8 are not limited to, overhead costs, administrative support costs, and taxes. Cost of
9 capital represents financing costs, including, but not limited to, interest on debt and
10 a fair return on equity to shareholders.

11 The Asset Transfer Agreement includes a different definition of “Cost”
12 applicable to inventory items, defined as: (i) for items of inventory accounted for
13 in the FERC Uniform System of Accounts account 154 (“Inventory Items”), the
14 average unit price of such Inventory Items as recorded on the books of the
15 Transferor, plus stores, freight, handling, and other applicable costs, and (ii) for
16 assets other than Inventory Items, net book value. Additionally, this agreement
17 provides an alternative that allows for the replacement in kind of any asset
18 transferred under the agreement.

19 **Q. PLEASE DESCRIBE THE COST ALLOCATIONS THAT AFFECT DUKE**
20 **ENERGY KENTUCKY AND ITS AFFILIATES?**

21 A. In general, there are four primary categories of cost allocations that affect Duke

1 Energy Kentucky and its affiliates: (1) cost allocations from DEBS; (2) cost
2 allocations between Duke Energy Kentucky and Duke Energy Ohio for common
3 costs shared by Duke Energy Ohio and Duke Energy Kentucky; (3) cost allocations
4 for goods and services provided between and among Duke Energy Kentucky and
5 its sister regulated utilities; and (4) administrative and general (A&G) cost
6 allocations between its natural gas and electric operations for both capital and
7 expense accounts.

8 Duke Energy Kentucky also provides various services and goods to and
9 receives various services and goods from its regulated and non-regulated affiliates
10 as set forth in various service agreements I previously described.

11 **Q. WHAT ARE “LOADINGS”?**

12 A. “Loadings” represent costs that are incurred and aggregated in “cost pools,” which
13 are then subsequently “loaded” out to specific entities and projects by attaching an
14 additional charge (loading rate) to the associated direct cost. Duke Energy’s
15 loadings include fringe benefits (*e.g.*, medical, dental, pension, postretirement),
16 indirect labor (*e.g.*, vacation, holiday, sick-time), stores, freight and handling (*e.g.*,
17 material management labor, freight), transportation (*e.g.*, vehicle leases, fuel, oil),
18 and payroll taxes (*e.g.*, Federal Insurance Contributions Act (FICA) taxes, and state
19 and federal unemployment taxes). Loading rates are determined through annual
20 studies of both actual and budgeted information and are calculated by dividing the
21 anticipated component costs by anticipated labor cost, material issues, or vehicle
22 utilization, as applicable.

B. Cost Allocations Under the Service Agreements

1 **Q. PLEASE DESCRIBE HOW COSTS INCURRED BY DEBS ARE**
2 **ACCOUNTED FOR UNDER THE SERVICE AGREEMENTS.**

3 A. DEBS maintains an accounting system in which all of its costs are accumulated.
4 These costs are charged to the appropriate Client Companies (as defined in the
5 agreement) monthly, using one of the three approved methods of assignment.

6 **Q. WHAT ARE THE APPROVED METHODS OF ASSIGNMENT?**

7 A. The approved methods of assignment are: (1) directly assignable; (2) distributable;
8 and (3) allocable.

9 **Q. PLEASE DESCRIBE EACH METHOD OF ASSIGNMENT.**

10 A. The directly assignable basis of cost assignment is utilized to directly charge costs
11 for services specifically performed for a single Client Company. Costs are direct
12 charged to the extent possible. The distributable cost assignment method is used to
13 assign costs for services rendered specifically for two or more Client Companies.
14 This method means that the cost is either directly charged or allocated to two or
15 more, but not all, of the Client Companies. For example, costs incurred on behalf
16 of Duke Energy Kentucky, Duke Energy Ohio, and Duke Energy Indiana would be
17 directly charged or allocated, as appropriate, and distributed across all three
18 applicable entities in which these costs related. The allocable method of assignment
19 is used to allocate costs for services of a general nature, which are applicable to all
20 Client Companies or to a class or classes of Client Companies.

1 **Q. WHAT TYPES OF EXPENDITURES ARE DIRECTLY ASSIGNED FROM**
2 **DEBS TO DUKE ENERGY KENTUCKY?**

3 A. DEBS employees who work on a project specifically for Duke Energy Kentucky
4 charge their labor and expenses directly to Duke Energy Kentucky. For example,
5 the legal services function will charge Duke Energy Kentucky directly for work
6 performed specifically for Duke Energy Kentucky. This is determined by the
7 number of hours spent on jurisdictional activities.

8 **Q. PLEASE EXPLAIN THE ALLOCABLE CHARGES FROM DEBS TO**
9 **DUKE ENERGY KENTUCKY.**

10 A. Allocable charges to Duke Energy Kentucky are for a portion of expenditures
11 originating on DEBS' books that are applicable to Duke Energy Kentucky and one
12 or more other Client Companies, but which are not directly assignable to Duke
13 Energy Kentucky. These charges are allocated to Duke Energy Kentucky based on
14 allocation ratios set forth in Appendix A of the DEBS Service Agreement. For
15 example, costs related to Investor Relations activities are applicable to all Duke
16 Energy affiliates but cannot be directly charged to any one affiliate. Those costs are
17 allocated to all affiliates using the allocation factor described for the Investor
18 Relations Function in Appendix A of the DEBS Service Agreement.

19 **Q. WHAT ARE THE ALLOCATION METHODS SPECIFIED IN APPENDIX**
20 **A OF THE DEBS SERVICE AGREEMENT?**

21 A. Twenty (20) allocation ratios are specified in the DEBS Service Agreement. These
22 ratios are the: (1) Sales Ratio; (2) Electric Peak Load Ratio; (3) Number of
23 Customers Ratio; (4) Number of Employees Ratio; (5) Construction-Expenditures

Ratio; (6) Miles of Distribution Lines Ratio; (7) Circuit Miles of Electric Transmission Lines Ratio; (8) Millions of Instructions Per Second Ratio; (9) Revenues Ratio; (10) Inventory Ratio; (11) Procurement Spending Ratio; (12) Square Footage Ratio; (13) Gross Margin Ratio; (14) Labor Dollars Ratio; (15) Number of Personal Computer Work Stations Ratio; (16) Number of Information Systems Servers Ratio; (17) Total Property, Plant and Equipment Ratio; (18) Generating Unit MW Capability Ratio; (19) Number of Meters Ratio; and (20) O&M Expenditures Ratio.

Q. WHAT WAS THE RATIONALE BEHIND THE SELECTION OF THESE RATIOS?

A. Consistent with traditional cost causation principles, the ratios represent “cost drivers” for a particular function (*i.e.*, those factors which are the greatest contributors to costs). For example, costs related to human resources are allocated based on the Number of Employees Ratio. Costs related to support of personal computers are allocated based on the Number of Personal Computer Work Stations Ratio. Costs related to meter reading and to customer billing and payment processing in the Marketing and Customer Relations Function are allocated based on the Number of Customers Ratio. For some functions, costs of a general nature are allocated based on a weighted-average of more than one ratio. The DEBS Service Agreement describes how the weighted-average ratios are calculated.

1 **Q. UNDER WHAT CIRCUMSTANCES ARE THE ALLOCATION RATIOS**
2 **SET FORTH IN APPENDIX A OF THE DEBS SERVICE AGREEMENT**
3 **USED TO DETERMINE CHARGES TO DUKE ENERGY KENTUCKY?**

4 A. The allocation ratios provided in Appendix A of the DEBS Service Agreement are
5 used to assign charges to Client Companies, including Duke Energy Kentucky, for
6 activities that cannot be charged directly. For example, costs associated with the
7 human resources function are allocated to the Client Companies, including Duke
8 Energy Kentucky, using the Number of Employees Ratio as provided in the DEBS
9 Service Agreement.

10 **Q. WHAT PROCESSES DO DEBS' EMPLOYEES FOLLOW IN**
11 **ALLOCATING THEIR TIME AND EXPENSES?**

12 A. All source documents (*e.g.*, time records, expense accounts, and journal entries)
13 applicable to DEBS require a special input code, "Operating Unit" (OU), to be used.
14 The initiating department determines the appropriate OU for each transaction. The
15 specific OU indicates whether the cost should be assigned directly, distributed, or
16 allocated, and it also determines the appropriate percentage allocation to be used.
17 Using the OU, the accounting system will process each transaction and assign the
18 appropriate costs to each respective Client Company. For the allocable OUs, the
19 percentage allocated to each Client Company is determined periodically, at a
20 minimum on an annual basis, by way of a cost study.

21 **Q. PLEASE DESCRIBE FURTHER THE COST STUDY USED TO**
22 **DETERMINE THE OU ALLOCATION PERCENTAGES.**

23 A. On a periodic basis, but no less than annually, DEBS conducts a cost study,

1 applying the applicable data to the allocation ratios described in Appendix A to the
2 DEBS Service Agreement. From these cost studies, DEBS updates the allocation
3 percentages of each allocable OU to reflect the current underlying foundation of
4 the allocation ratios. For example, annually, the OU based on the number of
5 employees, which is primarily utilized by the human resources function within
6 DEBS, is updated to reflect the number of employees of each of DEBS' affiliate
7 companies.

8 **Q. WERE ANY AUDITS CONDUCTED OF DEBS?**

9 A. Yes. Duke Energy has conducted an internal audit of DEBS' cost allocations on a
10 regular basis. In addition, Duke Energy Kentucky agreed to a series of bi-annual
11 audits of its affiliate transactions as part of various merger commitments. The final
12 and most recently completed audit was submitted to the Commission on June 20,
13 2017. To date, these audit reports support that Duke Energy has adequate processes
14 in place for allocating costs and have not found any material or significant
15 deficiencies.

16 **C. Cost Allocations for Common Costs Shared by Duke Energy**
17 **Kentucky and Duke Energy Ohio**

18 **Q. PLEASE EXPLAIN THE DIRECT CHARGES FROM DUKE ENERGY**
19 **OHIO TO DUKE ENERGY KENTUCKY?**

20 A. Direct charges from Duke Energy Ohio to Duke Energy Kentucky are for costs
21 such as employee labor, employee expenses, and inventory (material) transactions
which are specifically incurred for Duke Energy Kentucky's natural gas and/or
electric operations.

1 **Q. WHAT TYPES OF CHARGES ARE ALLOCATED TO DUKE ENERGY**
2 **KENTUCKY FROM DUKE ENERGY OHIO?**

3 A. Charges allocated to Duke Energy Kentucky from Duke Energy Ohio represent a
4 portion of costs originating on Duke Energy Ohio's books that apply to natural gas
5 and/or electric activities which cannot be charged directly and which apply to both
6 Duke Energy Kentucky and Duke Energy Ohio.

7 **Q. WHAT TYPES OF EXPENDITURES ARE CHARGED DIRECTLY**
8 **VERSUS ALLOCATED TO DUKE ENERGY KENTUCKY?**

9 A. The majority of common costs for Duke Energy Kentucky and Duke Energy Ohio
10 are direct charged to the appropriate affiliate. Expenditures incurred directly for a
11 specific project can be charged directly to Duke Energy Kentucky. A small portion
12 of common costs may be allocated to Duke Energy Kentucky from Duke Energy
13 Ohio. These costs include certain metering and customer related costs.

D. Cost Allocations for Common Costs Shared by Duke Energy Kentucky and
 Duke Energy's Carolina Utilities

14 **Q. PLEASE EXPLAIN THE AFFILIATE CHARGES FROM DUKE ENERGY**
15 **CAROLINAS AND DUKE ENERGY PROGRESS TO DUKE ENERGY**
16 **KENTUCKY?**

17 A. As part of the Duke Energy and Progress Energy merger certain employees who
18 were engaged in core utility functions that primarily supported the Carolina utilities
19 were transferred in 2013 from DEBS into one of the Carolina utilities. While these
20 employees primarily support the Carolinas, they also provide support to other
21 jurisdictions including Duke Energy Kentucky. As a result of the transfer of
22 employees there was an increase in charges from the Carolinas that was previously

1 incurred from DEBS.

2 **Q. WHAT TYPES OF CHARGES ARE ALLOCATED TO DUKE ENERGY**
3 **KENTUCKY FROM DUKE ENERGY'S CAROLINA UTILITIES?**

4 A. Charges allocated to Duke Energy Kentucky from Duke Energy's Carolina utilities
5 represent a portion of costs originating on the Carolina utilities books that apply to
6 electric and/or natural gas activities which cannot be charged directly and apply to
7 multiple Duke Energy jurisdictions including Duke Energy Kentucky.

8 **Q. WHAT TYPES OF EXPENDITURES ARE CHARGED DIRECTLY**
9 **VERSUS ALLOCATED TO DUKE ENERGY KENTUCKY?**

10 A. The majority of common costs for Duke Energy Kentucky and Duke Energy's
11 Carolina utilities are direct charged to the appropriate affiliate. Expenditures
12 incurred directly for a specific project can be charged directly to Duke Energy
13 Kentucky. A small portion of common costs are allocated to Duke Energy's utilities
14 from the Carolina's including Duke Energy Kentucky. These costs are primarily
15 customer operations related, but also include smaller amounts for engineering,
16 construction, operation, maintenance, and fuel purchasing related costs.

E. **A&G Cost Allocations Between Duke Energy Kentucky's Natural Gas and
Electric Operations**

17 **Q. WHAT TYPES OF EXPENDITURES ARE CHARGED DIRECTLY**
18 **VERSUS ALLOCATED TO DUKE ENERGY KENTUCKY NATURAL GAS**
19 **OR ELECTRIC OPERATIONS?**

20 A. Most expenditures incurred directly for a specific project can be charged directly
21 to a gas or an electric account. Certain administrative costs for general support
22 functions, such as Accounts Payable and Accounting, are common to both natural

1 gas and electric operations, and must be allocated. In addition, a portion of those
2 costs is also capitalized.

3 **Q. HOW HAVE THE ALLOCATION BASIS FOR A&G EXPENDITURES**
4 **BEEN DETERMINED?**

5 A. To the extent that costs cannot be directly charged to natural gas and/or electric
6 expense, they are allocated using a subset of the basis specified in the Operating
7 Company Service Agreement. Annually, a cost study is conducted, applying the
8 applicable data to this subset of allocation. From these cost studies, the allocation
9 percentages of each allocable OU are updated to reflect the current underlying
10 foundation of the allocation ratios. For example, annually, the OU based on the
11 labor dollars ratio, which is primarily utilized for employee related costs, is updated
12 to reflect the labor dollars in both the natural gas and electric functions of Duke
13 Energy Kentucky.

14 **Q. HOW IS THIS INFORMATION USED TO DETERMINE ASSIGNMENT**
15 **OF COMMON A&G COSTS?**

16 A. The cost allocation process for common A&G expenditures allocates costs based
17 on statistical data that best relates to the specific activity to be allocated. For
18 example, employee related costs to be allocated are distributed based on the labor
19 dollars ratio.

20 **Q. WERE THE CURRENT ALLOCATION PROCESSES YOU DESCRIBED**
21 **REFLECTED IN THE FORECASTED TEST PERIOD OF THIS CASE?**

22 A. Yes.

1 **Q. DO YOU ANTICIPATE THE COST ALLOCATION PROCESSES TO**
2 **HAVE A MATERIAL IMPACT TO THE AMOUNT OF EXPENDITURES**
3 **ALLOCATED TO DUKE ENERGY KENTUCKY’S NATURAL GAS**
4 **OPERATIONS ON AN ONGOING BASIS?**

5 A. No. Many of the allocation factors are the same as the previous allocation factors.
6 All of the allocation factors have been developed with the intent of assigning costs
7 consistent with cost causation. Given that objective, I do not anticipate a material
8 impact to the amount of expenditures allocated to Duke Energy Kentucky’s natural
9 gas operations.

IV. SCHEDULES AND FILING REQUIREMENTS
 SPONSORED BY WITNESS

10 **Q. PLEASE DESCRIBE FR 16(7)(u).**

11 A. FR 16(7)(u) contains the affiliate allocations during the base period, forecasted test
12 period and previous three calendar years.

13 **Q. PLEASE DESCRIBE FR 16(7)(u)(1) SECTION A.**

14 A. FR 16(7)(u)(1) Section A outlines the service functions and methods used during
15 the test year according to the Operating Company Service and Cost-based Non-
16 Utility Service Agreements to allocate costs that could not be charged directly by
17 DEBS to the regulated and non-regulated Duke Energy affiliates, including Duke
18 Energy Kentucky. FR 16(7)(u) Attachment A summarizes the total amount of
19 expenditures charged from DEBS to Duke Energy Kentucky for the three years
20 ended December 31, 2022; 2023; and 2024; and for the base period and the
21 forecasted test period which include the twelve-month periods ending August 31,
22 2025, and December 31, 2026, respectively.

1 **Q. ARE THE ALLOCATION METHODS LISTED IN FR 16(7)(u)(1) SECTION**
2 **A; THE SAME COST ALLOCATION METHODS CONTAINED IN THE**
3 **UTILITY SERVICE AGREEMENT APPROVED FOR USE IN 2010?**

4 A. The allocation methods listed in FR 16(7)(u)(1) Section A are the twenty allocation
5 methods contained in the current Utility Service Agreement.

6 **Q. PLEASE BRIEFLY DESCRIBE FR 16(7)(u)(2-4) SECTION A AND FR**
7 **16(7)(u) ATTACHMENT A.**

8 A. FR 16(7)(u)(2-4) Section A and FR 16(7)(u) Attachment A provide the basis used
9 to allocate common charges between DEBS and Duke Energy Kentucky. FR
10 16(7)(u) Attachment A identifies 16 allocation methods used during the test period
11 to allocate to Duke Energy Kentucky Electric which are either specifically
12 identified or a combination of the allocation methods identified on FR 16(7)(u)(1)
13 Section A. FR 16(7)(u)(2-4) Section A and FR 16(7)(u) Attachment A provide the
14 amount of these costs allocated to Duke Energy Kentucky Electric for the three
15 years ended December 31, 2022; 2023; and 2024; for the base period, and for the
16 forecasted test period ending August 31, 2025 and December 31, 2026,
17 respectively.

18 **Q. PLEASE BRIEFLY DESCRIBE FR 16(7)(u)(1) SECTION B, 16(7)(u)(2-4)**
19 **SECTION B, AND FR 16(7)(u) ATTACHMENT B.**

20 A. FR 16(7)(u)(1) Section B describes the process for assigning costs between Duke
21 Energy Ohio and Duke Energy Kentucky which originate on Duke Energy Ohio's
22 books and are directly assigned or allocated to Duke Energy Kentucky. FR
23 16(7)(u)(2-4) Section B and FR 16(7)(u) Attachment B provide the basis used to

1 allocate charges and the amount of these costs allocated to Duke Energy Kentucky
2 for the three years ended December 31, 2022; 2023; and 2024; for the base period,
3 and for the forecasted test period ending August 31, 2025, and December 31, 2026,
4 respectively.

5 **Q. PLEASE BRIEFLY DESCRIBE FR 16(7)(u)(1) SECTION C, FR 16(7)(u)(2-**
6 **4) SECTION C, AND FR 16(7)(u) ATTACHMENT C.**

7 A. FR 16(7)(u)(1) Section C describes the purpose and process for assigning costs
8 between Duke Energy Carolina, Duke Energy Progress and Duke Energy
9 Kentucky, which originate on Duke Energy's Carolina utilities books and are
10 directly assigned or allocated to Duke Energy Kentucky. FR 16(7)(u)(2-4) Section
11 C and FR 16(7)(u) Attachment C provide the basis used to allocate charges and the
12 amount of these costs allocated to Duke Energy Kentucky for the three years ended
13 December 31, 2022; 2023; and 2024; for the base period, and for the forecasted test
14 period ending August 31, 2025, and December 31, 2026, respectively.

15 **Q. PLEASE BRIEFLY DESCRIBE FR 16(7)(u)(1) SECTION D, FR 16(7)(u)(2-**
16 **4) SECTION D, AND FR 16(7)(u) ATTACHMENT D.**

17 A. FR 16(7)(u)(1) Section D provides the basis used to allocate A&G charges between
18 gas and electric operations for those items that cannot be directly charged. FR
19 16(7)(u)(2-4) Section D and FR 16(7)(u) Attachment D summarize the total amount
20 of A&G expenditures allocated between gas and electric A&G expense accounts
21 for the three years ended December 31, 2022; 2023; and 2024; for the base period,
22 and for the forecasted test period ending August 31, 2025, and December 31, 2026,
23 respectively.

1 **Q. ARE THE ALLOCATIONS INDICATED ON FR 16(7)(u)(1) SECTION D**
2 **USED TO DETERMINE ALL CHARGES THAT SHOULD BE RECORDED**
3 **TO GAS AND ELECTRIC OPERATIONS FOR BOTH CAPITAL AND**
4 **EXPENSE ACCOUNTS?**

5 A. No. Expenditures applicable to gas or electric operations are charged directly
6 whenever possible. For example, employees performing work on a specific project
7 will charge directly to the appropriate gas and/or electric expense or capital account.

8 **Q. IN YOUR OPINION, ARE THE ALLOCATION FACTORS AND COSTS**
9 **ASSIGNED TO DUKE ENERGY KENTUCKY REASONABLE?**

10 A. Yes. These costs are reasonable. All costs are assigned and allocated in compliance
11 with these agreements. Duke Energy's and the Company's accounting processes
12 are audited and verified to ensure that costs are properly assigned and allocated.
13 The amount of costs that are being allocated to Duke Energy Kentucky are
14 consistent with what the Company would otherwise experience if it did not have
15 the benefit of being a part of a larger family of utilities. In fact, based upon the
16 Duke Energy market research for determining salaries for shared and utility
17 employees, the costs of common business functions that are allocated to Duke
18 Energy Kentucky and shared among all affiliated companies result in a lower
19 overall cost to the individual companies than if they had to maintain separate and
20 duplicative individual functions.

21 **Q. DID YOU PROVIDE ANY INFORMATION TO OTHER WITNESSES FOR**
22 **THEIR USE IN THIS PROCEEDING?**

23 A. Yes, I supplied Ms. Hudson with the allocation factors in effect for her use in

1 developing the forecasted financial data.

V. CONCLUSION

2 **Q. WERE ATTACHMENTS REB-1, REB-2, REB-3, REB-4, REB-5, THE**
3 **INFORMATION YOU PREPARED FOR MS. HUDSON AND FR 16(7)(u)**
4 **PREPARED BY YOU OR UNDER YOUR SUPERVISION?**

5 **A. Yes.**

6 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

7 **A. Yes.**

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG) SS:

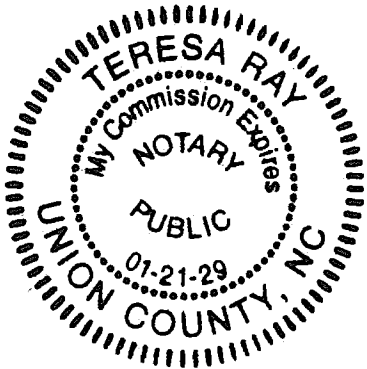
The undersigned, Rebekah E. Buck, Director of Allocations and Reporting, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing testimony and that it is true and correct to the best of her knowledge, information and belief.

Rebekah E. Buck
Rebekah E. Buck Affiant

Subscribed and sworn to before me by Rebekah E. Buck on this 19th day of May, 2025.

Teresa Ray
NOTARY PUBLIC

My Commission Expires: 01/21/29



**SERVICE COMPANY
UTILITY SERVICE AGREEMENT**

This Service Company Utility Service Agreement (this “Agreement”) is by and among Duke Energy Carolinas, LLC (“DEC”), a North Carolina limited liability company, Duke Energy Ohio, Inc., an Ohio corporation (“DEO”), Duke Energy Indiana, LLC an Indiana limited liability company (“DEI”), Duke Energy Kentucky, Inc., a Kentucky corporation (“DEK”), Duke Energy Progress, LLC, a North Carolina limited liability company (“DEP”), Piedmont Natural Gas Company, Inc., a North Carolina corporation (“Piedmont”), Duke Energy Florida, LLC (“DEF”), a Florida limited liability company, and Duke Energy Business Services LLC (“DEBS”), a Delaware limited liability company. DEBS is sometimes hereinafter referred to as a “Service Company.” DEC, DEO, DEI, DEK, DEP, DEF, and Piedmont are sometimes hereinafter referred to individually as a “Client Company” and collectively as the “Client Companies”. The Effective Date as stated herein is the date on which this Agreement is executed or, as may be required, submitted to the appropriate regulatory body for approval, whichever occurs last. This Agreement supersedes and replaces in its entirety all previous Service Company Utility Service Agreements dated before the Effective Date of this Agreement.

WITNESSETH

WHEREAS, each of the Client Companies and the Service Company are direct or indirect subsidiaries of Duke Energy Corporation;

WHEREAS, the Service Company and the Client Companies have entered into this Agreement whereby the Service Company agrees to provide and the Client Companies agree to accept and pay for various services as provided herein at cost, except to the extent otherwise required by Section 482 of the Internal Revenue Code; and

WHEREAS, economies and efficiencies benefiting the Client Companies will result from the performance by the Service Company of services as herein provided;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Agreement covenant and agree as follows:

ARTICLE I – SERVICES

Section 1.1 The Service Company shall furnish to the Client Companies, upon the terms and conditions hereinafter set forth, such of the services described in Appendix A hereto, at such times, for such periods and in such manner as the Client Companies may from time to time request and which the Service Company concludes it is equipped to perform. The Service Company shall also provide Client Companies with such special services, including without limitation cost management services, in addition to those services described in Appendix A hereto, as may be requested by a Client Company and which the Service Company concludes it is equipped to perform. In supplying such services, the Service Company may (i) arrange, where it deems appropriate, for the services of such experts, consultants, advisers and other persons with necessary qualifications as are required for or pertinent to the rendition of such services, and (ii) tender payments to third parties as agent for and on behalf of Client Companies, with such charges being passed through to the appropriate Client Companies.

Section 1.2 Each of the Client Companies shall take from the Service Company such of the services described in Section 1.1 and such additional general or special services, whether or not now contemplated, as are requested from time to time by the Client Companies and which the Service Company concludes it is equipped to perform.

Section 1.3 The services described herein shall be directly assigned, distributed or allocated by activity, process, project, responsibility center, work order or other appropriate basis. A Client Company shall have the right from time to time to amend, alter or rescind any activity, process, project, responsibility center or work order, provided that (i) any such amendment or alteration which results in a material change in the scope of the services to be performed or equipment to be provided is agreed to by the Service Company, (ii) the cost for the services covered by the activity, process, project, responsibility center or work order shall include any expense incurred by the Service Company as a direct result of such amendment, alteration or rescission of the activity, process, project, responsibility center or work order, and (iii) no amendment, alteration or rescission of an activity, process, project, responsibility center or work order shall release a Client Company from liability for all costs already incurred by or contracted for by the Service Company pursuant to the activity, process, project, responsibility center or work order, regardless of whether the services associated with such costs have been completed.

Section 1.4 The Service Company shall maintain a staff trained and experienced in the design, construction, operation, maintenance and management of public utility properties.

ARTICLE II - COMPENSATION

Section 2.1 Except to the extent otherwise required by Section 482 of the Internal Revenue Code, as compensation for the services to be rendered hereunder, each of the Client Companies shall pay to the Service Company all costs which reasonably can be identified and related to particular services performed by the Service Company for or on its behalf. Where more than one Client Company is involved in or has received benefits from a service performed, costs will be directly assigned, distributed or allocated, as set forth in Appendix A hereto, between or among such companies on a basis reasonably related to the service performed to the extent reasonably practicable.

Section 2.2 The method of assignment, distribution or allocation of costs described in Appendix A shall be subject to review annually, or more frequently if appropriate. Such method of assignment, distribution or allocation of costs may be modified or changed by the Service Company without the necessity of an amendment to this Agreement, provided that in each instance, all services rendered hereunder shall be at actual cost thereof, fairly and equitably assigned, distributed or allocated, except to the extent otherwise required by Section 482 of the Internal Revenue Code. The Service Company shall promptly advise the Client Companies of any material changes in such method of assignment, distribution or allocation. As appropriate, the Client Companies shall advise the North Carolina Utilities Commission ("NCUC"), the Public Service Commission of South Carolina, the Florida Public Service Commission; the Indiana Utility Regulatory Commission, the Public Utilities Commission of Ohio, the Kentucky Public Service Commission, and the Tennessee Regulatory Authority ("the "Affected State Commissions") of any such changes. Such notice shall be in compliance with the requirements of applicable state law, regulations and regulatory conditions.

Section 2.3 The Service Company shall render a monthly statement to each Client Company which shall reflect the billing information necessary to identify the costs charged for that month. By the last day of each month, each Client Company shall remit to the Service Company all charges billed to it. For avoidance of doubt, the Service Company and each Client Company may satisfy the foregoing requirement by recording billings and payments required hereunder in their common accounting systems without rendering paper or electronic monthly statements or remitting cash payments.

Section 2.4 Subject to Section 482 of the Internal Revenue Code, it is the intent of this Agreement that the payment for services rendered by the Service Company to the Client Companies shall cover all the costs of its doing business (less the cost of services provided to affiliated companies not a party to

this Agreement and to other non-affiliated companies, and credits for any miscellaneous income items), including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, property insurance, injuries and damages, employee pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization and compensation for use of capital. Without limitation of the foregoing, "cost," as used in this Agreement, means fully embedded cost, namely, the sum of (1) direct costs, (2) indirect costs and (3) costs of capital.

ARTICLE III - TERM

Section 3.1 This Agreement is entered into as of the Effective Date and shall continue in force with respect to a Client Company until terminated by the Service Company and Client Company with respect to such Client Company (provided that no such termination with respect to less than all of the Client Companies shall thereby affect the term of this Agreement or any of the provisions hereof) or until terminated by unanimous agreement of all the parties then signatory to this Agreement.

ARTICLE IV – ACCOUNTS AND RECORDS

Section 4.1 The Service Company shall utilize the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

Section 4.2 The Service Company shall permit each Affected State Commission and applicable statutory utility consumer representative(s), together with other interested parties as required under applicable law, access to its accounts and records, including the basis and computation of allocations, necessary for each Affected State Commission to review a Client Company's operating results.

ARTICLE V – MISCELLANEOUS

Section 5.1 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other parties.

Section 5.2 Entire Agreement; No Third Party Beneficiaries. This Agreement (including Appendix A and any other appendices or other exhibits or schedules hereto) (i) constitutes the entire agreement, and supersedes any prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement; and (ii) is not intended to confer upon any person other than the parties hereto any rights or remedies.

Section 5.3 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflict of laws.

Section 5.4 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 5.5 Amendments. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties. To the extent that applicable state law or regulation or other binding obligation requires that

any such amendment be filed with any Affected State Commission for its review or otherwise, each Client Company shall comply in all respects with any such requirements.

Section 5.6 Interpretation. When a reference is made in this Agreement to an Article, Section or Appendix or other Exhibit, such reference shall be to an Article or Section of, or an Appendix or other Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. References to a person are also to its permitted successors and assigns.

Section 5.7 DEC, DEP, and Piedmont Conditions. In addition to the terms and conditions set forth herein, with respect to DEC and DEP, the provisions set out in Appendix B are hereby incorporated herein by reference. In addition, DEC’s, DEP’s, and Piedmont’s participation in this Agreement is explicitly subject to the Regulatory Conditions and Code of Conduct approved by the NCUC in its Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued, in NCUC Docket Nos. E-2, Sub 1095, E-7, Sub 1100, and G-9, Sub 682. In the event of any conflict between the provisions of this Agreement and the approved Regulatory Conditions and Code of Conduct provisions, the Regulatory Conditions and Code of Conduct shall govern.

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed as of March 29, 2022.

DUKE ENERGY BUSINESS SERVICES LLC

By: _____
Cassandra M. Springer
Assistant Secretary

DUKE ENERGY CAROLINAS, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

DUKE ENERGY OHIO, INC.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

DUKE ENERGY INDIANA, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

DUKE ENERGY KENTUCKY, INC.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

DUKE ENERGY PROGRESS, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

DUKE ENERGY FLORIDA, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

PIEDMONT NATURAL GAS COMPANY, INC.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

Description of Services and Determination of Charges for Services

I. The Service Company will maintain an accounting system for accumulating all costs on an activity, process, project, responsibility center, work order, or other appropriate basis. To the extent practicable, time records of hours worked by Service Company employees will be kept by activity, process, project, responsibility center or work order. Charges for salaries will be determined from such time records and will be computed on the basis of employees' labor costs, including the cost of fringe benefits, indirect labor costs and payroll taxes. Records of employee-related expenses and other indirect costs will be maintained for each functional group within the Service Company (hereinafter referred to as "Function"). Where identifiable to a particular activity, process, project, responsibility center or work order, such indirect costs will be directly assigned to such activity, process, project, responsibility center or work order. Where not identifiable to a particular activity, process, project, responsibility center or work order, such indirect costs within a Function will be distributed in relationship to the directly assigned costs of the Function. For purposes of this Appendix A, any costs not directly assigned or distributed by the Service Company will be allocated monthly.

II. Service Company costs accumulated for each activity, process, project, responsibility center or work order will be directly assigned, distributed, or allocated to the Client Companies or other Functions within the Service Company as follows:

1. Costs accumulated in an activity, process, project, responsibility center or work order for services specifically performed for a single Client Company or Function will be directly assigned and charged to such Client Company or Function.

2. Costs accumulated in an activity, process, project, responsibility center or work order for services specifically performed for two or more Client Companies or Functions will be distributed among and charged to such Client Companies or Functions. The appropriate method of distribution will be determined by the Service Company on a case-by-case basis consistent with the nature of the work performed and will be based on the application of one or more of the methods described in paragraphs IV and V of this

Appendix A. The distribution method will be provided to each such affected Client Company or Function.

3. Costs accumulated in an activity, process, project, responsibility center or work order for services of a general nature which are applicable to all Client Companies or Functions or to a class or classes of Client Companies or Functions will be allocated among and charged to such Client Companies or Functions by application of one or more of the methods described in paragraphs IV and V of this Appendix A.

III. For purposes of this Appendix A, the following definitions or methodologies shall be utilized:

1. Where applicable, the following will be utilized to convert gas sales to equivalent electric sales: 1 cubic foot of gas sales equals 0.303048 kilowatt-hour of electric sales (based on electricity at 3412 Btu/kWh and natural gas at 1034 Btu/cubic foot).

2. "Domestic utility" refers to a utility which operates in the contiguous United States of America.

3. "Gross margin" refers to revenues as defined by Generally Accepted Accounting Principles, less cost of sales, including but not limited to fuel, purchased power, emission allowances and other cost of sales.

4. "Distribution" means electric distribution and local gas distribution as applicable.

5. "Distribution Lines" mean electric power lines at distribution voltages measured in circuit miles, and gas mains and lines, as applicable.

The weights utilized in the weighted average ratios in paragraph V of this Appendix A shall represent the percentage relationship of the activities associated with the function for which costs are to be allocated. For example, if an expense item is to be allocated on the weighted average of the Gross Margin Ratio, the Labor Dollars Ratio and the Total Property, Plant and Equipment ("PP&E") Ratio, and the activity to be allocated is one-third gross margin related, one-third labor related and one-third PP&E related, 33 percent of the Gross Margin Ratio would be utilized, 33 percent of the Labor Dollars Ratio and 34

percent of the PP&E Ratio would be utilized. To illustrate this application, assuming that the Gross Margin Ratio were 53.75 percent for Company A and 46.25 percent for Company B, the Labor Dollars Ratio were 25 percent for Company A and 75 percent for Company B, and the Total PP&E Ratio were 60 percent for Company A and 40 percent for Company B, the following weighted average ratio would be computed:

Activity	Weight	Company A		Company B	
		Ratio	Weighted	Ratio	Weighted
Gross Margin Ratio	33%	53.75%	17.74%	46.25%	15.26%
Labor Dollars Ratio	33%	25.00%	8.25%	75.00%	24.75%
Total Property, Plant and Equipment Ratio	<u>34%</u>	60.00%	<u>20.40%</u>	40.00%	<u>13.60%</u>
	100%		46.39%		53.61%

IV. The following allocation methods will be applied, as specified in paragraph V of this Appendix A, to assign costs for services applicable to two or more clients and/or to allocate costs for services of a general nature.

1. Sales Ratio

A ratio, based on the applicable domestic firm kilowatt-hour electric sales (and/or the equivalent cubic feet of gas sales, where applicable), excluding intra-system sales, for a preceding twelve consecutive calendar month period, the numerator of which is for a Client Company and the denominator of which is for all utility Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable), This ratio will be determined annually, or at such time as may be required due to a significant change.

2. Electric Peak Load Ratio

A ratio, based on the sum of the applicable monthly domestic firm electric maximum system demands for a preceding twelve consecutive calendar month period, the numerator of which is for a Client Company and the denominator of which is for all utility Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable), This ratio will be determined annually, or at such time as may be required due to a significant change.

applicable). This ratio will be determined annually, or at such time as may be required due to a significant change.

3. Number of Customers Ratio

A ratio, based on the sum of the applicable domestic firm electric customers (and/or gas customers, where applicable) at the end of a recent month in the preceding twelve consecutive calendar month period, the numerator of which is for a Client Company and the denominator of which is for all domestic utility Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). This ratio will be determined annually, or at such time as may be required due to a significant change.

4. Number of Employees Ratio

A ratio, based on the applicable number of employees at the end of a recent month in the preceding twelve consecutive month period, the numerator of which is for a Client Company or Service Company Function and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable) and/or the Service Company. This ratio will be determined annually, or at such time as may be required due to a significant change.

5. Construction-Expenditures Ratio

A ratio, based on the applicable projected construction expenditures for the following twelve consecutive calendar month period, the numerator of which is for a Client Company and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). Separate ratios will be computed for total construction expenditures and appropriate functional plant (i.e., production, transmission, Distribution, and general) classifications. This ratio will be determined annually, or at such time as may be required due to a significant change.

6. Miles of Distribution Lines Ratio

In the case of electric Distribution, a ratio, based on the applicable installed circuit miles of domestic electric Distribution Lines, and in the case of gas Distribution, a ratio, based on the applicable installed miles of domestic gas Distribution Lines, in either case at the end of the preceding calendar year, the numerator of which is for a Client Company and the denominator of which is for all domestic utility Client Companies. This ratio will be determined annually, or at such time as may be required due to a significant change.

7. Circuit Miles of Electric Transmission Lines Ratio

A ratio, based on the applicable installed circuit miles of domestic electric transmission lines at the end of the preceding calendar year, the numerator of which is for a Client Company and the denominator of which is for all domestic utility Client Companies. This ratio will be determined annually, or at such time as may be required due to a significant change.

8. Millions of Instructions Per Second Ratio

A ratio, based on the sum of the applicable number of millions of instructions per second (MIPS) used to execute mainframe computer software applications for a preceding twelve consecutive calendar month period, the numerator of which is for a Client Company or Service Company Function, and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable) and/or the Service Company. This ratio will be determined annually, or at such time as may be required due to a significant change.

9. Revenues Ratio

A ratio, based on the total applicable revenues for a preceding twelve consecutive calendar month period, the numerator of which is for a Client

Company and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). This ratio will be determined annually or at such time as may be required due to a significant change.

10. Inventory Ratio

A ratio, based on the total applicable inventory balance for the preceding year, the numerator of which is for a Client Company and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). Separate ratios will be computed for total inventory and the appropriate functional plant (i.e., production, transmission, Distribution, and general) classifications. This ratio will be determined annually or at such time as may be required due to a significant change.

11. Procurement Spending Ratio

A ratio, based on the total amount of applicable procurement spending for the preceding year, the numerator of which is for a Client Company or Service Company Function and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable) and/or the Service Company. Separate ratios will be computed for total procurement spending and appropriate functional plant (i.e., production, transmission, Distribution, and general) classifications. This ratio will be determined annually or at such time as may be required due to a significant change.

12. Square Footage Ratio

A ratio, based on the total amount of applicable square footage occupied in a recent month in the preceding twelve consecutive month period, the numerator of which is for a Client Company or Service Company Function and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable)

and/or the Service Company. This ratio will be determined annually or at such time as may be required due to a significant change.

13. Gross Margin Ratio

A ratio, based on the total applicable gross margin for a preceding twelve consecutive calendar month period, the numerator of which is for a Client Company and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). This ratio will be determined annually or at such time as may be required due to a significant change.

14. Labor Dollars Ratio

A ratio, based on the total applicable labor dollars for a preceding twelve consecutive calendar month period, the numerator of which is for a Client Company or Service Company Function and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable) and/or the Service Company. This ratio will be determined annually or at such time as may be required due to a significant change.

15. Number of Personal Computer Work Stations Ratio

A ratio, based on the total number of applicable personal computer work stations at the end of a recent month in the preceding twelve consecutive month period, the numerator of which is for a Client Company or Service Company Function and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable) and/or the Service Company. This ratio will be determined annually or at such time as may be required due to a significant change.

16. Number of Information Systems Servers Ratio

A ratio, based on the total number of applicable servers at the end of a recent month in the preceding twelve consecutive month period, the numerator of which is for a Client Company or Service Company Function and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable) and/or the Service Company. This ratio will be determined annually or at such time as may be required due to a significant change.

17. Total Property, Plant and Equipment Ratio

A ratio, based on the total applicable Property, Plant and Equipment balance (net of accumulated depreciation and amortization) for the preceding year, the numerator of which is for a Client Company and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). This ratio will be determined annually or at such time as may be required due to a significant change.

18. Generating Unit MW Capability / Maximum Dependable Capacity (MDC) Ratio A ratio, based on the total applicable installed megawatt capability for the preceding year, the numerator of which is for a Client Company and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). This ratio will be determined annually or at such time as may be required due to a significant change.

19. Number of Meters Ratio

A ratio, based on the number of electric and/or gas meters, as applicable, the numerator of which is for a Client Company and the denominator of which is for all domestic utility Client Companies. Separate ratios will be computed for appropriate meter classifications (e.g., type of metering

technology). This ratio will be determined annually, or at such time as may be required due to a significant change.

20. O&M Expenditures Ratio

A ratio, based on the operation and maintenance (O&M) expenditures for a prior twelve month period, the numerator of which is for a Client Company and the denominator of which is for all Client Companies (and Duke Energy Corporation's non-utility and non-domestic utility affiliates, where applicable). Separate ratios will be computed for total O&M expenditures and appropriate functional plant (i.e., production, transmission, Distribution, and general) classifications. This ratio will be determined annually.

V. A description of each Function's activities, which may be modified from time to time by the Service Company, is set forth below in paragraph "a" under each Function. As described in paragraph II, "1" and "2" of this Appendix A, where identifiable, costs will be directly assigned or distributed to Client Companies or to other Functions of the Service Company. For costs accumulated in activities, processes, projects, responsibility centers, or work orders which are for services of a general nature that cannot be directly assigned or distributed, as described in paragraph II, "3" of this Appendix A, the method or methods of allocation are set forth below in paragraph "b" under each Function. For any of the functions set forth below other than Information Systems, Transportation, Human Resources or Facilities, costs of a general nature to be allocated pursuant to this Agreement shall exclude costs of a general nature which have been allocated to affiliated companies not a party to this Agreement. Substitution or changes may be made in the methods of allocation hereinafter specified, as may be appropriate, and will be provided to state regulatory agencies and to each Client Company. Any such substitution or changes shall be in compliance with the requirements of applicable state law, regulations and regulatory conditions.

1. Information Systems

a. Description of Function

Provides communications and electronic data processing services. The activities of the Function include:

- (1) Development and support of mainframe computer software applications.
- (2) Procurement and support of personal computers and related network and software applications.
- (3) Development and support of distributed computer software applications (e.g., servers).
- (4) Installation and operation of communications systems.
- (5) Information systems management and support services.

b. Method of Allocation

- (1) Development and support of mainframe computer software applications - allocated between the Client Companies and other Functions of the Service Company based on the number of Millions of Instructions per Second Ratio (MIPS).
- (2) Procurement and support of personal computers and related network and software applications - allocated to the Client Companies and to other Functions of the Service Company based on the Number of Personal Computer Work Stations Ratio.
- (3) Development and support of distributed computer software applications - allocated to the Client Companies and to other Functions of the Service Company based on the Number of Information Systems Servers Ratio.
- (4) Installation and operation of communications systems - allocated to the Client Companies and to other Functions of the Service Company based on the Number of Employees Ratio.
- (5) Information systems management and support services – allocated to the Client Companies and to other Functions of the Service Company based on the Number of Personal Computer Work Stations Ratio.

2. Meters

a. Description of Function

Procures, tests and maintains meters.

b. Method of Allocation

Allocated to the Client Companies based on the Number of Customers Ratio.

3. Transportation

a. Description of Function

(1) Procures and maintains vehicles and equipment.

(2) Procures and maintains aircraft and equipment.

b. Method of Allocation

(1) The costs of maintaining vehicles and equipment are allocated to the Client Companies and to other Functions of the Service Company based on the Number of Employees Ratio.

(2) The costs of maintaining aircraft and equipment are allocated to the Client Companies and to other Functions of the Service Company based on a weighted average of the Gross Margin Ratio, the Labor Dollars Ratio and the PP&E Ratio.

4. System Maintenance

a. Description of Function

Coordinates maintenance and support of electric transmission systems and electric and gas Distribution systems.

b. Method of Allocation, note: where applicable, allocations specific to gas will follow similar methodologies.

(1) Services related to electric transmission systems - allocated to the Client Companies based on the Circuit Miles of Electric Transmission Lines Ratio.

(2) Services related to electric Distribution systems - allocated to the Client Companies based on the Miles of Distribution Lines Ratio.

(3) Services related to gas Distribution systems – allocated to the Client Companies based on the Labor Dollars Ratio.

5. Marketing and Customer Relations

a. Description of Function

Advises the Client Companies in relations with domestic utility customers.

The activities of the Function include:

- (1) Design and administration of sales and demand-side management programs.
- (2) Customer meter reading, billing and payment processing.
- (3) Customer services including the operation of call center.

b. Method of Allocation

- (1) Design and administration of sales and demand-side management programs - allocated to the Client Companies based on the Number of Customers Ratio.
- (2) Customer billing and payment processing - allocated to the Client Companies based on the Number of Customers Ratio.
- (3) Customer Services - allocated to the Client Companies based on the Number of Customers Ratio.

6. Transmission and Distribution Engineering and Construction

a. Description of Function

Designs and monitors construction of electric transmission and electric and gas Distribution Lines and associated facilities. Prepares cost and schedule estimates, visits construction sites to ensure that construction activities coincide with plans, and administers construction contracts.

b. Method of Allocation, note: where applicable, allocations specific to gas will follow similar methodologies.

- (1) Transmission engineering and construction allocated to the Client Companies based on the Electric Transmission Plant's Construction-Expenditures Ratio.
- (2) Distribution engineering and construction allocated to the Client Companies based on the Distribution plant's Construction-Expenditures Ratio.

7. Power Engineering and Construction

a. Description of Function

Designs, monitors and supports the construction and retirement of electric generation facilities. Prepares specifications and administers contracts for construction of new electric generating units, improvements to existing electric generating units, and the retirement of existing electric generating equipment, including developing associated operating processes with operations personnel. Prepares cost and schedule estimates and visits construction sites to ensure that construction and retirement activities meet schedules and plans.

b. Method of Allocation

Allocated to the Client Companies based on the Electric Production Plant's Construction-Expenditures Ratio.

8. Human Resources

a. Description of Function

Establishes and administers policies and supervises compliance with legal requirements in the areas of employment, compensation, benefits and employee health and safety. Processes payroll and employee benefit payments. Supervises contract negotiations and relations with labor unions.

b. Method of Allocation

Allocated to the Client Companies and to other Functions of the Service Company based on the Number of Employees Ratio.

9. Supply Chain

a. Description of Function

Provides services in connection with the procurement of materials and contract services, processes payments to vendors, and provides management of material and supplies inventories.

b. Method of Allocation

- (1) Procurement of materials and contract services and vendor payment processing - allocated to the Client Companies and to other Functions of the Service Company based on the Procurement Spending Ratio.
- (2) Management of materials and supplies inventory – allocated to the Client Companies on the Inventory Ratio.

10. Facilities

a. Description of Function

Operates and maintains office and service buildings. Provides security and housekeeping services for such buildings and procures office furniture and equipment.

b. Method of Allocation

Allocated to the Client Companies and to other Functions of the Service Company based on the Square Footage Ratio.

11. Accounting

a. Description of Function

Maintains the books and records of Duke Energy Corporation and its affiliates, prepares financial and statistical reports, prepares tax filings and supervises compliance with the laws and regulations.

b. Method of Allocation

- (1) Allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio.
- (2) Certain merger related costs are allocated based on Generating Unit MW Capability/ MDC Ratio.

12. Power and Gas Planning and Operations

a. Description of Function

Coordinate the planning, management and operation of Duke Energy Corporation's power generation, transmission and electric and gas Distribution systems. The activities of the Function include:

- (1) System Planning - planning of additions and retirements to the electric generation units and transmission and electric and gas Distribution systems belonging to the regulated utilities owned by Duke Energy Corporation.
 - (2) System Operations - coordination of the dispatch and operation of the electric generating units and transmission and electric and gas Distribution systems belonging to the regulated utilities owned by Duke Energy Corporation.
 - (3) Power Operations – provides management and support services for the electric generation units owned or operated by subsidiaries of Duke Energy Corporation.
 - (4) Wholesale Power Operations – coordination of Duke Energy Corporation’s wholesale power operations.
- b. Method of Allocation, note: where applicable, allocations specific to gas will follow similar methodologies.
- (1) System Planning
 - (a) Generation planning - allocated to the Client Companies based on the Electric Peak Load Ratio.
 - (b) Transmission planning – allocated to the Client Companies based on the Electric Peak Load Ratio.
 - (c) Electric Distribution planning - allocated to the Client Companies based on a weighted average of the Miles of Distribution Lines Ratio and the Electric Peak Load Ratio.
 - (d) Gas Distribution planning – allocated to the Client Companies based on the Construction-Expenditures Ratio.
 - (2) System Operations –
 - (a) Generation Dispatch - allocated to the Client Companies based on the Sales Ratio.
 - (b) Transmission Operations - allocated to the Client Companies based on a weighted average of the Circuit Miles of Electric Transmission Lines Ratio and the Electric Peak Load Ratio.

- (c) Electric Distribution Operations - allocated to the Client Companies based on a weighted average of the Miles of Distribution Lines Ratio and the Electric Peak Load Ratio.
 - (d) Gas Distribution Operations – allocated to the Client Companies based on the Construction-Expenditures Ratio.
-
- (3) Power Operations – allocated to the Client Companies based on the Generating Unit MW Capability / Maximum Dependable Capacity (MDC) Ratio.
 - (4) Wholesale Power Operations – allocated to the Client Companies based on the Sales Ratio.

13. Public Affairs

a. Description of Function

Prepares and disseminates information to employees, customers, government officials, communities and the media. Provides graphics, reproduction lithography, photography and video services.

b. Method of Allocation

- (1) Services related to corporate governance, public policy, management and support services - allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio.
- (2) Services related to utility specific activities - allocated to the Client Companies based on a weighted average of the Number of Customers Ratio and the Number of Employees Ratio.

14. Legal

a. Description of Function

Renders services relating to labor and employment law, litigation, contracts, rates and regulatory affairs, environmental matters, financing, financial reporting, real estate and other legal matters.

b. Method of Allocation

Allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio.

15. Rates

a. Description of Function

Services related to rate design and analysis, and rates support. Such as: determines the Client Companies' revenue requirements and rates to electric and gas requirements customers; administers interconnection and joint ownership agreements; researches and forecasts customers' usage.

b. Method of Allocation

Allocated to the Client Companies based on the Sales Ratio.

16. Finance

a. Description of Function

Renders services to Client Companies with respect to investments, financing, cash management, risk management, claims and fire prevention. Prepares budgets, financial forecasts and economic analyses.

b. Method of Allocation

Allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio.

17. Rights of Way

a. Description of Function

Purchases, surveys, records, and sells real estate interests for Client Companies.

b. Method of Allocation, note: where applicable, allocations specific to gas will follow similar methodologies.

(1) Services related to Distribution system - allocated to the Client Companies based on the Miles of Distribution Lines Ratio.

(2) Services related to electric generation system- allocated to the Client Companies based on the Electric Peak Load Ratio.

- (3) Services related to electric transmission system – allocated to the Client Companies based on the Circuit Miles of Electric Transmission Lines Ratio.

18. Internal Auditing

a. Description of Function

Reviews internal controls and procedures to ensure that assets are safeguarded and that transactions are properly authorized and recorded.

b. Method of Allocation

Allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio.

19. Environmental, Health and Safety

a. Description of Function

Establishes policies and procedures and governance framework for compliance with environmental, health and safety (“EHS”) issues, monitors compliance with EHS requirements and provides EHS compliance support to the Client Companies’ personnel.

b. Method of Allocation

(1) Services related to corporate governance, environmental policy, management and support services - allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollar Ratio and the PP&E Ratio.

(2) Services related to utility specific activities – allocated to the Client Companies based on the Sales Ratio.

20. Fuels

a. Description of Function

Procures coal, gas and oil for the Client Companies. Ensures compliance with price and quality provisions of fuel contracts and arranges for transportation of the fuel to the generating stations.

b. Method of Allocation

Allocated to the Client Companies based on the Sales Ratio.

21. Investor Relations

a. Description of Function

Provides communications to investors and the financial community, performs transfer agent and shareholder record keeping functions, administers stock plans and performs stock-related regulatory reporting.

b. Method of Allocation

Allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollars Ratio and the PP&E Ratio.

22. Planning

a. Description of Function

Facilitates preparation of strategic and operating plans, monitors trends and evaluates business opportunities.

b. Method of Allocation

Allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollars Ratio and the PP&E Ratio.

23. Executive

a. Description of Function

Provides general administrative and executive management services.

b. Method of Allocation

Allocated to the Client Companies based on a weighted average of the Gross Margin Ratio, the Labor Dollars Ratio and the PP&E Ratio.

24. Nuclear Development

a. Description of Function

Provides design, engineering, project management and licensing for potentially proposed new operating units.

b. Method of Allocation

Directly assigned/charged to participating jurisdictions.

OPERATING COMPANIES SERVICE AGREEMENT

This Operating Companies Service Agreement (this “Agreement”) by and among Duke Energy Carolinas, LLC (“DEC”), a North Carolina limited liability company, Duke Energy Ohio, Inc. (“DEO”), an Ohio corporation, Duke Energy Indiana, LLC (“DEI”), an Indiana limited liability company, Duke Energy Kentucky, Inc. (“DEK”), a Kentucky corporation, Duke Energy Progress, LLC (“DEP”), a North Carolina limited liability company, and Duke Energy Florida, LLC (“DEF”), a Florida limited liability company and Piedmont Natural Gas Company, Inc., a North Carolina corporation (“Piedmont”), supersedes and replaces in its entirety all previous Operating Company Service Agreements dated before the Effective Date of this Agreement. The Effective date as stated herein is the date on which this agreement is signed or, as may be required, submitted to the appropriate regulatory body for approval, whichever occurs last. DEC, DEO, DEI, DEK, DEP, DEF and Piedmont are referred to collectively as the “Operating Companies” and, individually, an “Operating Company.”

WITNESSETH:

WHEREAS, Duke Energy Corporation (“Duke Energy”) is a Delaware corporation;

WHEREAS, each Operating Company is a subsidiary of Duke Energy and a public utility company;

WHEREAS, in the ordinary course of their businesses, Operating Companies maintain organizations of employees with technical expertise in matters affecting public utility companies and related businesses and own or acquire related equipment, facilities, properties and other resources; and

WHEREAS, subject to the terms and conditions herein set forth, and taking into consideration the parties’ utility responsibilities or primary business operations, as the case may be, the parties hereto are willing, upon request from time to time, to perform such services, and in connection therewith to make available such equipment, facilities, properties and other resources, as they shall request from each other;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE 1. PROVISION OF SERVICES; LOANED EMPLOYEES

Section 1.1 Provision of Services.

(a) Except as hereinafter provided with respect to DEC, DEP, and Piedmont providing services for each other, upon receipt by a party hereto (in such capacity, a “Service Provider”) of a written request in substantially the same form attached hereto as Exhibit A (a “Service Request”) from another party hereto (in such capacity, a “Client Company”) for the provision to such Client

Company of such services as are specified therein, including if applicable use of any related equipment, facilities, properties or other resources (collectively, “Services”), the Service Provider, if in its sole discretion it has available the personnel or other resources needed to perform the Service Request without impairment of its utility responsibilities or business operations, as the case may be, shall furnish such Services to the Client Company at such times, for such periods and in such manner as the Client Company shall have so requested and otherwise in accordance with the provisions hereof.

(b) For purposes of this Agreement, “Services” may include, but shall not be limited to, services in such areas as engineering and construction; operations and maintenance; customer operations; installation services; equipment testing; generation technical support; environmental, health and safety; and procurement services (including, but not limited to, fuel procurement).

(c) “Services” may also include the use of assets, equipment and facilities, provided the Client Company compensates the Service Provider for such use in accordance with Article 3.

(d) For the avoidance of doubt, affiliate transactions involving sales or other transfers of assets, goods, energy commodities (including electricity, natural gas, coal and other combustible fuels) or thermal energy products are outside the scope of this Agreement.

Section 1.2 Loaned Employees.

(a) If specifically requested in connection with the provision of Services, Service Provider shall loan one or more of its employees to such Client Company, provided that such loan shall not, in the sole discretion of Service Provider, interfere with or impair Service Provider’s utility responsibilities or business operations, as the case may be. After the commencement thereof, any such loaned employees may be withdrawn by Service Provider from tasks duly assigned by Client Company, prior to completion thereof as contemplated in the associated Service Request, only with the consent of Client Company (which shall not be unreasonably withheld or delayed), except in the event of a demonstrable emergency requiring the use of any such employees in another capacity for Service Provider.

(b) While performing work on behalf of Client Company, any such loaned employees shall be under its supervision and control, and Client Company shall be responsible for their actions to the same extent as though such persons were its employees (it being understood that such persons shall nevertheless remain employees of Service Provider and nothing herein shall be construed as creating an employer-employee relationship between any Client Company and any loaned employees). Accordingly, for the duration of any such loan, Service Provider shall continue to provide its loaned employees with the same payroll, pension, savings, tax withholding, unemployment, bookkeeping and other personnel support services then being provided by Service Provider to its other employees.

ARTICLE 2. SERVICE REQUESTS

Section 2.1 Procedure. All Services (including any loans of employees) (i) shall be performed in accordance with Service Requests issued by or on behalf of Client Company and

accepted by Service Provider and (ii) shall be assigned to applicable activities, processes, projects, responsibility centers or on other appropriate bases to enable specific work to be properly assigned. Service Requests shall be as specific as practicable in defining the Services requested. Client Company shall have the right from time to time to amend or rescind any Service Request, *provided* that (a) Service Provider consents to any amendment that results in a material change in the scope of Services to be provided, (b) the costs associated with an amended or rescinded Service Request shall include the costs incurred by Service Provider as a result of such amendment or rescission, and (c) no amendment or rescission of a Service Request shall release Client Company from any liability for costs already incurred or contracted for by Service Provider pursuant to the original Service Request, regardless of whether any labor or the furnishing of any property or other resources has been commenced or completed.

ARTICLE 3. COMPENSATION FOR SERVICES

Section 3.1 Cost of Services. As compensation for any Services rendered to it pursuant to this Agreement, Client Company shall pay to Service Provider the Cost thereof, except to the extent otherwise required by Section 482 of the Internal Revenue Code. “Costs” means the sum of (i) direct costs, (ii) indirect costs and (iii) costs of capital. As soon as practicable after the close of each month, Service Provider shall render to each Client Company a statement reflecting the billing information necessary to identify the costs charged for that month. By the last day of each month, Client Company shall remit to Service Provider all charges billed to it. For avoidance of doubt, the Service Provider and each Client Company may satisfy the foregoing requirement by recording billings and payments required hereunder in their common accounting systems without rendering paper or electronic monthly statements or remitting cash payments.

Section 3.2 Exception. In the event any Services to be rendered under this Agreement are to be provided to or from DEC, DEP, and Piedmont in accordance with DEC’s, DEP’s, and Piedmont’s North Carolina Code of Conduct at anything other than fully embedded cost as described above, then prior to entering into the transaction, DEI, DEK, DEF or DEO, whichever is applicable, shall provide 30 days written notice to the respective state commission staffs and state consumer representatives explaining the proposed transaction, including the benefits of the transaction. If no objection is received within 30 days, then the transaction may proceed. If one or more third parties object to the transaction in writing within 30 days, then DEI, DEK, DEF or DEO, whichever is applicable, must seek specific state commission approval of the transaction prior to entering into the transaction.

ARTICLE 4. LIMITATION OF LIABILITY; INDEMNIFICATION

Section 4.1 Limitation of Liability/Services. In performing Services pursuant to Section 1.1 hereof, Service Provider will exercise due care to assure that the Services are performed in a workmanlike manner in accordance with the specifications set forth in the applicable Service Request and consistent with any applicable legal standards. The sole and exclusive responsibility of Service Provider for any deficiency therein shall be promptly to correct or repair such deficiency or to re-perform such Services, in either case at no additional cost to Client Company, so that the Services fully conform to the standards described in the first sentence of this Section 4.1. No Service Provider makes any other warranty with respect to the provision of Services, and each Client Company agrees to accept any Services without further warranty of any nature.

Section 4.2 Limitation of Liability/Loaned Employees. In furnishing Services under Section 1.2 hereof (*i.e.*, involving loaned employees), neither the Service Provider, nor any officer, director, employee or agent thereof, shall have any responsibility whatsoever to any Client Company receiving such Services, and Client Company specifically releases Service Provider and such persons, on account of any claims, liabilities, injuries, damages or other consequences arising in connection with the provision of such Services under any theory of liability, whether in contract, tort (including negligence or strict liability) or otherwise, it being understood and agreed that any such loaned employees are made available without warranty as to their suitability or expertise.

Section 4.3 Disclaimer. WITH RESPECT TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT, THE SERVICE PROVIDER THEREOF MAKES NO WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH IN SECTION 4.1, AND THE PARTIES HERETO HEREBY AGREE THAT NO OTHER WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), SHALL BE APPLICABLE TO THE PROVISION OF ANY SUCH SERVICES. THE PARTIES FURTHER AGREE THAT THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

Section 4.4 Indemnification.

(a) Subject to subparagraph (b) of this Section 4.4, Service Provider shall release, defend, indemnify and hold harmless each Client Company, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees), whether or not involving a third-party claim, incurred or sustained by or against any such Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services.

(b) Notwithstanding any other provision hereof, Service Provider's total liability hereunder with respect to any specific Services shall be limited to the amount actually paid to Service Provider for its performance of the specific Services for which the liability arises, and under no circumstances shall Service Provider be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

Section 4.5 Procedure for Indemnification. Within 15 business days after receipt by any Client Company of notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (a "Proceeding") with respect to which it is eligible for indemnification hereunder, such Client Company shall notify Service Provider thereof in writing (it being understood that failure to so notify Service Provider shall not relieve the latter of its indemnification obligation, unless Service Provider establishes that defense thereof has been prejudiced by such

failure). Thereafter, Service Provider shall be entitled to participate in such Proceeding and, at its election upon notice to such Client Company and at its expense, to assume the defense of such Proceeding. Without the prior written consent of such Client Company, Service Provider shall not enter into any settlement of any third-party claim that would lead to liability or create any financial or other obligation on the part of such Client Company for which such Client Company is not entitled to indemnification hereunder. If such Client Company has given timely notice to Service Provider of the commencement of such Proceeding, but Service Provider has not, within 15 business days after receipt of such notice, given notice to Client Company of its election to assume the defense thereof, Service Provider shall be bound by any determination made in such Proceeding or any compromise or settlement made by Client Company. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice from the applicable Client Company to Service Provider.

ARTICLE 5. MISCELLANEOUS

Section 5.1 Amendments. Any amendments to this Agreement shall be in writing executed by each of the parties hereto. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with any affected state public utility commission for its review or otherwise, each Operating Company shall comply in all respects with any such requirements.

Section 5.2 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect as to each party until terminated by any party, as to itself only, upon not less than 30 days prior written notice to the other parties hereto. Any such termination of parties shall not be deemed an amendment hereto. This Agreement may be terminated and thereafter be of no further force and effect upon the mutual consent of all of the parties hereto.

Section 5.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto. Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 5.4 Severability. If any provision of this Agreement or any application thereof shall be determined to be invalid or unenforceable, the remainder of this Agreement and any other application thereof shall not be affected thereby.

Section 5.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 5.6 Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of New York, without regard to conflicts of laws principles.

Section 5.7 Captions, Headings. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, “hereof,” “hereunder,” “herein,” “hereto,” and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

Section 5.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

Section 5.9 DEC, DEP, and Piedmont Conditions. In addition to the terms and conditions set forth herein, with respect to DEC, DEP, and Piedmont, the provisions set out in Appendix B are hereby incorporated herein by reference. In addition, except with respect to the pricing of Services as set forth herein, DEC’s, DEP’s and Piedmont’s participation in this Agreement is explicitly subject to the Regulatory Conditions and Code of Conduct approved by the North Carolina Utilities Commission (“NCUC”) in its *Order Approving Merger Subject to Regulatory Conditions and Code of Conduct* issued, in Docket Nos. E-2, Sub 1095 and E-7, Sub 1100, and G-9, Sub 682, and applicable to South Carolina, as such Regulatory Conditions and Code of Conduct may be amended from time to time. In the event of any conflict between the provisions of this Agreement and the approved Regulatory Conditions and Code of Conduct provisions, the Regulatory Conditions and Code of Conduct shall govern.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on March 29, 2022, on its behalf by an appropriate officer thereunto duly authorized.

Duke Energy Carolinas, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Duke Energy Ohio, Inc.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

Duke Energy Indiana, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Duke Energy Kentucky, Inc.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

Duke Energy Progress, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Duke Energy Florida, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Piedmont Natural Gas Company, Inc.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

Service Request For Affiliates

Page 1 of 2

Id	<input type="text" value="SRAF-148"/>
Status	<input type="text" value="Draft"/>

* Red Asterisk indicates required fields

*Functional Area (for the Service Provider)

Service Provider

*Service Provider

*Legal Approval Representative

Proposed Service

*Proposed Service

* Additional Detail

Please provide basis for appropriate pricing and further details about parties involved.

Estimated Costs
(NA-see accounting records)

\$

*Scheduled Start Date

*Scheduled Completion Date

Client Company

*Client Company

PeopleSoft Accounting Codes for the Services Provided

* * * Process OR Project & Activities OR GL Account for Client Company must be entered

*Client Company Operating Unit

*Service Provider Resp. Center

* Process

Service Request For Affiliates

Page 2 of 2

* Project	* Activity	* GL Account
<input type="text"/>	<input type="text"/>	<input type="text"/>

Confirmation of Service Provider Utility Responsibilities by Service Provider Approver

☐ Check this box to confirm that this Service Request will not result in impairment of Service Provider's utility responsibilities or business operations.

Approver Selection

The approvers should be appropriate according to the Delegation of Authority (DOA) matrix.

Route To	Name	Phone	Status
* Client Company	<input type="text"/> , Joel T	<input type="text"/> (980) 373	<input type="text"/>
* Service Provider	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Legal	<input type="text"/>	<input type="text"/>	<input type="text"/>

Submitter Details

Created By

, Chelsea

Created On

05/17/2018 10:53 PM

*Phone

(980) 373

Last Modified By

Chelsea

Last Modified Date

05/23/2018 4:31 PM

**DUKE ENERGY CAROLINAS, LLC DUKE ENERGY PROGRESS, LLC, AND
PIEDMONT NATURAL GAS COMPANY, INC. CONDITIONS**

1. Access to DEC, DEP or Piedmont Information. Any Operating Company providing Services to DEC or DEP pursuant to this Agreement, including any loaned employees under Section 1.2 of the Agreement, shall be permitted to have access to DEC's, DEP's or Piedmont's Customer Information and Confidential Systems Operation Information, as those terms are defined in the Code of Conduct, to the extent necessary for the performance of such Services; provided that such Operating Company shall take reasonable steps to protect the confidentiality of such Information.
2. Procedures for Services Received By DEC DEP, or Piedmont from each other or the other Operating Companies and for Services Provided by DEC, DEP or Piedmont to each other or the other Operating Companies. DEC, DEP, and Piedmont shall receive from each other and the other Operating Companies, upon the terms and conditions set forth in this agreement, such of the services listed in the Operating Companies Service Agreement List on file with the NCUC, at such times, for such periods and in such manner as DEC DEP, or Piedmont may from time to time request of each other or another Operating Company. DEC, DEP, or Piedmont may provide to each other and the other Operating Companies, upon the terms and conditions set forth in this Agreement, at such times for such periods, and in such a manner as DEC, DEP or Piedmont concludes it is equipped to perform for each other or another Operating Company. DEC, DEP, or Piedmont may perform these services for each other as described in this paragraph without the requirement of a written request in substantially the form attached to this Agreement as Exhibit A.

**AMENDED AND RESTATED OPERATING COMPANY/NONUTILITY COMPANIES
SERVICE AGREEMENT**

This Amended and Restated Operating Company/Nonutility Companies Service Agreement (this "Agreement") dated September 1, 2008 (the "Effective Date") by and among Duke Energy Kentucky, Inc., a Kentucky corporation ("Operating Company"), and the respective associate nonutility companies listed on the signature pages hereto (each, a "Nonutility Company") supersedes and restates in its entirety the Operating Company/Nonutility Service Agreement entered into between the Operating Company and each Nonutility Company dated January 2, 2007.

WITNESSETH:

WHEREAS, Duke Energy Corporation ("Duke Energy") is a Delaware corporation;

WHEREAS, Operating Company is a subsidiary of Duke Energy and a public utility company;

WHEREAS, each Nonutility Company is a subsidiary of Duke Energy that is or was formed to engage in any one or more non-regulated businesses;

WHEREAS, certain non-regulated public utilities were added in error to the Operating Company/Nonutility Companies Service Agreement dated January 2, 2007 and are being removed in this Agreement;

WHEREAS, in the ordinary course of their businesses, Operating Company and each Nonutility Company maintain organizations of employees with technical expertise in matters affecting public utility companies and related businesses and own or acquire related equipment, facilities, properties and other resources; and

WHEREAS, subject to the terms and conditions herein set forth, and taking into consideration the parties' utility responsibilities or primary business operations, as the case may be, the parties hereto are willing, upon request from time to time, to perform such services, and in connection therewith to make available such equipment, facilities, properties and other resources, as they shall request from each other;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE 1. PROVISION OF SERVICES; LOANED EMPLOYEES

Section 1.1 Provision of Services.

(a) Upon receipt by a party hereto (in such capacity, a "Service Provider") of a written request in substantially the form attached hereto as Exhibit A (a "Service Request") from another party hereto (in such capacity, a "Client Company") for the provision to such Client Company of such services as are specified therein, including if applicable use of any related equipment, facilities,

properties or other resources (collectively, "Services"), the Service Provider, if in its sole discretion it has available the personnel or other resources needed to perform the Service Request without impairment of its utility responsibilities or business operations, as the case may be, shall furnish such Services to the Client Company at such times, for such periods and in such manner as the Client Company shall have so requested and otherwise in accordance with the provisions hereof.

(b) For purposes of this Agreement, "Services" may include, but shall not be limited to: (i) in the case of Services that may be provided by Operating Company hereunder, services in such areas as engineering and construction; operations and maintenance; installation services; equipment testing; generation technical support; environmental, health and safety; and procurement services;¹ and (ii) in the case of Services that may be provided by Nonutility Companies hereunder, services in such areas as information technology services; monitoring, surveying, inspecting, constructing, locating and marking of overhead and underground utility facilities; meter reading; materials management; vegetation management; and marketing and customer relations.

(c) For the avoidance of doubt, affiliate transactions involving sales or other transfers of assets, goods, energy commodities (including electricity, natural gas, coal and other combustible fuels) or thermal energy products are outside the scope of this Agreement.

Section 1.2 Loaned Employees.

(a) If specifically requested in connection with the provision of Services, Service Provider shall loan one or more of its employees to such Client Company, provided that such loan shall not, in the sole discretion of Service Provider, interfere with or impair Service Provider's utility responsibilities or business operations, as the case may be. After the commencement thereof, any such loaned employees may be withdrawn by Service Provider from tasks duly assigned by Client Company, prior to completion thereof as contemplated in the associated Service Request, only with the consent of Client Company (which shall not be unreasonably withheld or delayed), except in the event of a demonstrable emergency requiring the use of any such employees in another capacity for Service Provider.

(b) While performing work on behalf of Client Company, any such loaned employees shall be under its supervision and control, and Client Company shall be responsible for their actions to the same extent as though such persons were its employees (it being understood that such persons shall nevertheless remain employees of Service Provider and nothing herein shall be construed as creating an employer-employee relationship between any Client Company and any loaned employees). Accordingly, for the duration of any such loan, Service Provider shall continue to provide its loaned employees with the same payroll, pension, savings, tax withholding, unemployment, bookkeeping and other personnel support services then being provided by Service Provider to its other employees.

ARTICLE 2. SERVICE REQUESTS

Section 2.1 Procedure. All Services (including any loans of employees) (i) shall be performed in accordance with Service Requests issued by or on behalf of Client Company and accepted by Service Provider and (ii) shall be assigned to applicable activities, processes, projects, responsibility centers or on other appropriate bases to enable specific work to be properly assigned. Service Requests shall be as specific as practicable in defining the Services requested. Client Company shall have the right from time to time to amend or rescind any Service Request, *provided* that (a) Service Provider consents to any amendment that results in a material change in the scope of Services to be provided, (b) the costs associated with an amended or rescinded Service Request shall include the costs incurred by Service Provider as a result of such amendment or rescission, and (c) no amendment or rescission of a Service Request shall release Client Company from any liability for costs already incurred or contracted for by Service Provider pursuant to the original Service Request, regardless of whether any labor or the furnishing of any property or other resources has been commenced or completed.

ARTICLE 3. COMPENSATION FOR SERVICES

Section 3.1 Cost of Services. As compensation for any Services rendered to it pursuant to this Agreement, Client Company shall pay to Service Provider the fully embedded cost thereof (i.e., the sum of (i) direct costs, (ii) indirect costs and (iii) costs of capital), except to the extent otherwise required by Section 482 of the Internal Revenue Code. As soon as practicable after the close of each month, Service Provider shall render to each Client Company a statement reflecting the billing information necessary to identify the costs charged for that month. By the last day of each month, Client Company shall remit to Service Provider all charged billed to it.

ARTICLE 4. LIMITATION OF LIABILITY; INDEMNIFICATION

Section 4.1 Limitation of Liability/Services. In performing Services pursuant to Section 1.1 hereof, Service Provider will exercise due care to assure that the Services are performed in a workmanlike manner in accordance with the specifications set forth in the applicable Service Request and consistent with any applicable legal standards. The sole and exclusive responsibility of Service Provider for any deficiency therein shall be promptly to correct or repair such deficiency or to re-perform such Services, in either case at no additional cost to Client Company, so that the Services fully conform to the standards described in the first sentence of this Section 4.1. No Service Provider makes any other warranty with respect to the provision of Services, and each Client Company agrees to accept any Services without further warranty of any nature.

Section 4.2 Limitation of Liability/Loaned Employees. In furnishing Services under Section 1.2 hereof (i.e., involving loaned employees), neither the Service Provider, nor any officer, director, employee or agent thereof, shall have any responsibility whatever to any Client Company receiving such Services, and Client Company specifically releases Service Provider and such persons, on account of any claims, liabilities, injuries, damages or other consequences arising in connection with the provision of such Services under any theory of liability, whether in contract, tort (including negligence or strict liability) or otherwise, it being understood and agreed that any such loaned employees are made available without warranty as to their suitability or expertise.

Section 4.3 Disclaimer. WITH RESPECT TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT, THE SERVICE PROVIDER THEREOF MAKES NO WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH IN SECTION 4.1, AND THE PARTIES HERETO HEREBY AGREE THAT NO OTHER WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), SHALL BE APPLICABLE TO THE PROVISION OF ANY SUCH SERVICES. THE PARTIES FURTHER AGREE THAT THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

Section 4.4 Indemnification.

(a) Indemnification In Respect of Services Provided by Operating Company.

(i) In circumstances where Operating Company is a Service Provider: (x) subject to subparagraph (ii) of this Section 4.4(a), Service Provider shall release, defend, indemnify and hold harmless each Client Company, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees), whether or not involving a third-party claim (collectively, "Damages"), incurred or sustained by or against Service Provider or any such Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services, and (y) each Nonutility Company that is a Client Company with respect to such Services shall release, defend, indemnify and hold harmless Service Provider, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any Damages incurred or sustained by or against Service Provider or any such Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services, to the extent such Damages are not covered by Service Provider's indemnification obligation as provided in the preceding clause (x) or exceed the liability limits provided in subparagraph (ii) of this Section 4.4(a).

(ii) Notwithstanding any other provision hereof, in circumstances where Operating Company is a Service Provider: (x) Service Provider's total liability hereunder with respect to any specific Services shall be limited to the amount actually paid to Service Provider for its performance of the specific Services for which the liability arises, and (y) under no circumstances shall Service Provider be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

(b) Indemnification In Respect of Services Provided by Any Nonutility Company.

(i) In circumstances where a Nonutility Company is a Service Provider (*i.e.*, where Operating Company is the Client Company): (x) subject to subparagraph (ii) of this Section 4.4(b),

Service Provider shall release, defend, indemnify and hold harmless the Client Company, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any Damages incurred or sustained by or against Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services.

(ii) Notwithstanding any other provision hereof, in circumstances where a Nonutility Company is a Service Provider (*i.e.*, where Operating Company is the Client Company), under no circumstances shall Service Provider be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

Section 4.5 Procedure for Indemnification. Within 15 business days after receipt by any Client Company of notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (a "Proceeding") with respect to which it is eligible for indemnification hereunder, such Client Company shall notify Service Provider thereof in writing (it being understood that failure so to notify Service Provider shall not relieve the latter of its indemnification obligation, unless Service Provider establishes that defense thereof has been prejudiced by such failure). Thereafter, Service Provider shall be entitled to participate in such Proceeding and, at its election upon notice to such Client Company and at its expense, to assume the defense of such Proceeding. Without the prior written consent of such Client Company, Service Provider shall not enter into any settlement of any third-party claim that would lead to liability or create any financial or other obligation on the part of such Client Company for which it such Client Company is not entitled to indemnification hereunder. If such Client Company has given timely notice to Service Provider of the commencement of such Proceeding, but Service Provider has not, within 15 business days after receipt of such notice, given notice to Client Company of its election to assume the defense thereof, Service Provider shall be bound by any determination made in such Proceeding or any compromise or settlement made by Client Company. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice from the applicable Client Company to Service Provider.

ARTICLE 5. MISCELLANEOUS

Section 5.1 Amendments. Any amendments to this Agreement shall be in writing executed by each of the parties hereto. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with the Kentucky Public Service Commission for its review or otherwise, Operating Company shall comply in all respects with any such requirements.

Section 5.2 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect as to each party until terminated by any party, as to itself only, upon not less than 30 days prior written notice to the other parties hereto. Any such

Any such termination of parties shall not be deemed an amendment hereto. This Agreement may be terminated and thereafter be of no further force and effect upon the mutual consent of all of the parties hereto.

Section 5.3 Additional Parties. After the effective date of this Agreement, additional Nonutility Companies may become parties to this Agreement by executing appropriate signature pages, whereupon any such additional signatory shall be deemed a “party” hereto all purposes hereof and shall thereupon become bound by the terms and conditions of this Agreement as if an original party hereto. The addition of any such further signatories, in the absence of any changes to the terms of this Agreement, shall not be deemed an amendment hereto.

Section 5.4 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto (including that certain Services Agreement between Operating Company and certain nonutility subsidiaries of Duke Energy dated April 3, 2006). Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 5.5 Severability. If any provision of this Agreement or any application thereof shall be determined to be invalid or unenforceable, the remainder of this Agreement and any other application thereof shall not be affected thereby.

Section 5.6 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 5.7 Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Kentucky, without regard to conflicts of laws principles.


Section 5.8 Captions, etc. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, “hereof,” “hereunder,” “herein,” “hereto,” and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

Section 5.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

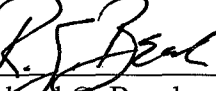
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IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by an appropriate officer thereunto duly authorized.

DUKE ENERGY KENTUCKY, INC.

By: 
Richard G. Beach
Assistant Secretary


CINERGY CORP.

By: 
Richard G. Beach
Assistant Secretary


CINERGY INVESTMENTS, INC.

By: _____
George Dwight, II
Assistant Secretary

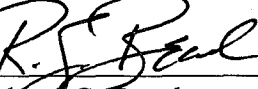
KO TRANSMISSION COMPANY

By: 
Richard G. Beach
Assistant Secretary

TRI-STATE IMPROVEMENT COMPANY

By: 
Richard G. Beach
Assistant Secretary

SOUTH CONSTRUCTION COMPANY, INC.

By: 
Richard G. Beach
Assistant Secretary

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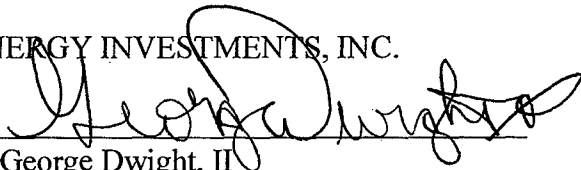
DUKE ENERGY KENTUCKY, INC.

By: _____
Richard G. Beach
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CINERGY CORP.

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Richard G. Beach
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George Dwight, II
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Richard G. Beach
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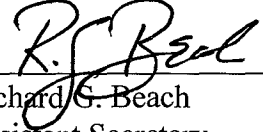
TRI-STATE IMPROVEMENT COMPANY

By: _____
Richard G. Beach
Assistant Secretary

SOUTH CONSTRUCTION COMPANY, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINPOWER I, LLC

By: 
Richard G. Beach
Assistant Secretary

DUKE ENERGY ENGINEERING, INC.

By: _____
George Dwight, II
Assistant Secretary

DUKE ENERGY GENERATION SERVICES
HOLDING COMPANY, INC.

By: _____
George Dwight, II
Assistant Secretary

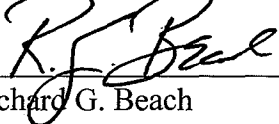
SUEZ-DEGS, LLC

By: _____
David A. Ledonne
Vice President

SUEZ-DEGS OF ORLANDO, LLC

By: _____
George Dwight, II
Assistant Secretary

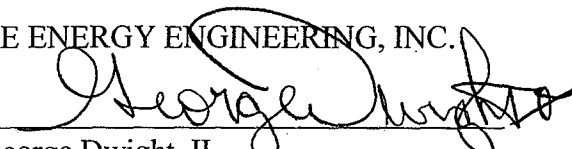
DUKE-RELIANT RESOURCES, INC.

By: 
Richard G. Beach
Assistant Secretary

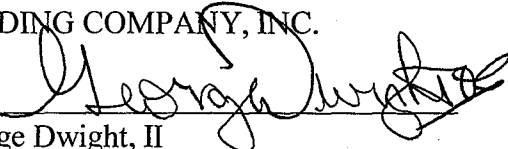
CINPOWER I, LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKE ENERGY ENGINEERING, INC.

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George Dwight, II
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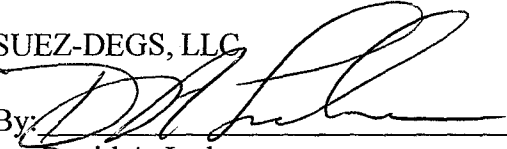
DUKE ENERGY ENGINEERING, INC.

By: _____
George Dwight, II
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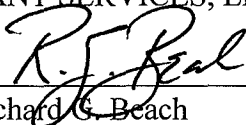
SUEZ-DEGS OF ORLANDO, LLC

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George Dwight, II
Assistant Secretary

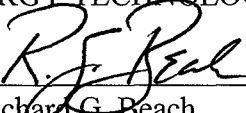
DUKE-RELIANT RESOURCES, INC.

By: _____
Richard G. Beach
Assistant Secretary

RELIANT SERVICES, LLC

By: 
Richard G. Beach
Assistant Secretary

CINERGY TECHNOLOGY, INC.

By: 
Richard G. Beach
Assistant Secretary

DEGS OF TUSCOLA, INC.

By: _____
George Dwight, II
Assistant Secretary

ENERGY EQUIPMENT LEASING LLC

By: _____
George Dwight, II
Assistant Secretary

DEGS OF BOCA RATON, LLC

By: _____
George Dwight, II
Assistant Secretary

DEGS OF CINCINNATI, LLC

By: _____
George Dwight, II
Assistant Secretary

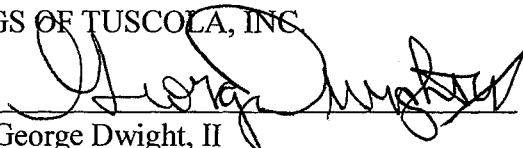
RELIANT SERVICES, LLC

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Richard G. Beach
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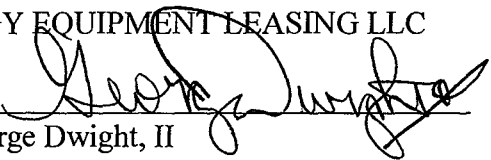
CINERGY TECHNOLOGY, INC.

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Richard G. Beach
Assistant Secretary

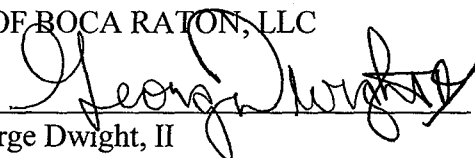
DEGS OF TUSCOLA, INC.

By:  _____
George Dwight, II
Assistant Secretary

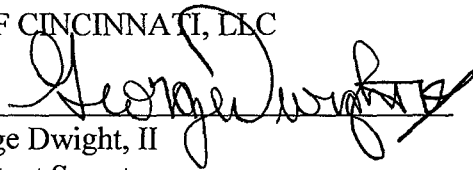
ENERGY EQUIPMENT LEASING LLC

By:  _____
George Dwight, II
Assistant Secretary

DEGS OF BOCA RATON, LLC

By:  _____
George Dwight, II
Assistant Secretary

DEGS OF CINCINNATI, LLC

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Assistant Secretary

DEGS OF ST. PAUL, LLC

By: _____

George Dwight, II
Assistant Secretary

SUEZ-DEGS OF TUSCOLA, LLC

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DEGS BIOGAS, INC.

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George Dwight, II
Assistant Secretary

DEGS GASCO, LLC

By: _____

George Dwight, II
Assistant Secretary

DUKE ENERGY ONE, INC.

By: _____

Richard G. Beach
Assistant Secretary

CINERGY POWER GENERATION SERVICES, LLC

By: _____

Joseph E. Lentz, Jr.
Vice President

DEGS OF ST. PAUL, LLC

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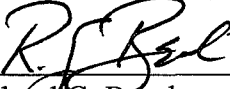
DEGS BIOGAS, INC.

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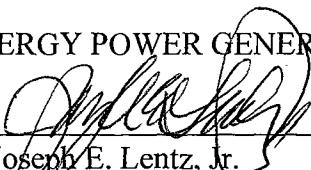
DEGS GASCO, LLC

By: _____
George Dwight, II
Assistant Secretary

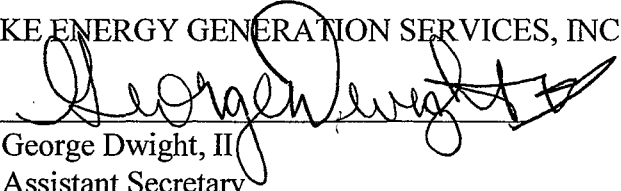
DUKE ENERGY ONE, INC.

By: _____
Richard G. Beach
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DUKE ENERGY GENERATION SERVICES, INC.

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DUKE TECHNOLOGIES, INC.

By: _____
Richard G. Beach
Assistant Secretary

DUKE VENTURES II, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY WHOLESALE ENERGY, INC.

By: _____
Joseph E. Lentz, Jr.
Vice President

DUKETEC, LLC

By: _____
Richard G. Beach
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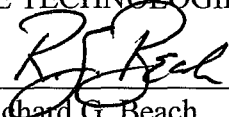
DUKETEC I, LLC

By: _____
Richard G. Beach
Assistant Secretary

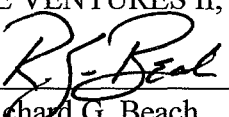
DUKE ENERGY GENERATION SERVICES, INC.

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DUKE TECHNOLOGIES, INC.

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Richard G. Beach
Assistant Secretary

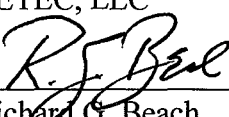
DUKE VENTURES II, LLC

By:  _____
Richard G. Beach
Assistant Secretary

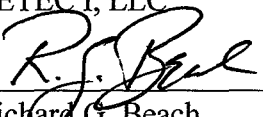
CINERGY WHOLESALE ENERGY, INC.

By: _____
Joseph E. Lentz, Jr.
Vice President

DUKETEC, LLC

By:  _____
Richard G. Beach
Assistant Secretary

DUKETEC I, LLC

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Richard G. Beach
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DUKE ENERGY GENERATION SERVICES, INC.

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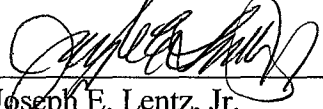
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Vice President


DUKETEC, LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKETEC I, LLC

By: _____
Richard G. Beach
Assistant Secretary

EVENT RESOURCES I LLC

By: 
Richard G. Beach
Assistant Secretary

LANSING GRAND RIVER UTILITIES, LLC

By: _____
George Dwight, II
Assistant Secretary

OKLAHOMA ARCADIAN UTILITIES, LLC

By: _____
George Dwight, II
Assistant Secretary

SHREVEPORT RED RIVER UTILITIES, LLC

By: _____
George Dwight, II
Assistant Secretary

SYNCAP II, LLC

By: _____
George Dwight, II
Assistant Secretary

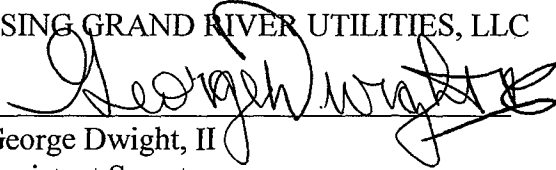
SUEZ/VWNA/DEGS OF LANSING, LLC

By: _____
George Dwight, II
Assistant Secretary

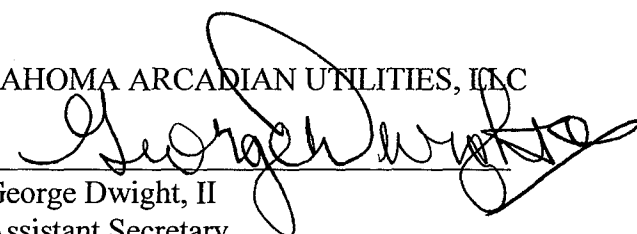
EVENT RESOURCES I LLC

By: _____
Richard G. Beach
Assistant Secretary

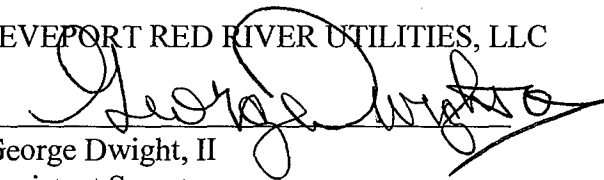
LANSING GRAND RIVER UTILITIES, LLC

By: 
George Dwight, II
Assistant Secretary

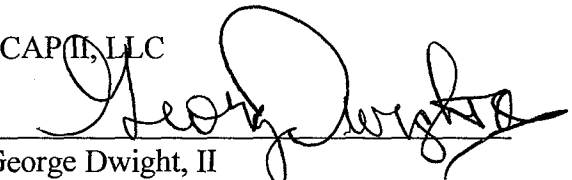
OKLAHOMA ARCADIAN UTILITIES, LLC

By: 
George Dwight, II
Assistant Secretary

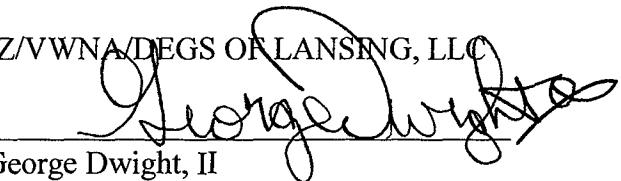
SHREVEPORT RED RIVER UTILITIES, LLC

By: 
George Dwight, II
Assistant Secretary

SYNCAP II, LLC

By: 
George Dwight, II
Assistant Secretary

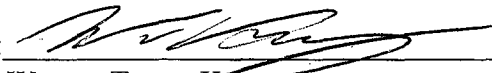
SUEZ/VWNA/DEGS OF LANSING, LLC

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Assistant Secretary

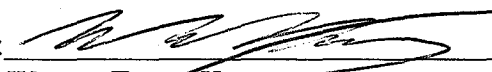
BSPE, L.P.

By: 
Wouter T. van Kempen
Authorized Representative


BSPE GENERAL, LLC

By: 
Wouter T. van Kempen
Authorized Representative

BSPE HOLDINGS, LLC

By: 
Wouter T. van Kempen
Authorized Representative

BSPE LIMITED, LLC

By: 
Wouter T. van Kempen
Authorized Representative

CSGP OF SOUTHEAST TEXAS, LLC

By: _____
George Dwight, II
Assistant Secretary

OWINGS MILLS ENERGY EQUIPMENT LEASING LLC

By: _____
George Dwight, II
Assistant Secretary

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Wouter T. van Kempen
Authorized Representative

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Wouter T. van Kempen
Authorized Representative

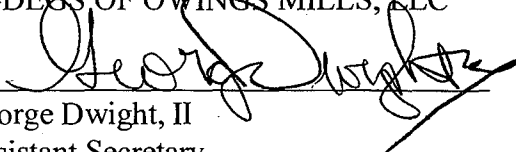
CSGP OF SOUTHEAST TEXAS, LLC

By: _____
George Dwight, II
Assistant Secretary

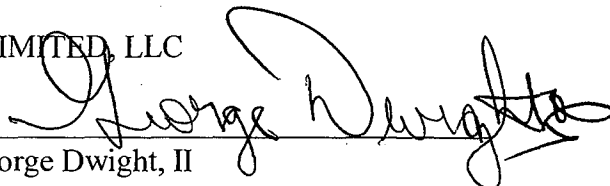
OWINGS MILLS ENERGY EQUIPMENT LEASING LLC

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George Dwight, II
Assistant Secretary

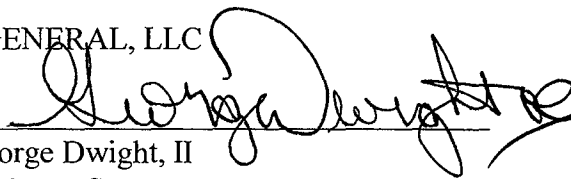
SUEZ-DEGS OF OWINGS MILLS, LLC

By: 
George Dwight, II
Assistant Secretary

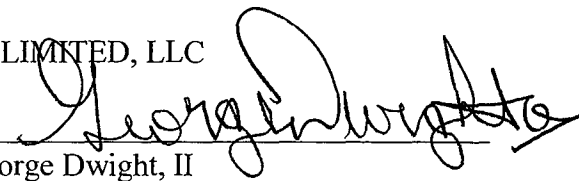
CST LIMITED, LLC

By: 
George Dwight, II
Assistant Secretary

CST GENERAL, LLC

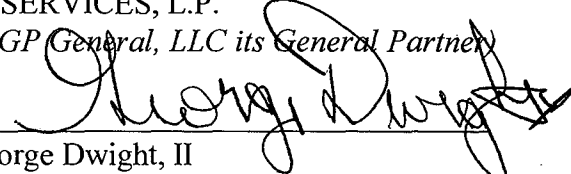
By: 
George Dwight, II
Assistant Secretary

CSGP LIMITED, LLC

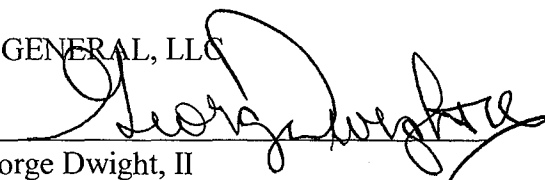
By: 
George Dwight, II
Assistant Secretary

CSGP SERVICES, L.P.

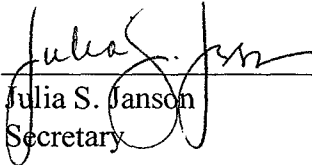
(by CSGP General, LLC its General Partner)

By: 
George Dwight, II
Assistant Secretary

CSGP GENERAL, LLC

By: 
George Dwight, II
Assistant Secretary

CINERGY GLOBAL TRADING LIMITED

By: 
Julia S. Janson
Secretary

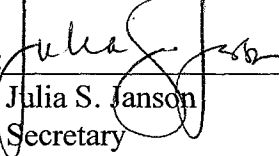
CINERGY ORIGINATION & TRADE, LLC

By: _____
Richard G. Beach
Assistant Secretary

DEGS OF PHILADELPHIA, LLC

By: _____
George Dwight, II
Assistant Secretary

OHIO RIVER VALLEY PROPANE, LLC

By: 
Julia S. Janson
Secretary

CINERGY RETAIL POWER LIMITED, INC.

By: _____
Richard G. Beach
Assistant Secretary

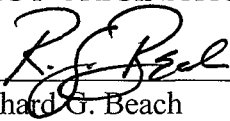
CINERGY RETAIL POWER GENERAL, INC.

By: _____
Joseph E. Lentz, Jr.
Vice President

CINERGY GLOBAL TRADING LIMITED

By: _____
Julia S. Janson
Secretary

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Richard G. Beach
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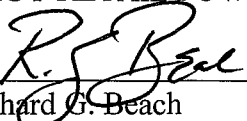
DEGS OF PHILADELPHIA, LLC

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George Dwight, II
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Julia S. Janson
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Vice President

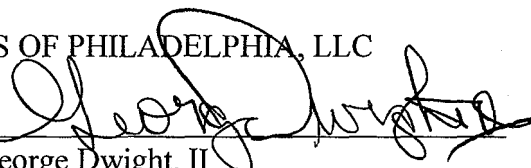
CINERGY GLOBAL TRADING LIMITED

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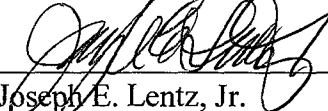
CINERGY RETAIL POWER LIMITED, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY RETAIL POWER GENERAL, INC.

By:  _____
Joseph E. Lentz, Jr.
Vice President

CINERGY RETAIL POWER, L.P.
(by Cinergy Retail Power General, Inc. its General Partner)

By: 
Joseph E. Lentz, Jr.
Vice President

DELTA TOWNSHIP UTILITIES, LLC

By: _____
George Dwight, II
Assistant Secretary

CINERGY LIMITED HOLDINGS, LLC

By: _____
Greer E. Mendelow
Assistant Secretary

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By: _____
Julia S. Janson
Secretary

CINERGY RECEIVABLES COMPANY LLC

By: _____
Richard G. Beach
Secretary

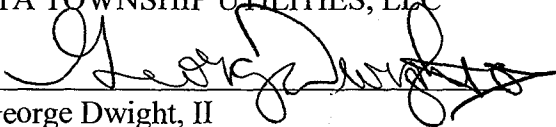
CINFUEL RESOURCES, INC.

By: _____
George Dwight, II
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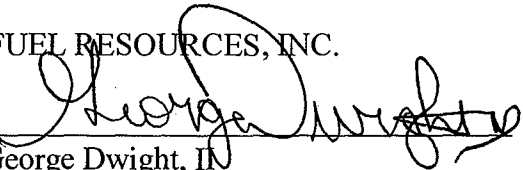
CINERGY GENERAL HOLDINGS, LLC

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George Dwight, II
Assistant Secretary

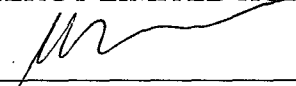
CINERGY RETAIL POWER, L.P.
(by Cinergy Retail Power General, Inc. its General Partner)

By: _____
Joseph E. Lentz, Jr.
Vice President

DELTA TOWNSHIP UTILITIES, LLC

By: _____
George Dwight, II
Assistant Secretary

CINERGY LIMITED HOLDINGS, LLC

By:  _____
Greer E. Mendelow
Assistant Secretary

CINERGY GENERAL HOLDINGS, LLC

By: _____
Julia S. Janson
Secretary

CINERGY RECEIVABLES COMPANY LLC

By: _____
Richard G. Beach
Secretary

CINFUEL RESOURCES, INC.

By: _____
George Dwight, II
Assistant Secretary

CINERGY RETAIL POWER, L.P.
(by Cinergy Retail Power General, Inc. its General Partner)

By: _____
Joseph E. Lentz, Jr.
Vice President

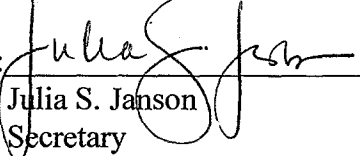
DELTA TOWNSHIP UTILITIES, LLC

By: _____
George Dwight, II
Assistant Secretary

CINERGY LIMITED HOLDINGS, LLC

By: _____
Greer E. Mendelow
Assistant Secretary

CINERGY GENERAL HOLDINGS, LLC

By:  _____
Julia S. Janson
Secretary

CINERGY RECEIVABLES COMPANY LLC

By: _____
Richard G. Beach
Secretary

CINFUEL RESOURCES, INC.

By: _____
George Dwight, II
Assistant Secretary

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(by Cinergy Retail Power General, Inc. its General Partner)

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George Dwight, II
Assistant Secretary


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By: _____
Greer E. Mendelow
Assistant Secretary

CINERGY GENERAL HOLDINGS, LLC

By: _____
Julia S. Janson
Secretary

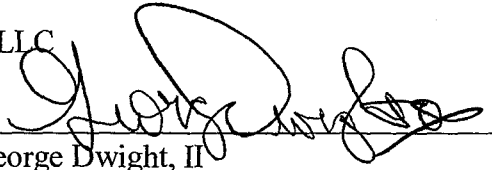
CINERGY RECEIVABLES COMPANY LLC

By:  _____
Richard G. Beach
Secretary

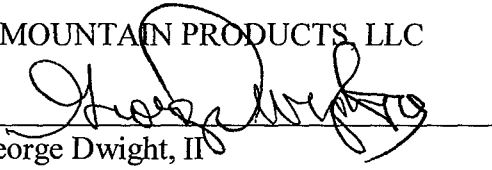
CINFUEL RESOURCES, INC.

By: _____
George Dwight, II
Assistant Secretary

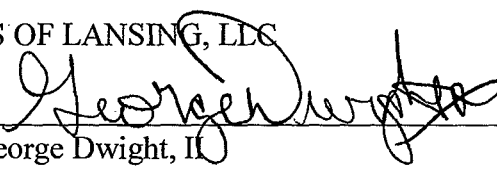
LH1, LLC

By: 
George Dwight, II
Assistant Secretary

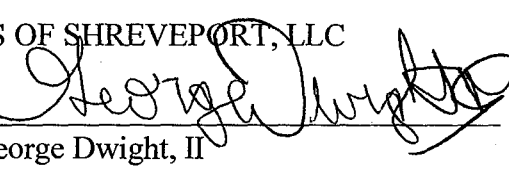
OAK MOUNTAIN PRODUCTS, LLC

By: 
George Dwight, II
Assistant Secretary


DEGS OF LANSING, LLC

By: 
George Dwight, II
Assistant Secretary

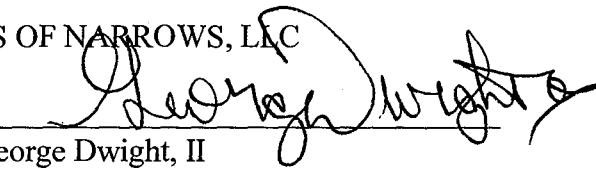
DEGS OF SHREVEPORT, LLC

By: 
George Dwight, II
Assistant Secretary

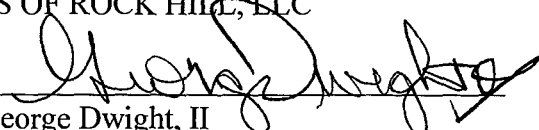
DEGS OF OKLAHOMA, LLC

By: 
George Dwight, II
Assistant Secretary

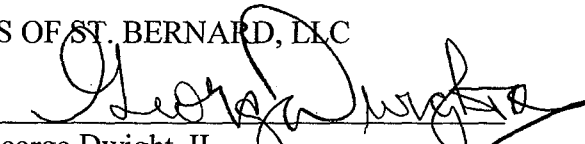
DEGS OF NARROWS, LLC

By: 
George Dwight, II
Assistant Secretary

DEGS OF ROCK HILL, LLC

By: 
George Dwight, II
Assistant Secretary

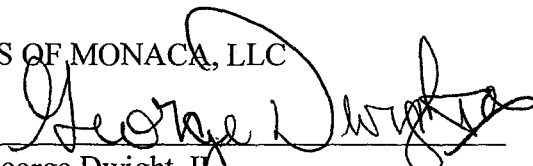
DEGS OF ST. BERNARD, LLC

By: 
George Dwight, II
Assistant Secretary

CINERGY CLIMATE CHANGE INVESTMENTS, LLC

By: _____
Richard G. Beach
Assistant Secretary


DEGS OF MONACA, LLC

By: 
George Dwight, II
Assistant Secretary

DUKETEC II, LLC

By: _____
Richard G. Beach
Assistant Secretary

DEGS OF SAN DIEGO, INC.

By: 
George Dwight, II
Assistant Secretary

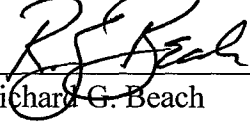
DEGS OF ROCK HILL, LLC

By: _____
George Dwight, II
Assistant Secretary

DEGS OF ST. BERNARD, LLC

By: _____
George Dwight, II
Assistant Secretary

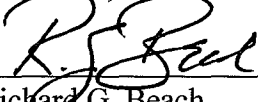
CINERGY CLIMATE CHANGE INVESTMENTS, LLC

By:  _____
Richard G. Beach
Assistant Secretary

DEGS OF MONACA, LLC

By: _____
George Dwight, II
Assistant Secretary

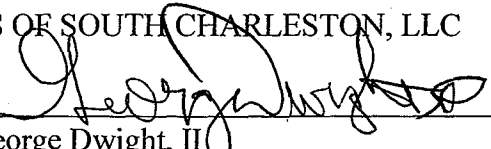
DUKETEC II, LLC

By:  _____
Richard G. Beach
Assistant Secretary

DEGS OF SAN DIEGO, INC.

By: _____
George Dwight, II
Assistant Secretary

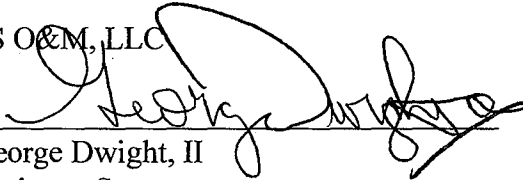
DEGS OF SOUTH CHARLESTON, LLC

By: 
George Dwight, II
Assistant Secretary

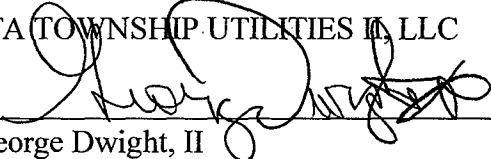
CINERGY SOLUTIONS – UTILITY, INC.

By: _____
Richard G. Beach
Assistant Secretary

DEGS O&M, LLC

By: 
George Dwight, II
Assistant Secretary

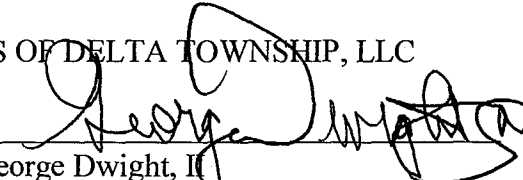
DELTA TOWNSHIP UTILITIES II, LLC

By: 
George Dwight, II
Assistant Secretary

ENVIRONMENTAL WOOD SUPPLY, LLC

By: _____
David A. Ledonne
Vice President

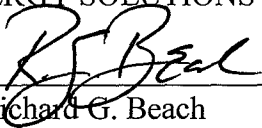
DEGS OF DELTA TOWNSHIP, LLC

By: 
George Dwight, II
Assistant Secretary

DEGS OF SOUTH CHARLESTON, LLC

By: _____
George Dwight, II
Assistant Secretary

CINERGY SOLUTIONS – UTILITY, INC.

By:  _____
Richard G. Beach
Assistant Secretary

DEGS O&M, LLC

By: _____
George Dwight, II
Assistant Secretary

DELTA TOWNSHIP UTILITIES II, LLC

By: _____
George Dwight, II
Assistant Secretary

ENVIRONMENTAL WOOD SUPPLY, LLC

By: _____
David A. Ledonne
Vice President

DEGS OF DELTA TOWNSHIP, LLC

By: _____
George Dwight, II
Assistant Secretary

DEGS OF SOUTH CHARLESTON, LLC

By: _____
George Dwight, II
Assistant Secretary

CINERGY SOLUTIONS – UTILITY, INC.

By: _____
Richard G. Beach
Assistant Secretary

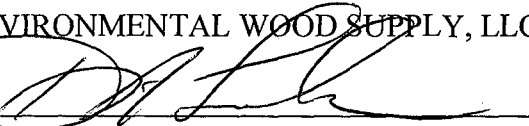
DEGS O&M, LLC

By: _____
George Dwight, II
Assistant Secretary

DELTA TOWNSHIP UTILITIES II, LLC

By: _____
George Dwight, II
Assistant Secretary

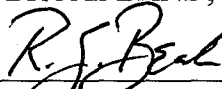
ENVIRONMENTAL WOOD SUPPLY, LLC

By:  _____
David A. Ledonne
Vice President


DEGS OF DELTA TOWNSHIP, LLC

By: _____
George Dwight, II
Assistant Secretary

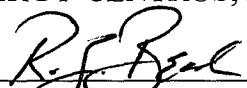
DUKE BROADBAND, LLC

By: 
Richard G. Beach
Assistant Secretary

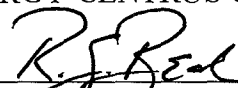
DUKE-CADENCE, INC.

By: 
Richard G. Beach
Assistant Secretary

CINERGY-CENTRUS, INC.

By: 
Richard G. Beach
Assistant Secretary

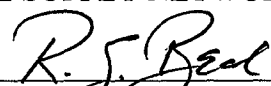
CINERGY-CENTRUS COMMUNICATIONS, INC.

By: 
Richard G. Beach
Assistant Secretary

DEGS EPCOM COLLEGE PARK, LLC

By: _____
George Dwight, II
Assistant Secretary

DUKE SUPPLY NETWORK, LLC

By: 
Richard G. Beach
Assistant Secretary

DUKE BROADBAND, LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKE-CADENCE, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY-CENTRUS, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY-CENTRUS COMMUNICATIONS, INC.

By: _____
Richard G. Beach
Assistant Secretary

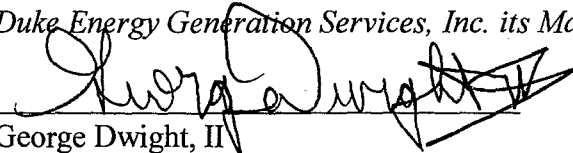
DEGS EPCOM COLLEGE PARK, LLC

By: _____
George Dwight, M
Assistant Secretary

DUKE SUPPLY NETWORK, LLC

By: _____
Richard G. Beach
Assistant Secretary

CINERGY SOLUTIONS PARTNERS, LLC
(by *Duke Energy Generation Services, Inc. its Managing Member*)

By: 
George Dwight, II
Assistant Secretary

DUKE COMMUNICATIONS HOLDINGS, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY TWO, INC.

By: _____
Richard G. Beach
Assistant Secretary

GREEN POWER G.P., LLC

By: _____
Wouter T. van Kempen
Authorized Representative

GREEN POWER HOLDINGS, LLC

By: _____
Wouter T. van Kempen
Authorized Representative

GREEN POWER LIMITED, LLC

By: _____
Wouter T. van Kempen
Authorized Representative

CINERGY SOLUTIONS PARTNERS, LLC
(by Duke Energy Generation Services, Inc. its Managing Member)

By: _____
George Dwight, II
Assistant Secretary

DUKE COMMUNICATIONS HOLDINGS, INC.

By: R. G. Beach
Richard G. Beach
Assistant Secretary

CINERGY TWO, INC.

By: R. G. Beach
Richard G. Beach
Assistant Secretary

GREEN POWER G.P., LLC

By: _____
Wouter T. van Kempen
Authorized Representative

GREEN POWER HOLDINGS, LLC

By: _____
Wouter T. van Kempen
Authorized Representative

GREEN POWER LIMITED, LLC

By: _____
Wouter T. van Kempen
Authorized Representative

CINERGY SOLUTIONS PARTNERS, LLC
(by Duke Energy Generation Services, Inc. its Managing Member)

By: _____
George Dwight, II
Assistant Secretary

DUKE COMMUNICATIONS HOLDINGS, INC.

By: _____
Richard G. Beach
Assistant Secretary

CINERGY TWO, INC.

By: _____
Richard G. Beach
Assistant Secretary

GREEN POWER G.P., LLC

By: _____
Wouter T. van Kempen
Authorized Representative

GREEN POWER HOLDINGS, LLC

By: _____
Wouter T. van Kempen
Authorized Representative

GREEN POWER LIMITED, LLC

By: _____
Wouter T. van Kempen
Authorized Representative

SUEZ-DEGS OF ASHTABULA, LLC

By: _____
George Dwight, II
Assistant Secretary

SUEZ-DEGS OF LANSING, LLC

By: _____
George Dwight, II
Assistant Secretary

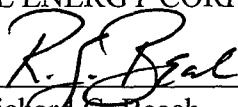
SUEZ-DEGS OF ROCHESTER, LLC

By: _____
George Dwight, II
Assistant Secretary

SUEZ-DEGS OF SILVER GROVE, LLC

By: _____
George Dwight, II
Assistant Secretary

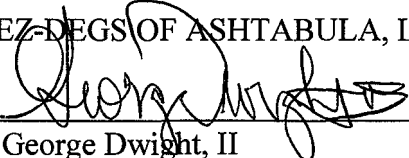
DUKE ENERGY CORPORATION

By:  _____
Richard G. Beach
Assistant Corporate Secretary

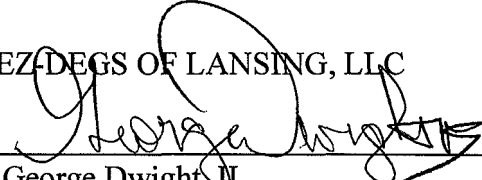
BISON INSURANCE COMPANY LIMITED

By: _____
Edwin Keith Bone
Senior Vice President

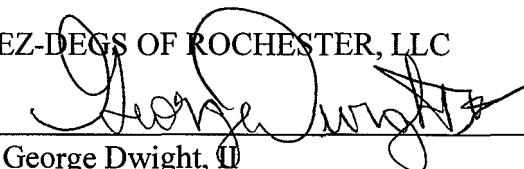
SUEZ-DEGS OF ASHTABULA, LLC

By: 
George Dwight, II
Assistant Secretary

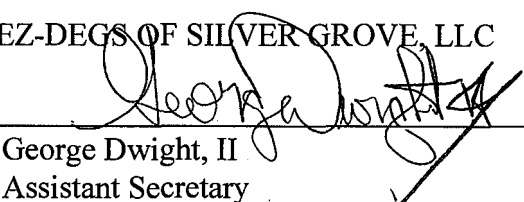
SUEZ-DEGS OF LANSING, LLC

By: 
George Dwight, II
Assistant Secretary

SUEZ-DEGS OF ROCHESTER, LLC

By: 
George Dwight, II
Assistant Secretary

SUEZ-DEGS OF SILVER GROVE, LLC

By: 
George Dwight, II
Assistant Secretary

DUKE ENERGY CORPORATION

By: _____
Richard G. Beach
Assistant Corporate Secretary

BISON INSURANCE COMPANY LIMITED

By: _____
George V. Brown
President and Chief Executive Officer

SUEZ-DEGS OF ASHTABULA, LLC

By: _____
George Dwight, II
Assistant Secretary

SUEZ-DEGS OF LANSING, LLC

By: _____
George Dwight, II
Assistant Secretary

SUEZ-DEGS OF ROCHESTER, LLC

By: _____
George Dwight, II
Assistant Secretary

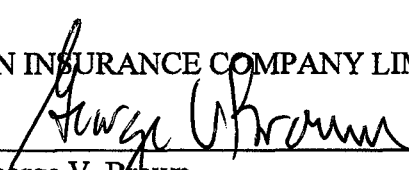
SUEZ-DEGS OF SILVER GROVE, LLC

By: _____
George Dwight, II
Assistant Secretary

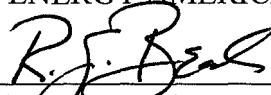
DUKE ENERGY CORPORATION

By: _____
Richard G. Beach
Assistant Corporate Secretary


BISON INSURANCE COMPANY LIMITED

By:  _____
George V. Brown
President and Chief Executive Officer

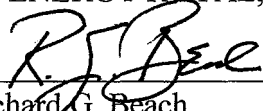
DUKE ENERGY AMERICAS, LLC

By: 
Richard G. Beach
Assistant Secretary

DUKE ENERGY GLOBAL MARKETS, INC.

By: 
Richard G. Beach
Assistant Secretary

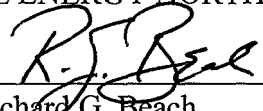
DUKE ENERGY ROYAL, LLC

By: 
Richard G. Beach
Assistant Secretary

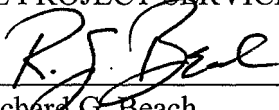
DUKE ENERGY INTERNATIONAL, LLC

By: _____
Javier Gonzalez
Assistant Secretary

DUKE ENERGY NORTH AMERICA, LLC

By: 
Richard G. Beach
Assistant Secretary

DUKE PROJECT SERVICES, INC.

By: 
Richard G. Beach
Assistant Secretary

DUKE ENERGY AMERICAS, LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKE ENERGY GLOBAL MARKETS, INC.

By: _____
Richard G. Beach
Assistant Secretary

DUKE ENERGY ROYAL, LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKE ENERGY INTERNATIONAL, LLC

By: Javier Gonzalez
Javier Gonzalez
Assistant Secretary

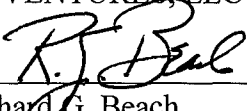
DUKE ENERGY NORTH AMERICA, LLC

By: _____
Richard G. Beach
Assistant Secretary

DUKE PROJECT SERVICES, INC.

By: _____
Richard G. Beach
Assistant Secretary

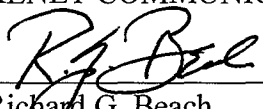
DUKE VENTURES, LLC

By: 
Richard G. Beach
Assistant Secretary

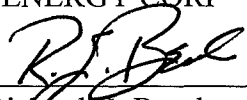
CRESCENT RESOURCES, LLC

By: _____
Kay H. Arnette
Assistant Secretary

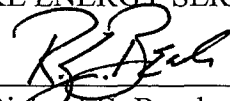
DUKENET COMMUNICATIONS, LLC

By: 
Richard G. Beach
Assistant Secretary

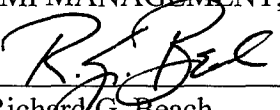
PANENERGY CORP

By: 
Richard G. Beach
Assistant Secretary


DUKE ENERGY SERVICES, INC.

By: 
Richard G. Beach
Assistant Secretary


DETMi MANAGEMENT, INC.

By: 
Richard G. Beach
Assistant Secretary

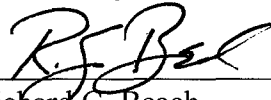
DUKE ENERGY BUSINESS SERVICES LLC

By: 
Richard G. Beach
Assistant Secretary


DUKE ENERGY MERCHANTS, LLC

By: 
Richard G. Beach
Assistant Secretary

DUKE ENERGY RECEIVABLES FINANCE COMPANY, LLC

By: 
Richard G. Beach
Assistant Secretary

DUKENET COMMUNICATION SERVICES, LLC

By: 
Richard G. Beach
Assistant Secretary

Service Request Form

Please use this form for all service requests. All data fields are required.

**Facilitator/Contact
Information:**

First Name:
Last Name:
Phone:
Email:

Service Provider:

- Pull Down List to Select -

Or Other:

- Pull Down List to Select -

**Service Provider
Contact Information:**

First Name:
Last Name:
Phone:

**email Address of
Service Provider
Approver:**

The approver should be appropriate according to the Expenditures, Divestitures & Terminations Category of the Delegation of Authority (DOA) matrix.

**Description of
Proposed Service and
Please Provide Basis
for Estimated Costs:**

Client Company:

- Pull Down List to Select -

Or Other:

- Pull Down List to Select -

**Client Company
Contact Information:**

First Name:
Last Name:
Phone:

(this e-mail address must be filled in properly for form to send automatically to the Client Approver)

**email Address of
Client Company**

The approver should be appropriate

Approver: according to the Expenditures,
Divestitures & Terminations Category of
the Delegation of Authority (DOA) matrix.

Estimated Costs: \$
Format Numbers Only - do not include commas or periods

Scheduled Start Date:
MM/DD/YYYY

Scheduled
Completion Date:
MM/DD/YYYY

Legal Approval
Representative:

**Accounting codes (FMIS / BDMS) of Duke Energy
Company receiving the services:**

Process / Work Code(s):

n/a / Corp. Number:

RCTo / Line of Business:

RCFrom / Center:

Project:

Activity:

☐ © Duke Energy Corporation.

**ASYMMETRICALLY-PRICED DUKE ENERGY KENTUCKY, INC. /NONUTILITY
COMPANIES SERVICE AGREEMENT**

This Operating Company/Nonutility Companies Service Agreement (this “Agreement”) is made and entered into as of November 8, 2024 (the “Effective Date”), by and among Duke Energy Kentucky, Inc., a Kentucky corporation (“Operating Company”), and the respective associate nonutility companies listed on the signature pages hereto (each, a “Nonutility Company”).

The changes from the prior agreement entered into October 25, 2023, to this agreement were the addition of affiliate entity(s) that may engage in services with the Operating Company.

W I T N E S S E T H:

WHEREAS, Duke Energy Corporation (“Duke Energy”) is a Delaware corporation;

WHEREAS, Operating Company is a subsidiary of Duke Energy and a public utility company;

WHEREAS, each Nonutility Company is a subsidiary of Duke Energy that is or was formed to engage in any one or more non-regulated businesses;

WHEREAS, in the ordinary course of their businesses, Operating Company and each Nonutility Company maintain organizations of employees with technical expertise in matters affecting public utility companies and related businesses and own or acquire related equipment, facilities, properties and other resources; and

WHEREAS, subject to the terms and conditions herein set forth, and taking into consideration the parties’ utility responsibilities or primary business operations, as the case may be, the parties hereto are willing, upon request from time to time, to perform such services, and in connection therewith to make available such equipment, facilities, properties and other resources, as they shall request from each other,

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE 1. PROVISION OF SERVICES; LOANED EMPLOYEES

Section 1.1 Provision of Services.

(a) Upon receipt by a party hereto (in such capacity, a “Service Provider”) of a written request in substantially the form attached hereto as Exhibit A (a “Service Request”) from another party hereto (in such capacity, a “Client Company”) for the provision to such Client Company of such services as are specified therein, including if applicable use of any related equipment, facilities, properties or other resources (collectively, “Services”), the Service Provider, if in its sole discretion it has available the personnel or other resources needed to

perform the Service Request without impairment of its utility responsibilities or business operations, as the case may be, shall furnish such Services to the Client Company at such times, for such periods and in such manner as the Client Company shall have so requested and otherwise in accordance with the provisions hereof.

(b) For purposes of this Agreement, “Services” may include, but shall not be limited to: (i) in the case of Services that may be provided by Operating Company hereunder, services in such areas as engineering and construction; operations and maintenance; installation services; equipment testing; generation technical support; environmental, health and safety; and procurement services; and (ii) in the case of Services that may be provided by Nonutility Companies hereunder, services in such areas as information technology services; monitoring, surveying, inspecting, constructing, locating and marking of overhead and underground utility facilities; meter reading; materials management; vegetation management; and marketing and customer relations.

(c) For the avoidance of doubt, affiliate transactions involving sales or other transfers of assets, goods, energy commodities (including electricity, natural gas, coal and other combustible fuels) or thermal energy products are outside the scope of this Agreement.

Section 1.2 Loaned Employees.

(a) If specifically requested in connection with the provision of Services, Service Provider shall loan one or more of its employees to such Client Company, provided that such loan shall not, in the sole discretion of Service Provider, interfere with or impair Service Provider’s utility responsibilities or business operations, as the case may be. After the commencement thereof, any such loaned employees may be withdrawn by Service Provider from tasks duly assigned by Client Company, prior to completion thereof as contemplated in the associated Service Request, only with the consent of Client Company (which shall not be unreasonably withheld or delayed), except in the event of a demonstrable emergency requiring the use of any such employees in another capacity for Service Provider.

(b) While performing work on behalf of Client Company, any such loaned employees shall be under its supervision and control, and Client Company shall be responsible for their actions to the same extent as though such persons were its employees (it being understood that such persons shall nevertheless remain employees of Service Provider and nothing herein shall be construed as creating an employer-employee relationship between any Client Company and any loaned employees). Accordingly, for the duration of any such loan, Service Provider shall continue to provide its loaned employees with the same payroll, pension, savings, tax withholding, unemployment, bookkeeping and other personnel support services then being provided by Service Provider to its other employees.

ARTICLE 2. SERVICE REQUESTS

Section 2.1 Procedure. All Services (including any loans of employees) (i) shall be performed in accordance with Service Requests issued by or on behalf of Client Company and accepted by Service Provider and (ii) shall be assigned to applicable activities, processes,

projects, responsibility centers or on other appropriate bases to enable specific work to be properly assigned. Service Requests shall be as specific as practicable in defining the Services requested. Client Company shall have the right from time to time to amend or rescind any Service Request, *provided* that (a) Service Provider consents to any amendment that results in a material change in the scope of Services to be provided, (b) the costs associated with an amended or rescinded Service Request shall include the costs incurred by Service Provider as a result of such amendment or rescission, and (c) no amendment or rescission of a Service Request shall release Client Company from any liability for costs already incurred or contracted for by Service Provider pursuant to the original Service Request, regardless of whether any labor or the furnishing of any property or other resources has been commenced or completed.

ARTICLE 3. COMPENSATION FOR SERVICES

Section 3.1 Cost of Services. Except to the extent otherwise required by Section 482 of the Internal Revenue Code or analogous state tax law, as compensation for any Services rendered to it pursuant to this Agreement, Client Company shall pay to Service Provider an amount consistent with the Commonwealth of Kentucky's affiliate transaction pricing requirements, KRS 278.2207. Accordingly (i) Services provided by the Operating Company to a Nonutility Company shall be priced at the greater of Cost or market, and (ii) Services provided by a Nonutility Company to the Operating Company shall be priced at the lesser of Cost or market. "Cost" means the sum of (i) direct costs, (ii) indirect costs and (iii) costs of capital. As soon as practicable after the close of each month, Service Provider shall render to each Client Company a statement reflecting the billing information necessary to identify the costs charged for that month. By the last day of each month, Client Company shall remit to Service Provider all charges billed to it. For avoidance of doubt, the Service Provider and each Client Company may satisfy the foregoing requirement by recording billings and payments required hereunder in their common accounting systems without rendering paper or electronic monthly statements or remitting cash payments.

ARTICLE 4. LIMITATION OF LIABILITY; INDEMNIFICATION

Section 4.1 Limitation of Liability/Services. In performing Services pursuant to Section hereof, Service Provider will exercise due care to assure that the Services are performed in a workmanlike manner in accordance with the specifications set forth in the applicable Service Request and consistent with any applicable legal standards. The sole and exclusive responsibility of Service Provider for any deficiency therein shall be promptly to correct or repair such deficiency or to re-perform such Services, in either case at no additional cost to Client Company, so that the Services fully conform to the standards described in the first sentence of this Section 4.1. No Service Provider makes any other warranty with respect to the provision of Services, and each Client Company agrees to accept any Services without further warranty of any nature.

Section 4.2 Limitation of Liability/Loaned Employees. In furnishing Services under Section 1.2 hereof (i.e., involving loaned employees), neither the Service Provider, nor any officer, director, employee or agent thereof, shall have any responsibility whatever to any Client Company receiving such Services, and Client Company specifically releases Service Provider

and such persons, on account of any claims, liabilities, injuries, damages or other consequences arising in connection with the provision of such Services under any theory of liability, whether in contract, tort (including negligence or strict liability) or otherwise, it being understood and agreed that any such loaned employees are made available without warranty as to their suitability or expertise.

Section 4.3 Disclaimer. WITH RESPECT TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT, THE SERVICE PROVIDER THEREOF MAKES NO WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH IN SECTION 4.1, AND THE PARTIES HERETO HEREBY AGREE THAT NO OTHER WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), SHALL BE APPLICABLE TO THE PROVISION OF ANY SUCH SERVICES. THE PARTIES FURTHER AGREE THAT THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

Section 4.4 Indemnification.

(a) Indemnification In Respect of Services Provided by Operating Company.

(i) In circumstances where Operating Company is a Service Provider: (x) subject to subparagraph (ii) of this Section 4.4(a), Service Provider shall release, defend, indemnify and hold harmless each Client Company, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees), whether or not involving a third-party claim (collectively, "Damages"), incurred or sustained by or against Service Provider or any such Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services, and (y) each Nonutility Company that is a Client Company with respect to such Services shall release, defend, indemnify and hold harmless Service Provider, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any Damages incurred or sustained by or against Service Provider or any such Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services, to the extent such Damages are not covered by Service Provider's indemnification obligation as provided in the preceding clause (x) or exceed the liability limits provided in subparagraph (ii) of this Section 4.4(a).

(ii) Notwithstanding any other provision hereof, in circumstances where Operating Company is a Service Provider: (x) Service Provider's total liability hereunder with respect to any specific Services shall be limited to the amount actually paid to Service Provider for its performance of the specific Services for which the liability arises, and (y) under no circumstances shall Service Provider be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the

indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

(b) Indemnification In Respect of Services Provided by Any Nonutility Company.

(i) In circumstances where a Nonutility Company is a Service Provider (*i.e.*, where Operating Company is the Client Company): (x) subject to subparagraph (ii) of this Section 4.4(b), Service Provider shall release, defend, indemnify and hold harmless the Client Company, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any Damages incurred or sustained by or against Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services.

(ii) Notwithstanding any other provision hereof, in circumstances where a Nonutility Company is a Service Provider (*i.e.*, where Operating Company is the Client Company), under no circumstances shall Service Provider be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

Section 4.5 Procedure for Indemnification. Within 15 business days after receipt by any Client Company of notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (a "Proceeding") with respect to which it is eligible for indemnification hereunder, such Client Company shall notify Service Provider thereof in writing (it being understood that failure so to notify Service Provider shall not relieve the latter of its indemnification obligation, unless Service Provider establishes that defense thereof has been prejudiced by such failure). Thereafter, Service Provider shall be entitled to participate in such Proceeding and, at its election upon notice to such Client Company and at its expense, to assume the defense of such Proceeding. Without the prior written consent of such Client Company, Service Provider shall not enter into any settlement of any third-party claim that would lead to liability or create any financial or other obligation on the part of such Client Company for which it such Client Company is not entitled to indemnification hereunder. If such Client Company has given timely notice to Service Provider of the commencement of such Proceeding, but Service Provider has not, within 15 business days after receipt of such notice, given notice to Client Company of its election to assume the defense thereof, Service Provider shall be bound by any determination made in such Proceeding or any compromise or settlement made by Client Company. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice from the applicable Client Company to Service Provider.

ARTICLE 5. MISCELLANEOUS

Section 5.1 Amendments. Any amendments to this Agreement shall be in writing executed by each of the parties hereto. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with the

Kentucky Public Service Commission for its review or otherwise, Operating Company shall comply in all respects with any such requirements.

Section 5.2 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect as to each party until terminated by any party, as to itself only, upon not less than 30 days prior written notice to the other parties hereto. Any such termination of parties shall not be deemed an amendment hereto. This Agreement may be terminated and thereafter be of no further force and effect upon the mutual consent of all of the parties hereto.

Section 5.3 Additional Parties. After the Effective Date of this Agreement, additional Nonutility Companies may become parties to this Agreement by executing appropriate signature pages, whereupon any such additional signatory shall be deemed a “party” hereto all purposes hereof and shall thereupon become bound by the terms and conditions of this Agreement as if an original party hereto. The addition of any such further signatories, in the absence of any changes to the terms of this Agreement, shall not be deemed an amendment hereto.

Section 5.4 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto. Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 5.5 Severability. If any provision of this Agreement or any application thereof shall be determined to be invalid or unenforceable, the remainder of this Agreement and any other application thereof shall not be affected thereby.

Section 5.6 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 5.7 Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Kentucky, without regard to conflicts of laws principles.

Section 5.8 Captions, etc. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, “hereof,” “hereunder,” “herein,” “hereto,” and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

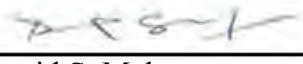
Section 5.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by an appropriate officer thereunto duly authorized.

CINCAP V, LLC

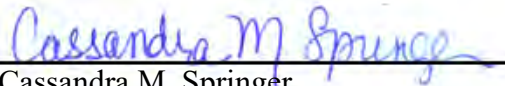
(by Duke Energy Commercial Enterprises, Inc. its Managing Member)

By: 
David S. Maltz
Secretary


DEGS WIND SUPPLY, LLC

By: 
Cassandra M. Springer
Assistant Secretary

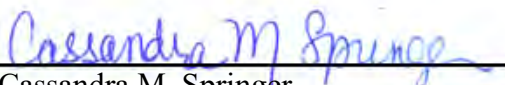
DEGS WIND SUPPLY II, LLC

By: 
Cassandra M. Springer
Assistant Secretary

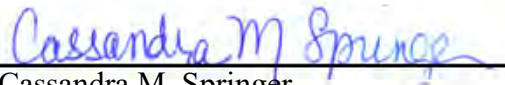
DUKE ENERGY COMMERCIAL ENTERPRISES, INC.

By: 
David S. Maltz
Secretary


DUKE ENERGY INDUSTRIAL SALES, LLC

By: 
Cassandra M. Springer
Assistant Secretary


DUKE ENERGY KENTUCKY, INC.

By: 
Cassandra M. Springer
Assistant Corporate Secretary


DUKE ENERGY ONE, INC.

By: 
David S. Maltz
Secretary

DUKE VENTURES REAL ESTATE, LLC

By: 
Cassandra M. Springer
Assistant Secretary

ETRANSENERGY, LLC

By: 
Cassandra M. Springer
Assistant Secretary

PEAKNET, LLC

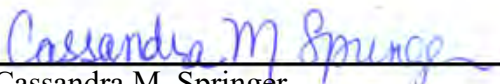
By: 
Cassandra M. Springer
Assistant Secretary

EXHIBIT A

Service Request For Affiliates

Page 1 of 2

Id	<input type="text" value="SRAF-142"/>
Status	<input type="text" value="Draft"/>

* Red Asterisk indicates required fields

*Functional Area (for the Service Provider)

Service Provider

*Service Provider

*Legal Approval Representative

Proposed Service

*Proposed Service

* Additional Detail

Please provide basis for appropriate pricing and further details about parties involved.

Estimated Costs

(NA-see accounting records)

\$

*Scheduled Start Date

*Scheduled Completion Date

Client Company

*Client Company

PeopleSoft Accounting Codes for the Services Provided

*** Process OR Project & Activities OR GL Account for Client Company must be entered

*Client Company Operating Unit

*Service Provider Resp. Center

* Process

EXHIBIT A

Service Request For Affiliates

Page 2 of 2

* Project	* Activity	* GL Account
<input type="text"/>	<input type="text"/>	<input type="text"/>

Confirmation of Service Provider Utility Responsibilities by Service Provider Approver

☐ Check this box to confirm that this Service Request will not result in impairment of Service Provider's utility responsibilities or business operations.

Approver Selection

The approvers should be appropriate according to the Delegation of Authority (DOA) matrix.

Route To	Name	Phone	Status
* Client Company	<input type="text"/> , Joel T	<input type="text"/> (980) 373	<input type="text"/>
* Service Provider	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Legal	<input type="text"/>	<input type="text"/>	<input type="text"/>

Submitter Details

Created By
 , Chelsea

Created On
05/17/2018 10:53 PM

*Phone

(980) 373

Last Modified By
 Chelsea

Last Modified Date
 05/23/2018 4:31 PM

INTERCOMPANY ASSET TRANSFER AGREEMENT

This **Intercompany Asset Transfer Agreement** (this “Agreement”) is made and entered into by and among Duke Energy Carolinas, LLC (“DEC”), a North Carolina limited liability company, Duke Energy Ohio, Inc. (“DEO”), an Ohio corporation, Duke Energy Indiana, LLC (“DEI”), an Indiana limited liability company, Duke Energy Progress, LLC (“DEP”), a North Carolina limited liability company, Duke Energy Florida, LLC (“DEF”), a Florida limited liability company, Duke Energy Kentucky, Inc. (“DEK”), a Kentucky corporation, and Piedmont Natural Gas Company, Inc., a North Carolina corporation (collectively the “Operating Companies” and, individually, an “Operating Company”). The Effective Date as stated herein is the date on which this Agreement is executed or, as may be required, submitted to the appropriate regulatory body for approval, whichever occurs last. This Agreement supersedes and replaces in its entirety all previous Intercompany Asset Transfer Agreements dated before the Effective Date of this Agreement.

WITNESSETH:

WHEREAS, Duke Energy Corporation (“Duke Energy”) is a Delaware corporation;

WHEREAS, each Operating Company is a subsidiary of Duke Energy and a public utility company;

WHEREAS, in the ordinary course of their businesses, the Operating Companies maintain inventory and other assets for the operation and maintenance of their respective electric utility, and with respect to DEO DEK, and Piedmont, gas utility, businesses; and

WHEREAS, subject to the terms and conditions herein set forth, and taking into consideration the Operating Companies’ utility responsibilities, each Operating Company is willing, upon request from time to time, to transfer Assets, as defined herein, to each other Operating Company, as each shall request from each other.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE 1. TRANSFER OF ASSETS

Section 1.1 Transfer. Upon request from one party (“Recipient”), the other party (“Transferor”) shall transfer to the Recipient those Assets requested by Recipient, provided that (i) Transferor believes, in its reasonable judgment, that such transfer will not jeopardize Transferor’s ability to render electric utility service or natural gas utility service to its customers consistent with Good Utility Practice; (ii) the Cost of any shipment of transmission- or generation-related item(s) does not exceed \$10,000,000; (iii) DEC and DEP shall not transfer any Asset hereunder in contravention of S.C. Code Ann. § 58-27-1300; (iii) DEK shall not transfer any Asset hereunder in contravention of KRS 278.218. and (iv) DEC and DEP may transfer or take receipt of any transmission transformers or other transmission-related equipment under this Agreement to or from DEC, DEP or DEF. DEC and DEP shall not, however, transfer

or take receipt of any transmission transformers or transmission-related equipment to or from DEO, DEI, and DEK, other than transmission-related equipment that may be used on/with transformers within a range of voltages or regardless of voltage. "Assets" means parts inventory, capital spares, equipment and other goods except for the following: coal; natural gas; fuel oil used for electric power generation; emission allowances; electric power; and environmental control reagents. "Good Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the United States during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region.

Section 1.2 Compensation. Except to the extent otherwise required by Section 482 of the Internal Revenue Code or analogous state tax law, Recipient shall compensate Transferor for any Assets transferred hereunder at Cost. "Cost" means (i) for items of inventory accounted for in the FERC Uniform System of Accounts account 154 ("Inventory Items"), the average unit price of such Inventory Items as recorded on the books of the Transferor, plus stores, freight, handling, and other applicable costs, and (ii) for assets other than Inventory Items, net book value.

Alternatively, to the extent that an Asset may be transferred under this Agreement, the Transferor and Recipient may agree that the Asset transferred to the Recipient be replaced in kind. In this event, Transferor and Recipient shall agree to the timing of such replacement, and other necessary terms and conditions, and such in-kind replacement shall be deemed a transferred Asset for all purposes hereunder.

Section 1.3 Payment. Each Operating Company shall reasonably cooperate with each other Operating Company to record billings and payments required hereunder in their common accounting systems.

Section 1.4 Delivery; Title and Risk of Loss. The parties shall cooperate in providing transportation equipment necessary to deliver the Assets to the Recipient. Assets will be delivered FOB transportation equipment at the Transferor's location where such Assets reside ("Shipping Point"). All costs of transportation, including the cost of transporting in-kind replacement Assets to Transferor, shall be borne by the Recipient. Title to and risk of loss of the transferred Assets shall pass from the Transferor to the Recipient at the Shipping Point.

ARTICLE 2. WARRANTIES

Section 2.1 Warranties. Each Operating Company, as Transferor, warrants that it will have good and marketable title to the Assets transferred hereunder. Further, each Operating Company, as Transferor, warrants that it shall obtain release of any liens or other encumbrances on the transferred Assets within a reasonable time. ALL ASSETS TRANSFERRED HEREUNDER ARE BEING SOLD "AS IS, WHERE IS" AND WITHOUT ANY WARRANTY

AS TO ITS CONDITION, INCLUDING WITHOUT ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 2.2 Disclaimer. WITH RESPECT TO ANY ASSETS TRANSFERRED HEREUNDER, EACH OPERATING COMPANY AS TRANSFEROR MAKES NO WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH IN SECTION 2.1, AND THE PARTIES HERETO HEREBY AGREE THAT NO OTHER WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), SHALL BE APPLICABLE TO SUCH ASSETS. THE PARTIES FURTHER AGREE THAT THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

ARTICLE 3. INDEMNIFICATION

Section 3.1 Indemnification; Limitation of Liability.

(a) Subject to subparagraph (b) of this Section 3.1, each party (the “Indemnifying Party”) shall release, defend, indemnify and hold harmless the other party (the “Indemnified Party”), including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys’ fees), whether or not involving a third-party claim, incurred or sustained by or against any such Indemnified Party arising, directly or indirectly, from or in connection with Indemnifying Party’s negligence or willful misconduct in the performance of its obligations hereunder.

(b) Notwithstanding any other provision hereof, each party’s total liability hereunder with respect to any Assets shall be limited to the amount actually paid to Transferor for such Assets for which the liability arises, and under no circumstances shall Transferor be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

Section 3.2 Procedure for Indemnification. Within 15 business days after receipt by an Indemnified Party of notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (a “Proceeding”) with respect to which it is eligible for indemnification hereunder, the Indemnified Party shall notify the Indemnifying Party thereof in writing (it being understood that failure so to notify the Indemnifying Party shall not relieve the latter of its indemnification obligation, unless the Indemnifying Party establishes that defense thereof has been prejudiced by such failure). Thereafter, the Indemnifying Party shall be entitled to participate in such Proceeding and, at its election upon notice to such Indemnified Party and at its expense, to assume the defense of such Proceeding. Without the prior written consent of such

Indemnified Party, Indemnifying Party shall not enter into any settlement of any third-party claim that would lead to liability or create any financial or other obligation on the part of such Indemnified Party for which such Indemnified Party is not entitled to indemnification hereunder. If such Indemnified Party has given timely notice to Indemnifying Party of the commencement of such Proceeding, but Indemnifying Party has not, within 15 business days after receipt of such notice, given notice to Indemnified Party of its election to assume the defense thereof, Indemnifying Party shall be bound by any determination made in such Proceeding or any compromise or settlement made by Indemnified Party. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice from the applicable Indemnified Party to Indemnifying Party.

ARTICLE 4. MISCELLANEOUS

Section 4.1 Amendments. Any amendments to this Agreement shall be in writing executed by each of the parties hereto. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with any affected state public utility commission for its review or otherwise, each Operating Company shall comply in all respects with any such requirements.

Section 4.2 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect until terminated by either party upon not less than 30 days prior written notice to the other party. This Agreement may be terminated and thereafter be of no further force and effect upon the mutual consent of the parties hereto.

Section 4.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto. Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 4.4 Severability. If any provision of this Agreement or any application thereof shall be determined to be invalid or unenforceable, the remainder of this Agreement and any other application thereof shall not be affected thereby.

Section 4.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any party hereto without the prior written consent of the other party. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 4.6 Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of New York, without regard to conflicts of laws principles.

Section 4.7 Captions, etc. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, “hereof,” “hereunder,” “herein,” “hereto,” and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

Section 4.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

Section 4.9 DEC, DEP, and Piedmont Conditions. In addition to the terms and conditions set forth herein, except with respect to the pricing of Asset transfers as set forth herein, DEC’s, DEP’s and Piedmont’s participation in this Agreement is explicitly subject to the Regulatory Conditions and Code of Conduct approved by the NCUC in its Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued in Docket No. E-2, Sub 1095, Docket No. E-7, Sub 1100, and Docket No. G-9, Sub 682 (“Merger Order”), as such Regulatory Conditions and Code of Conduct may be amended from time to time. In accordance with Regulatory Condition 3.9.b. as approved in the Merger Order, nothing in this Agreement shall be construed or interpreted so as to commit DEC or DEP, or to involve DEC or DEP in, joint planning, coordination, or operation of generation, transmission, or distribution facilities with one or more affiliates nor shall it be interpreted as otherwise altering DEC’s or DEP’s obligations with respect to the Regulatory Conditions approved in the Merger Order. In the event of a conflict between the provisions of this Agreement and the Regulatory Conditions and Code, the Regulatory Conditions and Code shall govern, except as altered by the Commission by Order for this Agreement.

Section 4.10 DEI Conditions. DEI agrees and acknowledges that in accordance with its Affiliate Standards, Section II O (i) it will make Assets available to non-affiliated wholesale power marketers under the same terms, conditions and prices, and at the same time, as it makes Assets available to a DEO’s wholesale power marketing function, and (ii) it will process all requests for Assets from DEO’s wholesale power marketing function and non-affiliated wholesale power marketers on a non-discriminatory basis.

Section 4.11 Regulatory Approvals. This Agreement is expressly contingent on the receipt of all regulatory approvals or waivers deemed necessary by the parties.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on March 29, 2022, on its behalf by an appropriate officer thereunto duly authorized.

Duke Energy Carolinas, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Duke Energy Indiana, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Duke Energy Ohio, Inc.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

Duke Energy Kentucky, Inc.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

Duke Energy Progress, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Duke Energy Florida, LLC

By: _____
Cassandra M. Springer
Assistant Secretary

Piedmont Natural Gas Company, Inc.

By: _____
Cassandra M. Springer
Assistant Corporate Secretary

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC., FOR: 1) AN)	
ADJUSTMENT OF THE NATURAL GAS RATES;)	CASE NO.
2) APPROVAL OF NEW TARIFFS; AND 3) ALL)	2025-00125
OTHER REQUIRED APPROVALS, WAIVERS,)	
AND RELIEF.)	

DIRECT TESTIMONY OF
SHANNON A. CALDWELL
ON BEHALF OF
DUKE ENERGY KENTUCKY, INC.

June 2, 2025

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ATTACHMENTS:

Attachment SAC-1	Duke Energy 2024 Compensation Survey E-Library
Attachment SAC-2	Union Contracts
	(a) Agreement and Sidebar Letters Between Utility Workers Union of America Local 600 and Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.
	(b) Contract between Duke Energy Ohio, Inc. Duke Energy Kentucky, Inc., and USW Local 12049 & 5541-06.
Attachment SAC-3	Duke Energy Incentive Plans
	(a) CONFIDENTIAL Duke Energy 2025 Short-Term Incentive Plan
	(b) CONFIDENTIAL Duke Energy 2025 Union Employee Incentive Plan
	(c) CONFIDENTIAL Duke Energy 2025 Short-Term Incentive Scorecards
	(d) CONFIDENTIAL Duke Energy 2025 Executive Long-Term Incentive Plan Brochure
	(e) Duke Energy 2025 Restricted Stock Award Summary

I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Shannon A. Caldwell, and my business address is 525 South Tryon
3 Street, Charlotte, North Carolina 28202.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am employed by Duke Energy Business Services LLC (DEBS), as Director,
6 Compensation. DEBS provides various administrative and other services to Duke
7 Energy Kentucky, Inc., (Duke Energy Kentucky or Company) and other affiliated
8 companies of Duke Energy Corporation (Duke Energy).

9 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL**
10 **EXPERIENCE.**

11 A. I graduated from the University of North Carolina with a Bachelor of Science
12 degree in Business Administration and the University of South Carolina with a
13 Master's Degree in Human Resources. I also hold various certifications, including
14 a Certified Compensation Professional designation.

15 I have 12 years of human resource experience, primarily working with
16 compensation programs. I joined Duke Energy in 2013 and have held various
17 positions in human resources. In addition, I have served in key roles on several
18 projects, including the integration of Progress Energy and Piedmont Natural Gas
19 employees into Duke Energy compensation programs.

20 **Q. PLEASE DESCRIBE YOUR DUTIES AS DIRECTOR, COMPENSATION.**

21 A. I am responsible for all broad-based compensation, including compensation
22 design and strategy, management of key vendor relationships, and compensation

1 administration for Duke Energy, including all of Duke Energy's affiliated
2 regulated and non-regulated companies, including Duke Energy Kentucky
3 (collectively the Companies).

4 **Q. HAVE YOU EVER TESTIFIED BEFORE THE KENTUCKY PUBLIC**
5 **SERVICE COMMISSION?**

6 A. Yes. I recently provided testimony supporting Duke Energy Kentucky's
7 Application in Case No. 2024-00354.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
9 **PROCEEDING?**

10 A. The purpose of my testimony is to demonstrate that the compensation and benefits
11 programs provided to Duke Energy employees are necessary to attract, engage,
12 and retain the skilled and experienced workforce the Company needs to
13 efficiently and effectively provide reliable natural gas service to its customers. I
14 explain how these programs are market-competitive and comparable to programs
15 offered by other utilities, as well as other companies outside of the utility
16 industry. As I explain in my testimony, being market-competitive is critical
17 because Duke Energy competes with these other utilities and companies in the
18 labor market for talent.

19 I also outline the design and function of our compensation programs and
20 explain how they are in line with the industry, are market-competitive, and how
21 the performance metrics included in the incentive plans directly benefit Duke
22 Energy Kentucky customers through safe and reliable service, customer service
23 quality, and low energy costs. As described in greater detail in my testimony,

1 incentive pay is a key component of Duke Energy's compensation program. In the
2 competitive market for talent, employees consider the total rewards package,
3 including base pay, incentive pay, and benefits, as a key determinant in deciding
4 whether to work for a particular employer. Accordingly, whether it is through
5 base pay or a combination of base pay and incentives, Duke Energy must keep its
6 overall compensation package competitive to attract and retain a competent
7 workforce. Incentive pay is therefore similar to other costs necessary to provide
8 customers safe and reliable service. As such, the program expenditures by the
9 Company in connection with these programs are reasonable and prudently
10 incurred costs of service to our customers.

11 The factors that underpin the importance of full cost recovery have not
12 diminished since our last natural gas case in 2021. Employees are the backbone of
13 the Company's work in providing utility service, and employee turnover is
14 expensive, particularly in industries – such as ours – that utilize a highly skilled
15 labor force that requires lengthy and intensive periods of apprenticeship and
16 training. Accordingly, as my testimony demonstrates, the Company's allocated
17 compensation expense, including incentive compensation, is reasonable and
18 prudent, and Duke Energy Kentucky should be allowed to recover all of these
19 costs.

20 I also sponsor Schedules G-2 and G-3 in satisfaction of Filing
21 Requirement (FR) 16(8)(g).

II. WORKFORCE OVERVIEW

1 **Q. PLEASE DESCRIBE THE GENERAL COMPOSITION OF THE**
2 **EMPLOYEE POPULATIONS.**

3 A. As of December 31, 2024, Duke Energy has a total of 26,258 employees. Duke
4 Energy Kentucky has 140 employees, comprised of 9 exempt employees and 131
5 non-exempt employees, all of whom are union employees. DEBS has 6,719
6 employees, comprised of 5,134 exempt employees and 1,585 non-exempt
7 employees, of whom 805 are union employees.

8 **Q. WHERE DO THESE EMPLOYEES WORK WHEN PERFORMING**
9 **SERVICES FOR DUKE ENERGY KENTUCKY CUSTOMERS?**

10 A. Duke Energy Kentucky's customers receive services from employees of Duke
11 Energy Kentucky and affiliated companies. The natural gas employees work at
12 Erlanger Resource Center, Todhunter Resource Center, Kellogg Avenue Gas
13 Resource Center, Queensgate meter testing facility and the Monfort Heights
14 Resource Center. They also work in our Cincinnati, Ohio headquarters and in the
15 Duke Energy headquarters in Charlotte, North Carolina.

16 **Q. WHAT TYPE OF SPECIAL SKILLS OR KNOWLEDGE IS REQUIRED**
17 **IN ORDER TO OPERATE A NATURAL GAS UTILITY SUCH AS DUKE**
18 **ENERGY KENTUCKY?**

19 A. The operation and maintenance of natural gas lines and mains requires specialized
20 technical skills. Employees must have the requisite knowledge and technical skills
21 to plan, design, construct, operate, and maintain pressurized natural gas lines and
22 mains in a manner that provides safe and reliable service. The operation and

1 maintenance of a field office and a customer call center requires detailed
2 knowledge of all aspects of customer service. Field office and call center
3 employees must understand the characteristics of the natural gas delivery service
4 provided by Duke Energy Kentucky, the metering, billing and collection
5 processes and various other customer service matters. At the corporate level,
6 highly skilled managers, engineers, accountants, computer hardware and software
7 experts, computer programmers, and other highly trained professionals are needed
8 to support the employees who are directly responsible for procuring and
9 delivering natural gas to Duke Energy Kentucky's customers.

10 **Q. HOW IMPORTANT IS THE RECRUITMENT AND RETENTION OF**
11 **SUCH EMPLOYEES TO DUKE ENERGY KENTUCKY'S SUCCESS ON**
12 **BEHALF OF ITS CUSTOMERS?**

13 A. The ability to attract and retain employees with the required technical skills is
14 critical to the success of the Company, and very important to our ability to
15 provide safe, reliable, and high-quality natural gas service to our customers. A
16 fundamental factor with respect to the ability of any employer to attract and
17 recruit skilled and qualified employees is the employer's compensation and
18 benefits programs – potential employees will simply look elsewhere if the
19 employer's total rewards package fails to achieve market competitiveness.

20 As such, compensation and benefits are highly important to the
21 Company's ability to attract, engage, and retain a diverse, qualified workforce.
22 One of the keys to providing a desirable workplace where employees want to

1 continue working is to ensure that employees have the opportunity to earn
2 competitive pay and participate in comprehensive benefits programs.

3 **Q. IN RECENT YEARS HAS THE COMPANY EXPERIENCED**
4 **CHALLENGES ATTRACTING AND RETAINING A HIGHLY TRAINED**
5 **AND SKILLED WORKFORCE?**

6 A. Yes, Duke Energy has experienced challenges in retaining a highly trained and
7 technical workforce across its enterprise. We face competition from local and
8 national natural gas companies and contractors that target their recruiting efforts
9 at employees trained by Duke Energy. It is both prudent and necessary for Duke
10 Energy to take measures to prevent potential losses of employees in all of its
11 service territories. Providing a market-competitive compensation and benefits
12 package as well as a robust training program is a must to attract and retain the
13 employees required to provide safe and reliable natural gas service.

14 **Q. WHAT ARE THE IMPLICATIONS OF THE CHALLENGES THAT**
15 **DUKE ENERGY HAS EXPERIENCED IN ATTRACTING AND**
16 **RETAINING EMPLOYEES?**

17 A. Our employees deliver critical services to our customers every day and the energy
18 industry is a knowledge and experience-intensive industry where the tenure of
19 employees matters. Maintaining a competitive compensation and benefits package
20 is instrumental in meeting Duke Energy's and Duke Energy Kentucky's shared
21 goals of providing safe, adequate, reliable, and reasonably priced utility service to
22 customers.

III. COMPENSATION OVERVIEW: PHILOSOPHY, COMPONENTS, AND CUSTOMER BENEFIT

1 **Q. WHAT IS DUKE ENERGY'S COMPENSATION PHILOSOPHY?**

2 A. Duke Energy's overall compensation philosophy is to target total compensation of
3 base pay and incentives, including both short- and long-term, at the median of the
4 market when compared to peer companies, with the opportunity to earn more or
5 less relative to the market median based on actual performance. We have an
6 obligation to be responsive to the market for talent and assure the competitiveness
7 of the total compensation package, consisting of base salary, cash-based
8 incentives, and, for some employees, long-term incentive compensation. Duke
9 Energy's compensation philosophy has three major parts:

10 First, Duke Energy's compensation is market-based, meaning we are
11 competitive with the external labor market, allowing us to attract and retain
12 qualified and diverse employees. Duke Energy employs a compensation strategy
13 that combines base pay and variable incentive opportunities for all levels of
14 positions. This approach fosters efficiency, safety, and a focus on the customer by
15 aligning our employees' pay to quality service for customers.

16 Second, Duke Energy is performance oriented. Linking compensation to
17 performance is one way to engage employees, set high expectations for
18 employees, and reward results that benefit customers. Duke Energy's
19 compensation program is designed to provide total compensation that is consistent
20 with performance.

21 Finally, Duke Energy is fair and flexible. Its well-managed policies and
22 pay administration guidelines ensure that employees are compensated consistently

1 and fairly across departments. Duke Energy must also be flexible to align its
2 policies with business needs as they grow and change.

3 **Q. IS DUKE ENERGY'S COMPENSATION PHILOSOPHY FOR**
4 **EXECUTIVES SIMILAR TO THE PHILOSOPHY APPLICABLE TO**
5 **NON-EXECUTIVE EMPLOYEES?**

6 A. Yes. The compensation philosophy is similar for both executive and non-
7 executive employees. The compensation package for executives consists of a
8 combination of fixed and variable pay using base salary, short-term incentives, and
9 long-term incentives. These components, in the aggregate, are targeted to deliver
10 total compensation that is competitive with Duke Energy's peers and consistent
11 with performance. Duke Energy adopted this executive compensation strategy in
12 order to attract and retain the executive talent required to deliver superior
13 performance. The strategy emphasizes performance-based compensation that
14 balances rewards for both short-term and long-term results and that aligns the
15 executives' interests with the long-term success of Duke Energy, including Duke
16 Energy Kentucky and its customers.

17 **Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPENSATION**
18 **PROGRAMS PROVIDED BY DUKE ENERGY.**

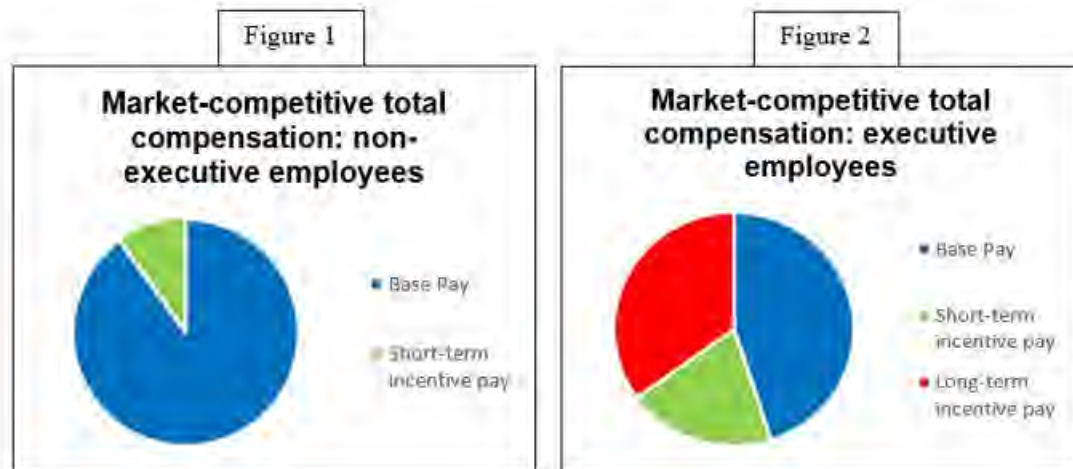
19 A. Duke Energy's compensation programs consist of a base pay component and
20 incentive pay components that together provide a market-competitive, total
21 compensation package for all employees. The base pay component is a set
22 amount, reviewed by management at least annually, and established at a level
23 that: (1) provides compensation based on the nature and responsibilities of the

1 employee's position; (2) is fair relative to the pay for other similarly situated
2 positions in the organization; and (3) when combined with the incentive pay
3 opportunities, is market-competitive.

4 The short-term incentive (STI) pay component is variable based on
5 performance and is "at risk" pay. All employees are eligible for the STI as a
6 component of their total pay – that is, employees are "at risk" of not receiving this
7 component of their compensation package. Carving out a portion of employees'
8 total compensation and delivering it through variable incentive pay serves
9 multiple purposes: (1) to encourage employees to accomplish specific objectives
10 intended to ensure safe, reliable, and economical utility service for our customers;
11 (2) to foster their business unit's and Duke Energy's overall success; and (3)
12 aligns with competitors' pay structures.

13 The long-term incentive (LTI) plans round out a competitive total
14 compensation package for certain employees in leadership positions. Including
15 LTI programs as a portion of total compensation for leadership is market-
16 competitive and necessary to attract and retain the high-caliber leaders needed to
17 serve our customers and communities, and lead the way to a safe, secure, and
18 responsible energy future, while providing reasonably priced utility service for
19 our customers. Simply put, competent management is beneficial to customers.

20 For illustrative purposes, the total compensation concept is depicted below
21 in Figures 1 and 2.



1 As Figures 1 and 2 make clear, base pay alone does *not* equate to market-
 2 competitive total compensation – rather, base pay *in combination with* incentive
 3 pay equates to market-competitive total compensation.

4 **Q. HOW DOES DUKE ENERGY KNOW ITS COMPENSATION IS**
 5 **MARKET-COMPETITIVE?**

6 A. Duke Energy refers to numerous published surveys to assess whether its
 7 compensation is market-competitive. As compared with these surveys, the
 8 Company's pay levels are competitive with the market median for base salary and
 9 total compensation (base pay plus incentives). Further, we routinely benchmark
 10 total compensation (base pay plus incentives) against other similarly sized
 11 companies, both within and outside of the utility industry, and participate in a
 12 variety of third-party salary surveys on an annual basis. These surveys contain
 13 aggregated compensation data, including base pay and incentive targets, from
 14 multiple employers for various job functions and career levels. This data is
 15 analyzed to determine overall competitiveness of pay for jobs throughout Duke

1 Energy. A complete list of the salary surveys Duke Energy is currently
2 participating in is reflected in Attachment SAC-1.

3 **Q. WHY IS IT IMPORTANT TO PROVIDE INCENTIVE OPPORTUNITIES**
4 **AS PART OF EMPLOYEES' TOTAL COMPENSATION?**

5 A. Incentive compensation rewards employee contributions to the company's success
6 and is critical to ensuring overall competitive compensation for Duke Energy
7 employees. In particular, short-term incentive opportunities are components of
8 market-competitive total compensation that are necessary to attract and retain
9 qualified employees. It is important to stress that if Duke Energy did not provide
10 incentive opportunities to employees, the same target value of incentive
11 compensation would need to be added to base pay – which is paid regardless of
12 Duke Energy's performance – to maintain market-competitive compensation.

13 Similarly, Duke Energy's LTI programs are necessary components of
14 Duke Energy's compensation package for leaders. The LTI programs are market-
15 competitive and allow Duke Energy to attract and retain the high-performing
16 leaders who can lead the way to cleaner, smarter energy solutions that are valued
17 by customers. Offering less than competitive levels of compensation would put
18 Duke Energy at risk of losing these valuable leaders to other companies and
19 potentially having to pay more to attract the same level of leadership talent
20 externally. In addition, the inclusion of long-term incentive pay ensures that our
21 leadership is focused on the long term, and not overly focused on the short term.
22 If the Company did not incorporate LTI as a part of the total compensation for
23 these leadership positions, it would require higher base salaries in order to provide

1 the same level of market-based total compensation. If an increase to base pay was
2 not made in place of the LTI component and the overall level of total
3 compensation was reduced, the Company would not be able to effectively attract
4 or retain the experienced leaders necessary to direct the efforts of its employees
5 and make the best strategic decisions on behalf of Duke Energy and to provide
6 reliable service to customers.

7 Put another way, whether it is through base pay or a combination of base
8 pay and incentives, Duke Energy must keep its overall compensation package
9 competitive to attract and retain a competent workforce. Incentive pay is similar
10 to the other costs related to providing natural gas service – it is a necessary cost to
11 provide customers safe and reliable service. In the competitive market for talent,
12 employees consider the total rewards package, including base pay, incentive pay,
13 and benefits, as a key determinant in deciding whether to work for a particular
14 employer.

15 **Q. DOES A COMPETITIVE TOTAL COMPENSATION PACKAGE FOR**
16 **EMPLOYEES BENEFIT THE COMPANY'S RETAIL CUSTOMERS?**

17 A. Yes. Our employees deliver critical services to our customers every day. We need
18 to attract, develop, and retain—over the long term—the employees that design,
19 build, and operate our natural gas transmission and distribution systems and the
20 employees that maintain and improve the infrastructure necessary to keep natural
21 gas flowing. Many craft positions require lengthy apprenticeships to learn the
22 skills needed to perform work independently and safely. The competencies
23 needed for employees in highly skilled positions – such as Gas Systems

1 Operations Mechanics – take many years to develop. If we were to lose such
2 employees, we would incur additional costs to train replacements for these
3 positions, while experiencing additional risk with regard to reliability issues. The
4 expense incurred to hire and train new employees, and the loss of productivity
5 realized through high turnover rates would negatively affect the ability of the
6 Company to provide safe and reliable service at a reasonable cost.

7 This is also true for leadership positions. Duke Energy invests in
8 developing highly effective leaders who develop and carry out the organization's
9 strategy and inspire employees to work together to achieve results the right way.
10 Many of our leaders possess extensive industry experience, advanced degrees, and
11 demonstrated examples of excellent leadership, making recruitment and retention
12 of such leaders critical to the success of the Company, particularly in this
13 changing energy landscape.

IV. DETAILED REVIEW OF COMPENSATION COMPONENTS

14 **Q. PLEASE DESCRIBE DUKE ENERGY'S BASE PAY PROGRAMS.**

15 A. For most non-union positions, Duke Energy utilizes base salary ranges consisting
16 of a minimum and maximum base salary for each job grade. We perform an
17 annual review of market data for both general industry positions and energy
18 services positions and compare that data to our total compensation package (base
19 pay plus incentives). Using this market data, salary ranges are reviewed annually
20 to remain competitive. Market data is also reviewed and used to determine annual
21 wage increase recommendations.

1 To determine the compensation for executive officers on an annual basis,
2 the Compensation and People Development Committee of the Board of Directors
3 of Duke Energy (the Committee) reviews data from nationally recognized,
4 independent executive compensation consulting firms (Frederick W. Cook and
5 WTW). The peer group of companies used for these analyses consists of
6 companies that represent the talent markets from which Duke Energy competes to
7 attract and retain executive employees.

8 Hourly compensated employees, such as mechanics, gas operators, and
9 meter readers, are provided general wage increases negotiated with the labor
10 unions that represent the employees. Wage increases are just one component of
11 union negotiations and must be negotiated in the larger context of work-related
12 topics, such as benefits, work rules, and overtime. These general increases are
13 expressed as percentages of current base pay rates and are consistent with market
14 trends. Duke Energy bases its positions in these negotiations on survey
15 projections for market increases and also utilizes survey market data to ensure pay
16 is competitive to the market. The current contracts in place with employees of
17 Duke Energy Kentucky can be found in Attachments SAC-2(a) and SAC-2(b).

18 **Q. PLEASE DESCRIBE THE STI COMPONENT OF INCENTIVE PAY.**

19 A. All employees are eligible for the STI component of incentive pay, however,
20 some represented employees, including those in Duke Energy Kentucky,
21 participate in the Union Employee Incentive Plan (UEIP) sub-plan per their union
22 agreement. As I testified previously, the STI component is the “at risk” portion of
23 each employee’s compensation. The STI program is designed to promote a

1 workforce culture that responds to pre-determined performance goals set both at
2 the corporate level and at a “team” (for non-leadership employees) or individual
3 (for leadership employees) level. How much of the STI component is actually
4 paid out to an individual employee depends on the degree to which the
5 performance goals are met. The STI and UEIP plan descriptions can be found in
6 Confidential Attachments SAC-3(a) and SAC-3(b).

7 The process begins with the setting of goals at the commencement of each
8 year. The Committee approves the corporate level performance goals for the
9 upcoming year, as well as individual goals for leadership employees. Executive
10 leadership for each business unit sets the team goals for non-leadership
11 employees.

12 The corporate goals are reflected in a “scorecard.” The 2025 scorecards
13 for non-leadership and leadership employees are reproduced as Confidential
14 Attachment SAC-3(c). As can be readily seen in the Scorecard, each goal reflects
15 the specific metrics required to meet the goal at three different levels – the
16 Minimum, Target, and Maximum level. The payout associated with achievement
17 of the goal is based upon where performance falls along the Minimum to
18 Maximum continuum. A thorough review is performed at the end of the year to
19 determine the achievement level for each performance goal.

20 The Scorecard also details the weight given to achievement of each goal.
21 A recap of the STI metrics, weights, and payout opportunities is set forth in the
22 table below:

TABLE 1: SUMMARY 2025 STI PLAN

	Senior Management Committee (SMC) Weight	Leadership (Other than SMC) Weight	Non- Leadership Weight	Payout range
EPS	50%	50%	50%	0-200%
O&M Expense	5%	10%	5%	0-175%
Operational Excellence	10%	10%	10%	0-175%
CSAT	10%	10%	10%	0-175%
Energy Modernization	10%	N/A	N/A	0-175%
Team	N/A	N/A	25%	0-175%
Individual	15%	20%	N/A	0-175%

Members of the Senior Management Committee (SMC), comprised of President and CEO Harry Sideris and his direct reports are also subject to an Individual Performance Modifier pursuant to which the Committee may exercise discretion to increase or decrease the aggregate incentive payment of each SMC member calculated based on the goals and weightings set forth above by up to 25 percent, based on the SMC member's achievement of their performance objectives during the year.

Q. PLEASE PROVIDE ADDITIONAL DETAIL REGARDING THE CORPORATE METRICS INCLUDED IN THE STI PROGRAM FOR 2025, AND, IN PARTICULAR, DESCRIBE HOW THESE METRICS BENEFIT CUSTOMERS.

A. As the Scorecard in Confidential Attachment SAC-3(c) reflects, corporate STI metrics are grouped into the categories of Financial Performance & Growth,

1 Operational Excellence, and Customer Satisfaction. A detailed description of
2 these categories follows:

3 Financial Performance & Growth: The Financial Performance &
4 Growth measure consists of Earnings per Share (EPS) and Operations and
5 Maintenance (O&M) expense control measures, each of which motivates
6 employees to focus on financial discipline, efficient operations, and
7 prudent use of resources, all of which are vital to the health and stability of
8 the organization.

9 EPS: EPS is an important metric to evaluate the success of our
10 performance, and it is a very common practice, both within and outside of
11 the utility industry, to use EPS as a primary goal in incentive programs. A
12 consistently growing EPS benefits customers by allowing the company to
13 access the capital markets on reasonable terms which ultimately lowers the
14 company's financing costs as Duke Energy Kentucky continues to invest
15 in the critical infrastructure needed to ensure the continued reliability and
16 integrity of the natural gas delivery system.

17 O&M Expense Control: O&M expenses include those costs
18 necessary to support daily operations, as well as operate and maintain the
19 operating efficiency and productive life of assets. Cost control is an
20 integral part of any company's success. The intent of this goal is for
21 employees to focus on cost control on a day-to-day basis, the savings from
22 which are ultimately passed on to customers when new rates reflecting
23 those savings are implemented.

1 Operational Excellence: This metric is broken into two equally
2 weighted measures, Reliability and Safety/Environmental. This objective
3 emphasizes service reliability and the mitigation of environmental risks
4 associated with our operations. This goal motivates employees to ensure
5 the safety and reliability of the natural gas transmission and distribution
6 systems as well as to provide reliable and safe products and services to
7 customers.

8 Reliability: The intent of this metric is to ensure that cost focus
9 does not sacrifice Duke Energy Kentucky's ability to provide reliable
10 service, which is expected by all customers. By including reliability in its
11 annual incentive metrics, employees are provided extra motivation to
12 ensure that the Company provides reliable service to its customers.

13 Safety/Environmental: This metric incorporates safety and
14 environmental stewardship into day-to-day activities, thus making the
15 safety of employees, customers, and communities a priority. The safety
16 and environmental goal payout will be determined by averaging the year-
17 end accomplishment of two goals: (i) Total Incident Case Rate (TICR),
18 which measures the number of occupational injuries and illnesses per 100
19 employees, including staff-augmented contractors; and (ii) Reportable
20 Environmental Events, which are environmental events resulting from
21 operations that have an impact on the environment, require notification
22 (verbal/written/electronic) to a regulatory agency, or result in a regulatory
23 citation or other enforcement action by a regulatory agency.

1 Customer Satisfaction: The incentive program also includes a
2 Customer Satisfaction goal, or CSAT, which measures the degree to which
3 customers have a favorable perception of an interaction, product, service,
4 or of Duke Energy overall. Achievement is based on Duke Energy's Net
5 Promoter Score (NPS), which is captured through its proprietary survey.
6 Duke Energy fosters a customer-centric culture, and the customer
7 satisfaction goal is intended to keep customers central to all that Duke
8 Energy does across the company, regardless of where its employees work.

9 Energy Modernization: The SMC and the Controller also have an
10 energy modernization metric. This quantitative goal focuses on the growth
11 of our non-emitting generation and storage capacity measured over a one-
12 year period in comparison to pre-established objective performance
13 criteria. This goal is not dependent on any retirements of existing coal
14 plants.

15 Team/Individual: In addition to these corporate metrics, the
16 performance of non-leadership employees is assessed against pre-
17 determined "team" goals set by their business units. The team goals
18 directly benefit customers by tying employee compensation to reliability,
19 outage frequency, time required to restore service, lost-time accidents,
20 customer satisfaction scores, O&M expense levels, and capital
21 expenditures. These goals are typically tactical and operational goals that
22 align the work of each team to Duke Energy's overall priorities. Team
23 goal results establish a pool of dollars allocated at the discretion of

1 managers among employees based on their individual performance and
2 contributions to the team.

3 Finally, executive and leadership-level employees are assigned individual
4 goals. The individual goals are intended to motivate the executive leadership
5 members to advance strategic and operational objectives and are generally aligned
6 to the business in which they operate. Superior performance relating to these team
7 and individual goals directly benefit Duke Energy Kentucky customers through
8 safe and reliable service, customer service quality, and low energy costs.

9 **Q. PLEASE DESCRIBE THE UEIP.**

10 A. The UEIP is available to union employees of Duke Energy Kentucky and its
11 affiliated companies. Employees participating in the UEIP may not also
12 participate in the STI program offered to the general employee population
13 described previously. The purpose of the UEIP is to attract, retain, and motivate
14 employees, enhance teamwork and high levels of achievement, and to facilitate
15 the accomplishment of specific corporate and business unit goals. These goals
16 benefit the customer similarly to the annual STI – by motivating employees to
17 excel at such goals as customer satisfaction, safety, reliability, and financial
18 stewardship, high performance becomes part of the culture and employees are
19 motivated to exhibit the behaviors required to meet the goals and deliver the
20 highest value to customers at a reasonable cost. In addition, the UEIP is a
21 necessary component of the total compensation package for union employees that
22 attracts and retains the critical skills necessary to provide safe, efficient, and
23 reliable service to customers. Union employees include many of the back-office

1 personnel, including administrative and clerical employees, as well as customer
2 care associates, meter readers, and employees who construct and maintain the
3 Company's natural gas system. All are functions that are critical to reliable
4 customer service.

5 The UEIP is a short-term incentive opportunity that allows union
6 employees to receive cash payments if Duke Energy attains certain corporate
7 performance goals and/or if their group attains certain operational performance
8 goals during a calendar year. The UEIP award levels consist of a percentage of
9 the employee's base and overtime earnings and is based upon the achievement of
10 corporate and business unit goals, such as financial results, safety, and customer
11 satisfaction. The award levels for employees participating in the UEIP may also
12 vary based upon the employee's participation in the various retirement programs.
13 All union employees who participate in a cash balance feature under a Duke
14 Energy sponsored pension plan or who do not participate in a Duke Energy
15 sponsored pension plan are eligible for up to a five (5) percent maximum annual
16 incentive payment. Employees who participate in a final average pay feature
17 under a Duke Energy sponsored pension plan are eligible for up to a two (2)
18 percent maximum annual incentive payment.

19 **Q. PLEASE DESCRIBE THE LTI COMPONENT OF INCENTIVE PAY.**

20 A. At a high level, Duke Energy's LTI programs provide equity-based compensation
21 (*i.e.*, stock awards) to executive and leadership-level employees. Stock awards are
22 an important component of a compensation package that is reviewed annually to
23 ensure ongoing competitiveness. Compensation including stock awards aligns

1 these employees' interests with the long-term interests of Duke Energy, including
2 its customers. The goal of the LTI programs is to attract and retain high-caliber
3 leaders by providing a competitive compensation package and to encourage
4 leaders to make sound business decisions from a long-term perspective. Duke
5 Energy's LTI opportunities generally vest over a period of three years, focusing
6 executives on long-term performance and enhancing retention.

7 **Q. WHAT SPECIFIC LTI PROGRAMS ARE OFFERED BY DUKE**
8 **ENERGY?**

9 A. Duke Energy has two LTI programs. The Executive LTI program, called the
10 Executive LTI Plan, is reserved for the most senior executives, including the
11 SMC, and members of the Enterprise Leadership Team (ELT), which includes
12 approximately 100 of the top leaders within Duke Energy below the level of the
13 SMC. The second LTI program, the Restricted Stock Unit (RSU) Program, is
14 available to other strategic leaders below the ELT level who are responsible for
15 the most critical roles/responsibilities in each business group (population
16 generally ranges between 2-3 percent of the total Duke Energy employee
17 population). The Executive LTI Plan brochure and the Restricted Stock Award
18 Summary are included as Confidential Attachment SAC-3(d) and Attachment
19 SAC-3(e), respectively.

20 **Q. PLEASE DESCRIBE THE EXECUTIVE LTI PLAN.**

21 A. The Executive LTI Plan is designed to drive an ownership mindset for
22 participants and ensure accountability for making short- and long-term strategic
23 decisions. For 2025, participants in this program have 70 percent of their target

1 LTI opportunity awarded as performance shares and 30 percent of their target LTI
2 opportunity awarded as RSUs.

3 Performance Shares: The performance shares granted in 2025
4 incorporate three performance goals: (1) cumulative adjusted EPS, (2)
5 Total Shareholder Return (TSR) compared to companies in the
6 Philadelphia Utility Index, and (3) Total Incident Case Rate (TICR),
7 which (as indicated above in my discussion of STI metrics) is a measure
8 of operational safety – a factor of great importance to Duke Energy and its
9 customers. Similar to the payout associated with meeting STI goals,
10 payout of performance shares occurs only if pre-defined performance
11 metrics related to the goals are met, but in the case of the performance
12 share awards the goals must be met over a three-year vesting period. The
13 multi-year vesting period ties the number of performance shares
14 participants ultimately earn to Duke Energy’s long-term performance, and
15 this correlates to long-term value. Executive LTI Plan participants must
16 generally continue their employment with Duke Energy for a three-year
17 period to earn a payout.

18 RSUs: The other 30 percent of Executive LTI Plan participants’
19 target LTI opportunity is awarded as RSUs. Vesting of RSUs is solely tied
20 to the participants’ continued employment through vesting dates over a
21 three-year vesting period and is not dependent upon Duke Energy’s
22 financial performance. Participants who remain employed with Duke

1 Energy through a vesting date receive a share of Duke Energy common
2 stock for each vesting RSU.

3 **Q. PLEASE DESCRIBE THE LTI PROGRAM AVAILABLE TO LEADERS**
4 **BELOW THE ELT LEVEL.**

5 A. Leaders below the ELT level participate in the RSU program and receive their
6 LTI value in the form of RSUs that vest equally over three years, thereby
7 encouraging retention of high-quality employees. The reward of these RSUs is
8 purely aimed at continued employment and is in no way tied to actual company
9 financial performance. Participation in the RSU plan is reserved for positions that
10 meet at least one of the following criteria:

- 11 • Position has significant responsibility for a broad area or function or
12 geographic region;
- 13 • The employee leads major projects or groups with substantial
14 enterprise or business unit strategic or financial impact;
- 15 • The employee is in a role that has decision-making authority that
16 impacts Company performance; and
- 17 • Position requires specialized expertise that is critical to business
18 operations or strategy development.

19 The RSU plan is an equally important component within the total
20 compensation package for eligible leadership positions (below executive level)
21 and is critical to maintaining market competitiveness and retaining key leadership
22 talent. These employees' base salary is set at such a level that, when factoring in

1 the retention-driven RSUs, the total package results in market-competitive
2 compensation.

3 **Q. HOW DO GOALS BASED ON MEETING EPS OR TSR BENEFIT**
4 **CUSTOMERS?**

5 A. In order to achieve EPS goals, Duke Energy must have strong cost management,
6 prudent investments, and operational excellence, all of which benefit customers.
7 Achieving EPS growth and consistent TSR benefits customers by allowing the
8 company to access capital markets on reasonable terms which ultimately lowers
9 the company's financing costs as Duke Energy continues to conduct necessary
10 maintenance of the system, invest in the integrity of the natural gas delivery
11 system, and transforms the customer experience by providing customers with
12 more billing options, additional energy usage information, and new tools to help
13 manage and reduce energy costs.

V. COST RECOVERY OF INCENTIVE PAY EXPENSE

14 **Q. WHAT INCENTIVE PAY EXPENSE DOES DUKE ENERGY KENTUCKY**
15 **PROPOSE TO RECOVER IN THIS PROCEEDING?**

16 A. Duke Energy Kentucky proposes to include incentive plan expenses for recovery
17 in this proceeding in a manner consistent with what the Commission previously
18 ordered in the Company's prior electric and natural gas base rate cases, Case No.
19 2022-00372, Case No. 2017-00321, Case No. 2018-00261, and Case No. 2021-
20 00190. In those cases, the Commission approved recovery of incentive pay
21 expense that was not earnings-related or stock-based, but rather tied to reliability,
22 safety, customer satisfaction, and individual/team performance objectives. Even

1 though the Company disagrees with the disallowance from rates of incentive pay
2 expense that is earnings-related or stock-based, due to the Commission's orders in
3 these cases, the Company has removed these expenses from its proposed test
4 period in this proceeding, as Company witness Jefferson "Jay" P. Brown explains
5 in his direct testimony.

6 As in Case No. 2022-00372, the Company seeks recovery of all STI
7 measures except those that are earnings-related and stock-based. Even though all
8 incentive expenses are prudent, benefit customers, and are a component of
9 market-competitive pay, because of consistent Commission precedent to exclude
10 financial-related and stock-based compensation from base rates, the Company has
11 not included these costs in this proceeding. We will describe further why we
12 believe that excluding additional costs subject to the "circuit breaker" is not
13 appropriate.

14 **Q. DOES THE CIRCUIT BREAKER RESULT IN ALL STI PAYMENTS**
15 **BEING CONTINGENT UPON DUKE ENERGY CORPORATION**
16 **MEETING FINANCIAL METRICS?**

17 **A.** No. If actual EPS is greater than the EPS circuit breaker, all measures will be paid
18 out based on the scorecard. The circuit breaker, which is set between minimum
19 and target EPS, is designed to keep payouts affordable during years of extreme
20 financial hardship. Only if actual EPS is less than the EPS circuit breaker will
21 payouts for all measures, including the team component, be reduced and capped at
22 the EPS achievement. But again, this ensures the short-term incentive payout is

1 appropriate and affordable in the rare circumstances of extreme financial hardship
2 of the Company when the obligation to fund incentives is imprudent.

3 **Q. WHY IS THIS REASONABLE AND IN CUSTOMERS' BEST INTEREST?**

4 A. The circuit breaker is designed to keep payouts affordable during years of extreme
5 financial hardship. The circuit breaker strikes a balance between rewarding strong
6 operational performance with providing a mechanism to keep incentive payouts
7 affordable during challenging years. It provides assurance that the Company will
8 not make incentive payouts when it is not financially prudent to do so.
9 Importantly, consistent EPS results allows the company to access the capital
10 markets on reasonable terms and ultimately lowers the company's financing costs,
11 which benefits our customers.

12 **Q. PLEASE FURTHER EXPLAIN DUKE ENERGY KENTUCKY'S**
13 **PROPOSAL FOR RECOVERY OF INCENTIVE PLAN EXPENSE.**

14 A. As shown above in Table 1: Summary 2025 STI plan, the STI continues to
15 include a weighting factor for achieving corporate EPS. In 2009, Duke Energy
16 added a weighting for achieving other goals such as O&M savings and reliability
17 targets that continue today. Adding reliability targets provides a balance between
18 the need to prudently manage costs and providing cost-effective, reliable, and safe
19 service to our customers. In 2015, Duke Energy added customer satisfaction,
20 safety, and environmental targets. Safety and environmental targets were added to
21 encourage positive behavior of employees in our day-to-day operations, and
22 customer satisfaction targets were added to keep customers central in all that we
23 do. In 2022, Duke Energy added the energy modernization goal for the SMC and

1 Controller to focus on the growth of our non-emitting generation and storage
2 capacity that is not dependent on the retirement of existing coal plants. As
3 previously explained, these various performance measures included in the
4 Companies' incentive plans are designed to benefit customers. Accordingly, Duke
5 Energy Kentucky proposes to recover the following amount of incentive
6 compensation costs, based upon achieving target goal levels, in its revenue
7 requirement calculation.

TABLE 2: SUMMARY OF INCENTIVE PLAN COMPONENTS

Incentive Plan	Incentive Plan Components	Weighting	Proposed Percentage Recoverable
STI – Non-Leadership	EPS	50%	0%
	O&M	5%	5%
	Reliability	5%	5%
	Safety/Environmental	5%	5%
	Customer Satisfaction	10%	10%
	Team	25%	25%
STI – Leadership (other than SMC)	EPS	50%	0%
	O&M	10%	10%
	Reliability	5%	5%
	Safety/Environmental	5%	5%
	Customer Satisfaction	10%	10%
	Individual Goals	20%	20%
STI – Senior Management Committee (SMC) and Controller	EPS	50%	0%
	O&M	5%	5%
	Reliability	5%	5%
	Safety/Environmental	5%	5%
	Customer Satisfaction	10%	10%
	Energy Modernization	10%	10%
Non-Executive LTI	Individual	15%	15%
	Restricted stock units	100%	0%
	Executive LTI		
	Restricted stock units (30%)	30%	0%
	Performance shares (70%)		
	• Total Shareholder Return (TSR) relative to that of the companies in the Philadelphia Utility Index (40%)	40%	0%
	• Cumulative adjusted Earnings Per Share (EPS) (40%)	40%	0%
	• Total Incident Case Rate (TICR) (20%)	20%	20%
UEIP	Various by union - based on EPS, safety, customer satisfaction, etc.	100%	100%

1 **Q. WHY DOES THE COMPANY’S PROPOSAL FOR INCENTIVE**
2 **COMPENSATION ASSUME REACHING 100 PERCENT OF TARGET**
3 **ACHIEVEMENT LEVELS?**

4 **A.** These are the accrued and budgeted achievement levels for the performance goals
5 for the STI, UEIP, and the LTI. The 100 percent target achievement level is used

1 for the accruals and budget because this is what the Company expects to achieve
2 on average over time.

VI. BENEFIT PLAN DESIGN AND COST RECOVERY

3 **Q. WHAT IS DUKE ENERGY'S BENEFITS PHILOSOPHY AND HOW**
4 **DOES IT TIE INTO THE OVERALL TOTAL REWARDS PHILOSOPHY?**

5 A. At Duke Energy, we place a priority on attracting and retaining a diverse, high-
6 performing workforce. An important way we do this is by providing a
7 comprehensive, competitive total rewards package of pay and benefits that
8 includes base pay, incentive pay opportunities, and benefits. Benefits are the non-
9 pay portion of an employee's total rewards. Our benefit programs are designed so
10 that Duke Energy is able to maintain a highly trained, experienced workforce that
11 is capable of rendering excellent utility service. Retaining employees is important
12 for Duke Energy because the business involves complex processes such that
13 employees must receive long-term training to perform their jobs safely and
14 effectively.

15 **Q. PLEASE DESCRIBE DUKE ENERGY'S EMPLOYEE BENEFIT**
16 **PROGRAMS.**

17 A. Generally, benefits are provided through one of two vehicles: health and welfare
18 benefit plans and retirement plans.

19 Health and welfare benefit plans include medical, health savings account,
20 flexible spending accounts, dental, vision, wellness, sick pay, short-term
21 disability, long-term disability (LTD), life insurance, employee assistance

1 program, accidental death and dismemberment, and business travel accident
2 insurance.

3 Retirement plans include pension (limited to a grandfathered population)
4 and 401(k) plans. Retirement benefits include company contributions and
5 company matching contributions to employees' 401(k) plans. Duke Energy's
6 retirement plans are designed to enable employees, through shared responsibility,
7 to accumulate sufficient resources to be able to transition into retirement at the
8 appropriate time. Employees' ability to retire at the right time increases
9 opportunities for the workforce as a whole, and also helps the utility manage
10 costs.

11 **Q. PLEASE DESCRIBE DUKE ENERGY'S POST EMPLOYMENT**
12 **HEALTHCARE BENEFITS.**

13 A. Duke Energy is the result of a series of several acquisitions and mergers and has
14 worked hard at integration to minimize differences among legacy company
15 employee groups. This includes the post-employment benefits available to
16 employees when they retire. Newly hired employees will be eligible to enroll in
17 company sponsored pre-65 retiree medical, dental and vision benefits at
18 retirement on an unsubsidized basis by paying the full cost of coverage.
19 Additionally, Duke Energy provides retirees access to a retiree exchange program
20 for assistance with exploring options for coverage available on the individual
21 market as an alternative to Duke Energy-sponsored retiree coverage. They will
22 also have the option to convert or port their active life insurance to an individual
23 policy at retirement by paying the required premiums. Active employees who

1 were part of a closed group and eligible for a retiree healthcare subsidy towards
2 the cost of Duke Energy-sponsored retiree health care coverage were generally
3 transitioned to a common approach in the form of a pre-65 Health Reimbursement
4 Account (HRA) benefit.

5 As Duke Energy periodically reviews healthcare trends, we see that only
6 42 percent of employers provide access to pre-65 coverage to current employees
7 who will retire in the future and only 26 percent provide their new hires a
8 potential future retiree benefit. The figures are even lower for companies that
9 provide financial support for post-65 coverage for future retirees. As Duke
10 Energy's financial support of retiree healthcare has lessened over the years, we
11 have recognized that this is an area of concern for many employees. To address
12 this, we encourage employees who are enrolled in a High Deductible Health Plan
13 (HDHP) to enroll in and contribute to a Health Savings Account (HSA) and
14 receive a company seed contribution to save for their future retiree healthcare
15 costs.

16 **Q. HOW DOES DUKE ENERGY DETERMINE THAT THE EMPLOYEE**
17 **BENEFIT PROGRAMS THAT IT OFFERS ARE REASONABLE AND**
18 **NECESSARY?**

19 A. Duke Energy routinely examines its benefits to confirm how we compare with
20 national trends among comparable employers, and we consider the most effective
21 ways to serve our diverse workforce who reside in over 25 states. Because Duke
22 Energy is a company with a history of mergers and acquisitions, it tries to ensure
23 consistency and fairness among legacy company employee groups as well as

1 overall cost-effectiveness. Duke Energy benchmarks its programs against other
2 large employers from both the utility industry and general industry so that it is
3 positioned to attract and retain qualified employees needed to support customers.
4 Duke Energy leverages its consultants, vendor partners, and nationally recognized
5 surveys to evaluate the competitiveness of its benefits and costs. Examples of
6 surveys include WTW's Financial Benchmarks Survey, Best Practices in Health
7 Care Survey, Emerging Trends in Healthcare Survey, and Benefits Data Source.
8 These surveys indicate that Duke Energy's benefit plans and employee
9 contributions are in line with its utility industry and general industry peers,
10 making them reasonable and necessary in order to compete with other employers
11 for qualified talent. Based on Duke Energy's reviews of the competitiveness and
12 reasonableness of its benefit programs and employee costs, it routinely determines
13 if any changes should be made.

14 **Q. WHAT PORTION OF THE HEALTH AND INSURANCE COSTS OF**
15 **BENEFITS DO EMPLOYEES PAY?**

16 A. For company-sponsored Vision, Supplemental and Dependent Life, Supplemental
17 and Dependent Accidental Death & Dismemberment (AD&D), and Optional LTD
18 insurance, the employee is required to pay 100 percent of the cost of group
19 coverage. The company pays 100 percent of the cost of Basic Life/AD&D, Basic
20 LTD, and Business Travel Accident Insurance.

21 When designing medical plan options and determining employee cost
22 share, Duke Energy focuses on the total cost of coverage – not just the premium
23 (or contributions since medical and dental coverage is self-insured) that is

1 deducted from employees' paychecks. Total cost of coverage includes the
2 additional out-of-pocket costs such as copays, deductibles, and co-insurance.
3 Looking at only the premium does not provide the total picture of employees' cost
4 share.

5 Duke Energy's plans and cost sharing are designed to encourage good
6 consumer health care choices by providing opportunities for lower employee
7 premiums and higher out-of-pocket costs at the point of service so that the utilizers
8 of health care services are paying for it. For example, premiums for the HDHP
9 options have higher costs at the point of service, but lower premiums.
10 Alternatively, the preferred provider organization (PPO) option has lower costs at
11 the point of service and higher premiums. 88.6 percent of our covered employee
12 population is enrolled in our HDHP options. For those enrolling in a HDHP
13 option, employees can make payroll contributions to an HSA and Duke Energy
14 provides a "seed" contribution of \$850 per year for individual coverage and \$1,700
15 per year for family coverage for most employees.

16 Duke Energy employees' total cost of medical coverage (premiums and
17 out-of-pocket costs) for 2025 is projected to be 25.5 percent, which falls below that
18 of employers in general industry (29 percent) but in line with utility industry (26
19 percent). For PPO dental coverage, the employee pays on average 37.5 percent of
20 the premium and 57.9 percent of the total cost of coverage (premium plus out-of-
21 pocket costs). When an employee enrolls in medical and dental coverage, he/she
22 may also cover his/her eligible dependents. Duke Energy subsidizes more for the
23 cost of employee coverage than for dependent coverage.

1 **Q. HAS DUKE ENERGY TAKEN STEPS TO CONTROL THE COST OF**
2 **EMPLOYEE BENEFITS?**

3 A. Yes. On an ongoing basis, Duke Energy reviews its employee benefits and costs in
4 an effort to keep costs reasonable, while continuing to provide benefits that are
5 sufficient to attract and retain employees. Employees pay a portion or all of the
6 cost for many of their benefits, so we strive to manage costs not just for the
7 Company, but for employees as well. Periodically, benefit plan changes are made,
8 and other steps are taken to control costs.

9 **Q. WHAT IS DUKE ENERGY KENTUCKY'S PRIMARY RETIREMENT**
10 **PLAN?**

11 A. The 401(k) plan is now our standard retirement plan that applies to all union and
12 non-union new hires. Duke Energy has taken significant steps to both control costs
13 and reduce the risk associated with its retirement plans by eliminating the pension
14 benefit for all new hires, including union new hires, and moving all non-union
15 pension eligible employees and the majority of union pension eligible employees
16 to a cash balance design.

17 **Q. WHAT IS DUKE ENERGY KENTUCKY'S PROPOSAL WITH RESPECT**
18 **TO RECOVERY OF EMPLOYEE BENEFIT COSTS?**

19 A. Duke Energy provides reasonable and appropriate benefits to its employees, as
20 previously described. Accordingly, the Company requests recovery of its
21 employee benefit expenses, except for a portion of its pension expense and all
22 supplemental executive retirement plan expenses as I describe below.

1 **Q. WHAT RETIREMENT PLAN EXPENSE DOES DUKE ENERGY**
2 **KENTUCKY PROPOSE TO RECOVER IN THIS PROCEEDING?**

3 A. We believe all retirement plan costs should be recoverable since our retirement
4 benefits are in line with industry benchmarks and are essential for the retention of
5 the critical job skills that are needed to provide safe, reliable, and high-quality
6 service to our customers. However, to comply with the Commission's previous
7 orders around the expense for employees receiving both a pension benefit and a
8 401(k)-retirement benefit, we are making a proforma adjustment to remove the
9 pension cost for employees who also receive 401(k) match. In addition, we are
10 making a proforma adjustment to remove supplemental executive retirement plan
11 (SERP) cost. We will not seek to recover these costs as part of the natural gas
12 base rate case. Company witness Brown discusses these adjustments further in his
13 testimony.

VII. SCHEDULES AND FILING REQUIREMENTS SPONSORED
 BY WITNESS

14 **Q. PLEASE DESCRIBE SCHEDULES G-2 AND G-3.**

15 A. Schedule G-2 reflects actual straight time and overtime hours for March 2024
16 through February 2025 while Schedule G-3 reflects executive compensation (base
17 salary and incentive pay at target) as required as part of FR 16(8)(g).

18 **Q. HOW DID THE COMPANY ESTIMATE LABOR AND BENEFIT COST**
19 **CHANGES FOR THE FORECASTED PERIOD?**

20 A. I made reasonable estimates based on recent trends, current conditions, and the
21 market studies by independent consultants that I discussed previously in my
22 testimony in order to provide non-union labor increase estimates for use in budget

1 guidance, as reflected in Company witness Claire C. Hudson's testimony.
2 Negotiated union collective bargaining agreements also contribute to the union
3 labor increase estimates used in budget guidelines. Human Resources also works
4 closely with Finance on the employee benefits budget which contributes to the
5 benefit loading rates.

VIII. CONCLUSION

6 **Q. WERE SCHEDULES G-2 AND G-3 AND ATTACHMENTS SAC-1**
7 **THROUGH SAC-3 PREPARED BY YOU OR AT YOUR DIRECTION?**

8 A. Yes.

9 **Q. ARE SCHEDULES G-2 AND G-3 AND ATTACHMENTS SAC-1**
10 **THROUGH SAC-3 TRUE AND ACCURATE COPIES OF THE**
11 **DOCUMENTS THEY PURPORT TO REPRESENT?**

12 A. Yes.

13 **Q. IS THE INFORMATION PROVIDED FOR LABOR AND BENEFIT**
14 **BUDEGETING PURPOSES ACCURATE TO THE BEST OF YOUR**
15 **KNOWLEDGE AND BELIEF?**

16 A. Yes.

17 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

18 A. Yes.

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF MECHLENBURG) SS:

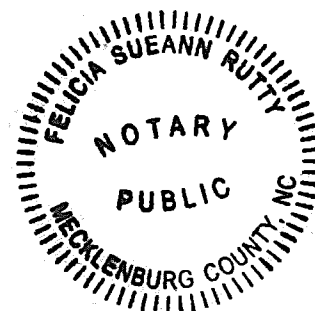
The undersigned, Shannon A. Caldwell, Director Compensation, being duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing testimony and that it is true and correct to the best of her knowledge, information and belief.

Shannon A. Caldwell
Shannon A. Caldwell Affiant

Subscribed and sworn to before me by Shannon A. Caldwell on this 6th day of
May, 2025.

Felicia Sueann Ratty
NOTARY PUBLIC

My Commission Expires: 10-1-2028



Duke Energy 2024 Survey Library

SURVEY CODE	SURVEY NAME
EMPS-WORKS24	Empsight The Works
FOU-ENV24	Foushee Environmental, Health & Safety
FOU-SEC24	Foushee Security & Compliance
GBS-AVI24	Gallagher Aviation
MER-HRM24	Mercer Benchmark Corporate Services and Human Resources
MER-ENG24	Mercer Benchmark Engineering & Design
MER-EXE24	Mercer Benchmark Executive
MER-FAL24	Mercer Benchmark Finance, Accounting & Legal
MER-ITS24	Mercer Benchmark Information Technology
MER-LSC24	Mercer Benchmark Logistics & Supply Chain
MER-SMC24	Mercer Benchmark Sales, Mktg & Comm
MER-CON24	Mercer Contact Center & Customer Service
PM-CYB24	Pearl Meyer Cyber Security, AI, Data Science
RAD-RMCD	Radford Global Compensation Database - September 2024
TW-EMT24	WTW Energy Marketing and Trading
TW-EXE-ES-DUKE24	WTW Energy Services Executive (Duke Energy)
TW-MMPS-ES-DUKE24	WTW Energy Services Mid-Mgmt & Prof (Duke Energy)
TW-EXE-DUKE24	WTW General Industry Executive (Duke Energy)
TW-MMPS-DUKE24	WTW General Industry Mid-Mgmt, Prof & Support (Duke Energy)
TW-AGA24	WTW American Gas Association

AGREEMENT

Between the

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

and

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

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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

(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 their 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 people 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

The Company agrees that consistent with the parties long-standing practice, it will not discharge or discipline any regular employees unless it determines there is just cause for doing so, and that it shall make all reasonable efforts to issue discipline in a timely manner.

(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 in the bargaining unit represented by the Union shall be required as a condition of their continued employment to maintain their membership in the Union in good standing on and after the thirty-first (31st) day following the employee's date of hire. The Union shall notify the Company's Labor Relations Department of any members who are not in good standing as determined by the Union. For the purposes of this provision, "membership in good standing" shall mean being a full member or a core fee payer of the Union.

(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 shall provide the Union with time to discuss with new employees the Union and the existence of the collective bargaining agreement. The Company will provide new employees with electronic and/or paper access to the collective bargaining agreement, along with the Union's "Membership Application" and the "Payroll Deduction Authorization" cards for Union dues or core fees, so that enrollment will be effective 31 days after being hired. Each calendar month, the Company shall prepare and provide to the Union an "activity report" that includes a list of employees who during the previous month were hired into the bargaining unit, were discharged, have taken or returned from leave, been promoted or demoted, have moved to non-union positions or have resigned or retired. For new hires, the report will include each employee's name, job classification, rate of pay and work location.

(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 the applicable core fees representing the percentage of the Union's expenses that are for representational and other legally chargeable activities.

(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 by giving notice in writing to the Labor Relations Department of the Company and to the Union. However, the Union will not impose restrictions, which are prohibited by law, on employees who wish to withdraw from Union membership. After such withdrawal, an employee shall not be required to rejoin the Union as a condition of continued employment. Any such employee will remain obliged to pay the applicable core fees.

(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 core fees 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 core fees 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.

(j) The provisions of this Article I, Section 3(a) regarding Union Security, shall not be applied to bargaining unit members in any state in which such union-security provisions are prohibited by law. The parties agree that, if the current law changes to make such union security provisions applicable, or not applicable, to any employees covered by this

Agreement, the Parties will deem the Agreement amended to comply with the then current law.

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. In such an event, the only matter that may be grieved is whether or not the employee actually engaged in the prohibited conduct. No arbitrator shall have the authority to reduce the disciplinary action imposed on an employee for a violation of this Article and Section if the arbitrator determines that the employee engaged in the prohibited conduct.

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.

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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, 2023 and shall continue in full force and effect until April 1, 2027, 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, 2027, 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.

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(c) In the event agreement is reached on or before April 1, the 2023 – 2027 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 1st day of April.

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. Upon written request by the departmental union delegate or the President of the Union, a meeting shall be arranged between the Company and the Union to discuss such changes. When major organizational changes affecting personnel in various departments are contemplated, the Company agrees to notify the Union President, in writing, at least 14 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.

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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 three 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.
3. Bargaining unit seniority shall be the length of time an employee has been (continuously) employed in a job position within the bargaining unit represented by the Union, and shall be the governing factor in the selection of vacation. The bargaining unit seniority list will be maintained by the Union based on information provided to the Union by the Company. The bargaining unit seniority list will be provided to the Company and used for the purpose of vacation selection.

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

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days on the appropriate bulletin boards and/or on the Duke Energy Job Opportunities Portal page.

(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.

(c) 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.

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(d) Should the classified seniority of any two or more employees be equal, the respective seniority position of such employees shall be determined by the Union randomly drawing the names of the affected employees. The Company will be notified of the results, in writing.

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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) The job posting procedure outlined above does not restrict the Company's right to cancel a job posting at any time.

(j) 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.

(k) The Company and the Union agree that the job posting procedure provided for by this Agreement will not apply to job offers that the Company makes to co-op students and student interns for full-time positions within the bargaining unit. After the Company fills a vacant, full-time bargaining unit position(s) with a co-op student(s) or student intern(s), the Company will utilize the job posting procedure for the next round of vacancies for that position.

Section 3. (a) In the event of any layoffs or curtailments of employment, the Company will attempt to place the employee in a temporary assignment. Prior to making an assignment, the Company will discuss such assignment with the Union. If a temporary assignment is not available, 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 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

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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.

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.

For those full-time displaced employees with at least 15 years of service and subject to layoff, including employees who have been placed in a temporary position in accordance with this subsection, an effort will be made by the Company to find another job at the same or lower wage level for which the employee is qualified. The Company will discuss the employee's reclassification with the Union prior to it going into effect. If there are multiple displaced employees, vacant positions will be offered by system seniority; an employee has the right to turn down one offered position. An employee who turns down a position and who is not currently in a temporary assignment, could be subject to immediate rollback or layoff in accordance with this Section or to rollback or layoff at the end of the temporary assignment if no job is available. If the Company identifies such a vacant position for which the employee is qualified, the Company may reassign and reclassify the employee without posting the position. If no positions are identified by the Company the displaced employee, if qualified, will be allowed to displace the employee with the least amount of system seniority outside of the displaced employee's bidding area.

An employee unable to be reassigned and subject to being rolled back to the Call Center or Meter Reading Departments, will have the option of accepting the assignment in the Call Center or Meter Reading, being laid off, or being offered a severance as outlined in Sidebar Letter A-70. A-70

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 four 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, 2012 and whose 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 15-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.

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(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(s) 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

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used to determine his system service and seniority rank in his new department, district, or departmental section.

(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 start of the second pay period after the employee is notified that he has been accepted for the new job.

Section 5. 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.

The probationary period of any employee on an approved leave of absence lasting more than thirty days, will be extended by the duration of the leave of absence.

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.

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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 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 prorated basis as agreed to by the parties.

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(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. For part-time employees who become full-time employees after April 1, 2008 and who have been employed as part-time for at least 12 consecutive months prior to becoming full-time, the probationary period shall be reduced from one year to nine months.

(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 in the Call Center and Meter Reading work groups and those hired to perform a continuing specific work requirement that is temporary in nature, will not exceed 5% of the total number of full-time employees performing work represented by the Union.

Section 8. Employees promoted to a job outside the bargaining unit and who return to the bargaining unit within six months, shall retain all classified and bargaining unit seniority accumulated up to the date of their promotion. If employees who were in a job outside the bargaining unit for more than six months return to the bargaining unit they will be placed in a starting job classification and receive a classified seniority date behind all employees but shall retain all bargaining unit seniority accumulated up to the date of their promotion out of the bargaining unit. No employee may return to a bargaining unit job classification if management does not approve, a position is not available or if as a result, an employee represented by the Union would be laid off.

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.

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ARTICLE VII

Section 1. Any dispute or disagreement arising between an employee and the Company or the Union and the Company involving wages, hours or work, conditions of employment, or otherwise of any nature arising out of this Agreement 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 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 and at the earliest stage possible, grievances shall be processed in accordance with the following procedure:

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1st Step

An employee must take up any grievance initially 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 workdays 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. A written decision will be sent by email and/or US Mail to the President of the Local Union within 20 workdays of the Step 2 meeting.

3rd Step

If the parties are unable to resolve the grievance following the second step, within 20 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 20 workdays of the date of the third-step meeting. The written response will be sent by email or US Mail to the President of the Local Union.

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 10 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 within ten workdays will petition the Federal Mediation and Conciliation Service (FMCS) for a panel of seven arbitrators and will cooperate to select promptly an arbitrator from that list. 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 HOURLY WAGE RATES

Clerical						
	As Of	Effective	Effective	Effective	Effective	Effective
	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026	
Base Increase	NA	3.00%	3.00%	3.00%	3.00%	3.00%
1	\$ 16.40	\$16.89	\$17.40	\$17.92	\$18.46	
2	\$ 18.14	\$18.68	\$19.24	\$19.82	\$20.41	
3	\$ 20.28	\$20.89	\$21.52	\$22.17	\$22.84	
4	\$ 20.28	\$20.89	\$21.52	\$22.17	\$22.84	
5	\$ 21.76	\$22.41	\$23.08	\$23.77	\$24.48	
6	\$ 23.75	\$24.46	\$25.19	\$25.95	\$26.73	
7	\$ 23.75	\$24.46	\$25.19	\$25.95	\$26.73	
8	\$ 26.36	\$27.15	\$27.96	\$28.80	\$29.66	
9	\$ 28.18	\$29.03	\$29.90	\$30.80	\$31.72	
10	\$ 30.30	\$31.21	\$32.15	\$33.11	\$34.10	
11	\$ 30.30	\$31.21	\$32.15	\$33.11	\$34.10	
12	\$ 31.58	\$32.53	\$33.51	\$34.52	\$35.56	
13	\$ 32.98	\$33.97	\$34.99	\$36.04	\$37.12	
14	\$ 34.19	\$35.22	\$36.28	\$37.37	\$38.49	
15*	\$ 34.95	\$36.00	\$37.08	\$38.19	\$39.34	
16*	\$ 35.69	\$36.76	\$37.86	\$39.00	\$40.17	
17*	\$ 37.49	\$38.61	\$39.77	\$40.96	\$42.19	
A05	\$ 35.69	\$36.76	\$37.86	\$39.00	\$40.17	
* Specially negotiated rates not subject to the Wage Evaluation Committee.						

Meter Reading						
	As Of	Effective	Effective	Effective	Effective	Effective
	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026	
Base Increase	NA	3.00%	3.00%	3.00%	3.00%	
MRI1	\$ 20.22	\$20.83	\$21.45	\$22.09	\$22.75	
MRI3	\$ 24.01	\$25.75*	\$26.52	\$27.32	\$28.14	
MRI4	\$ 28.47	\$29.32	\$30.20	\$31.11	\$32.04	
MRI5	\$ 30.60	\$31.52	\$32.47	\$33.44	\$34.44	
*Specially negotiated rate for the first year of the contract.						

Call Center and Revenue Services						
	As Of	Effective	Effective	Effective	Effective	Effective
	April 1, 2022	April 1, 2023	April 1, 2024	April 1, 2025	April 1, 2026	
Base Increase	NA	3.00%	3.00%	3.00%	3.00%	
C2*	\$ 17.23	\$21.00	\$21.00	\$21.00	\$21.00	
C3**	\$ 15.08	\$15.08	\$15.08	\$15.08	\$15.08	
C4**	\$ 13.00	\$13.00	\$13.00	\$13.00	\$13.00	
C5**	\$ 19.00	\$23.00	\$23.00	\$23.00	\$23.00	
C7*	\$ 19.75	\$23.00	\$23.00	\$23.00	\$23.00	

*Eligible for the annual wage increase.

** Not eligible for the annual wage increase.

Employees at the maximum rate of pay will receive the annual wage increase applicable to Clerical employees in the form of a lump sum.

(b) These wage rate increases shall not apply to the minimum wage rates of starting job classifications. Any changes to wage rates, including merit or general wage increases,

[illegible][illegible][illegible]

Wage Level	Manual			
	As Of	April 1,	Effective	Effective
Base Increase	2022	2023	2024	2025
	NA	3.00%	3.00%	3.00%
7	\$ 32.40	\$33.37	\$34.37	\$35.40
10	\$ 30.69	\$31.61	\$32.56	\$33.54
12	\$ 34.98	\$36.03	\$37.11	\$38.22
16	\$ 34.98	\$36.03	\$37.11	\$38.22

will be applied beginning the first day of the pay period that includes the effective date of the increase.

(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 \$0.25, the intermediate wage rates will be by \$0.25 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 \$0.25 increment plus the odd amount necessary to equal the maximum wage rate, provided, however, that the total amount of this increase is less than \$0.50.

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(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:

Name of Shift	Definition of Shift	Shift Differential Cents Per Hour
		April 1, 2023 – March 31, 2027
Day Shift	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	\$0.00
Afternoon Shift	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight	\$1.80
Night Shift	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	\$1.85

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	\$2.05
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(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.

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(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 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.

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(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.

(m) Management reserves the right to recognize and reward individuals, crews or teams for achievement of safety or performance goals or for superior safety or performance. In addition, employees will be eligible for consideration and reward in accordance with various Duke Energy recognition programs. All such reward programs will be administered in a fair and consistent manner.

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.

Section 3. Pay Checks will be directly deposited into one or more bank accounts employees shall designate and authorize. Direct Deposit advices will be mailed to the employee's home address if he/she has elected to receive a printed copy. For any employee who specifically declines to authorize direct deposit, a paper check will be mailed to the employee's home address.

ARTICLE IX

Section 1. ABSENCE DUE TO SICKNESS, FAMILY CARE AND PARENTAL LEAVE. (a) Employees will be eligible for paid time off due to qualifying sick or family care reasons and paid parental leave, on the same basis as the Company's general, non-represented employee population.

(b) After a part-time employee with 12 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, on the same basis as the Company's general, non-represented employee population, 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.

Years of Service	Maximum Weeks at 100% Pay	Weeks at 66 2/3% Pay
Less than 1 year	0	26
1 up to 5 years	10	16
5 up to 10 years	15	11
10 up to 15 years	20	6
15 or more	26	0

(c) After an employee has been continuously disabled, subject to medical determination, and is unable to return to work for more than 26 consecutive weeks, and has exhausted Short-Term Disability benefits, the employee may receive Long-Term Disability benefits as described in and subject to the eligibility rules and other applicable provisions of the Company's Long-Term Disability Plan Description.

Section 2. Compensation will not be provided for illnesses resulting from such causes as: illegal use of drugs or alcohol, 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 the employee's disability or permit reasonable examinations by the Company.

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.

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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 as well as any unused carryover vacation time. 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 as well as any unused carryover vacation time.

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

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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.

(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, 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. 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, 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. 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 32 or more years of service with the Company shall be entitled to a sixth week of vacation or, if required to work by the Company, 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) An employee may carryover no more than eighty (80) unused vacation hours from one calendar year to the next (carryover vacation). The total maximum balance of carryover vacation may not exceed 80 hours.

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 sponsored life and AD&D insurance coverage for employees starting an approved military leave of absence will be continued for a period of at least 90 days after the employee's leave of absence begins with the same cost sharing as before the leave began.

(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 all hours worked on the holiday in addition to their straight time holiday pay.

(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 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 should be made at least five 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 five calendar-day notification may be approved by an employee's supervisor; such approval will not be unreasonably denied. The Company reserves the right to limit the number of employees who can be off on a specific day. Individual departments will attempt to accommodate as many requests as possible to take a Personal/Diversity day or vacation day on Martin Luther King, Jr. Day, Presidents' Day, and/or Good Friday.

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(b) If a Personal/Diversity day is not used during a year, it shall be lost and no additional compensation shall be granted. Any employee who resigns, retires or is discharged from the Company for any reason shall not receive compensation for any remaining Personal/Diversity days.

(c) Personal/Diversity days must be taken in full day increments. Paid Personal/Diversity days will not be considered as absences for purposes of an individual's attendance record.

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.

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(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.

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(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.

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Section 4. (a) Employees called out for other than planned overtime shall be paid

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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 June 12, 2023 – March 31, 2027
\$12.00

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.

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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 \$1.50 per hour above the maximum rate of pay of either their job classification, or the highest rated job classification they supervise, whichever is greater. It is expressly understood that employees temporarily assigned to a supervisory position shall direct the flow of work and oversee the assignment and completion of work in accordance with applicable policies and procedures in the department. However, they shall not have any responsibility for making hiring decisions, issuing evaluations or discipline, or moving work currently performed by other bargaining unit members into or out of any department.

(b) Employees promoted to a job outside the bargaining unit and who return to the bargaining unit within six 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 six 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 15 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 an amount equal to the semi-annual merit increase for the employee's job classification at the time of the assignment to a job of a lower classification and at six months' periods will be reduced by an amount equal to the semi-annual merit increase for the employee's job classification 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 10 to 14 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 15 years of service will become retrogressed in accordance with paragraph (b) above.

(d) If an employee with less than 10 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 one half of the difference between what he/she would have received at regular work and the amount received as compensation for such injury, for a period not to exceed 26 weeks. 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. 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/Step/Foster	7	5
Mother/Step/Foster	7	5
Father/Step/Foster	7	5
Brother/Step/Foster	7	5
Sister/Step/Foster	7	5
In-Laws (father, mother, brother, sister, son or daughter)	5	3
Grandchild/Step	5	3
Grandparent/Spouse's Grandparent	5	3
Any relative who resides in the employee's household.	7	5
Aunt/Uncle	5	3
Nephew/Niece	5	3

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. 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, provided 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) Eligible Union employees hired or rehired before January 1, 2016 will continue to participate, in the Duke Energy Retirement Cash Balance Plan (the "Pension Plan") under the same benefit formulas as are in effect on the date of this Agreement, and, as set forth in the April 15, 2015 Letter Agreement titled "Amendment to A58 Retirement Plan Agreement. Employees hired or rehired on or after January 1, 2016 will not be eligible to participate in the Pension Plan.

(b) It is agreed that the Company will not reduce the benefits and the Union will not request any change in the Pension Plan until the expiration of the Agreement on April 1, 2027.

ARTICLE XIX

Section 1. Any insurance benefit plans under the Duke Energy Health & Welfare Benefit Plans not specifically referenced elsewhere in this Contract (i.e. life insurance, supplemental, accidental death and dismemberment and dependent life insurance) that the Company maintains and/or implements for the general non-unionized employee population shall also be provided to the bargaining unit employees at the same benefit levels, costs and plan design structure as for the non-unionized employees. The Company has the right to add, eliminate, and alter or to make any other changes to these insurance benefit plans or the employee costs for the plans, consistent with any changes it makes for the general, non-unionized employee populations.

ARTICLE XX

Section 1. HOSPITAL AND MEDICAL PLANS: (a) Health care coverage shall consist of the specially negotiated EPO Plan and shall remain in effect for the term of the 2008 – 2012 Contract. All terms of the specially negotiated EPO Plan, regarding plan design, covered services, premiums and other employee costs, shall be in accordance with the 2008 negotiations letter of agreement entitled “Health Care Benefits.” A-42
A42b

(b) Any other health care plans (medical or dental) that the Company unilaterally implements at its sole discretion for the general non-represented employee population shall also be provided to the bargaining unit employees at the same costs and plan design structure as for the non-represented employees. It is expressly understood that the right to add, eliminate, and alter or to make any other changes to these health care plans or to employee costs for the plans, is reserved to the Company.

(c) 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.

ARTICLE XXII

Section 1. (a) Eligible Union employees will participate or continue to participate in the existing Duke Energy Retirement Savings Plan (the “RSP”); provided, however, that (i) for eligible Union employees in the Cinergy Traditional Formula under the Duke Energy Retirement Cash Balance Plan (RCBP), the matching contribution formula (rate and definition of eligible compensation) under the RSP will continue to be the formula in effect prior to January 1, 2009 (i.e. 100% match on pre-tax and Roth RSP contributions up to 3% of the participant’s eligible pay, 50% match on the pre-tax and Roth RSP contributions on next 2% of the participant’s eligible pay, and an incentive match based on the attainment of corporate goals established by Duke Energy), (ii) for all other eligible Union employees, the matching contribution formula (rate and definition of eligible compensation) under the RSP will mirror the matching contribution formula provided under the RSP for all eligible union employees other than “Cinergy Traditional Employees” as of the date of this Agreement (i.e. 100% match on pre-tax and Roth RSP contributions up to 6% of the participants eligible compensation, with no incentive matching contribution opportunity), and (iii) for eligible Union employees who are not eligible for the RCBP on or after January 1, 2016, the RSP shall provide the Employer Retirement Contribution formula (rate and definition of total pay under the RSP that mirrors the Employer Retirement Contribution formula provided for all participants who are not eligible to participate in a defined benefit A-58
A-58a


pension plan (i.e.4% of total pay) as of the date of this Agreement.

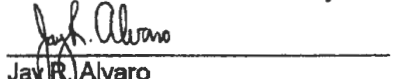
(b) The RSP is contained in the existing Duke Energy Retirement Savings Plan as restated effective January 1, 2014 and as subsequently amended.

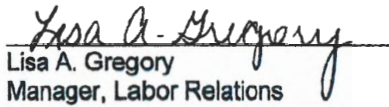
(c) The Company hopes and expects to continue the RSP indefinitely but must reserve the right to alter it or discontinue Company contributions to it for a time. However, under no circumstances shall any part of the corpus or income held by the Trustee of the RSP be recoverable by the Company or be used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

■ WITNESS WHEREOF, the Utility Workers Union of America, AFL-CIO, Local 600, formerly the Independent Utilities Union, Cincinnati, Ohio and Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., do hereby, by their duly authorized agents, execute and sign this Agreement in duplicate on this 9th day of October, 2023.

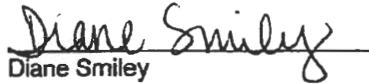
DUKE ENERGY OHIO, INC.
DUKE ENERGY KENTUCKY, INC.


Amy Spiller
State President-Ohio/Kentucky

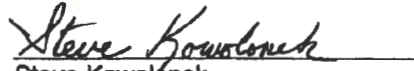

Jay R. Alvaro
Vice President, Employee and Labor Relations



Lisa A. Gregory
Manager, Labor Relations

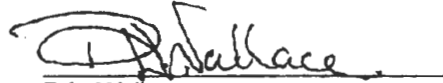

Terri Barnes
Sr. Human Resources Consultant

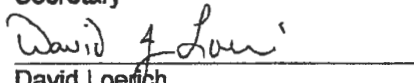

Diane Smiley
Sr. Human Resources Consultant

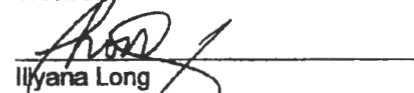
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO, LOCAL 600

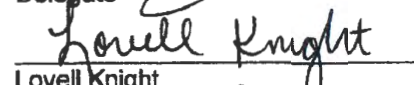

Steve Kowolonek
President

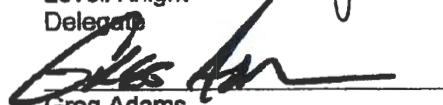

Holly McLaughlin
Vice President


D.L. Wallace
Secretary


David Loerich
Treasurer


Ilyana Long
Delegate


Lovell Knight
Delegate


Greg Adams
National Representative,
UWUA Region III



HISTORICAL SIDEBAR LETTERS 2023 – 2027

Between

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

and

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

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.

Document Number	Document Date	Article	Subject
A-1	12/22/71	IX, 5(c)	Vacation Selection
A-2	07/16/74	V, 4(b)	Inter-Department Transfers
A-3	03/28/77	V, 2(c)	Multiple Posting System in Property Department
A-4	03/28/77	V, 3(d)	Testing Procedures When Employees Promote
A-5	04/13/12	IX, 4	Leaves of Absence
A-6	04/18/89	V, 6	Hiring Co-ops – Union Notification
A-8	04/13/12	IX, 5(c)	Partial Day Vacation Administration
A-9	04/18/89	I, 2(c)	Falsification and Tampering with Company Records
A-11	04/16/92	XI, 1(d)	Holiday Call-Out
A-12	04/16/92	XII, 2(a)	Flextime
A-13	04/16/92	XII, 3(b)	24 Hour Notice – Change of Shift
A-14	04/16/92	I, 1(a)	Reorganization of Distribution Operations Division
A-15	04/16/92	XVI, 2(b)	Out-of-Town Work or Training
A-17	04/13/12	XII, 2(a)	Four 10-Hour Day Guidelines
A-18	04/16/92	VII, 1(a)	Personal Attorneys
A-32	04/14/15	II, 1 III, 1(b) VII, 1(a)	Time Off for Union Duties/Business
A-38	09/02/98	VIII, 1(i)	BOGAR Job Evaluation System
A-40	12/29/00	VIII, 1(e) VIII, 1(h) VIII, 1(i)	Manual, Clerical and Technical Job Classifications
A-41	05/14/03	VIII, 1(i)	Disconnect Non-Pay, Succession and Special Reads
A-42	06/10/04	XX, 1	Post-Retirement Medical
A-42a	04/13/12	XX, 1	Amendment to Sidebar Letter A-42 Post- Retirement Medical Benefits
A42-b	04/01/19	XX, 1	Amendment to Sidebar Letter A-42 and A42a Post-Retirement Medical Benefits
A-46	04/01/19	XII, 6	Temporary Upgrading in Clerical and Technical Jobs
A-48	04/01/19	V, 7(a) VIII, 1(a)	East Meter Reading
A-49	04/21/05	V, 3(a)	Interplant Seniority Rights
A-51	04/21/05	XI, 2(a)	Personal/Diversity Day Requests
A-55	04/21/05	V, 3(a)	Job Elimination Situations
A-58	06/02/08	XXII, 1	Retirement Plan Agreement
A-58a	04/14/15	XXII, 1	Amendment to Retirement Plan Agreement
A-59	06/02/08	Misc.	Sabbatical Vacation Bank and Vacation Credit Programs
A-60	06/02/08	Misc.	Union Employee Annual Incentive Program (UEIP)
A-60a	04/14/15	Misc.	Amendment to Union Employee Annual Incentive Plan (UEIP)
A-60b	04/01/19	Misc.	Amendment to Union Employee Annual Incentive Plan (UEIP)

A-61	04/01/23	V, 7(a) VIII, 1(a)	Cincinnati Call Center
A-62	06/02/08	Misc.	Part-Time Employee Benefits
A-64	04/01/23	VIII, 1(a)	Revenue Services Representatives
A-65	04/01/23	V, 2	Competency Based Selection
A-70	04/01/19	V, 3(a)	UWUA Severance Program
A-71	04/13/12	XII, 2(b)	Overtime Provisions
A-72	04/13/12		Outsourcing Affecting Job Elimination
A-73	11/16/09	Misc.	LIT Job Progression
A-74	03/31/11	XII, 4(a)	On Call Rotation – Local IT Support
A-76	04/01/23	XII, 2(b)	Emergency Work
A-77	05/08/14	Misc.	Senior Work Management Support Specialist
A-79	04/14/15	Misc.	Separation of Delivery Operations and Gas Operations
A-80	04/14/15	Misc.	Global Positioning Systems (GPS)
A-81	04/01/23	Misc.	Engineering Specialist Progression
A-82	04/14/15	V, 2	Customer Relations Representative/Clerk C Positions
A-83	04/01/19	VI	Inclement Weather
A-84	04/01/19	XII, 2(a)	Alternate Work Schedule
A-85	04/01/19	Misc.	Gas Marketing Progression
A-86	04/01/19	Misc.	Lighting Specialist
A-87	03/16/2021	Misc.	GIS Progression Letter
A-88	04/01/23	Misc.	Special Union-Wide Lump Sum Bonus Opportunity
A-89	06/23/2021	Misc.	Remote Work
A-90	2/24/2020	Misc.	Establish Network Engineering Specialist Classification
A-91	6/16/2021	Misc.	Generating Station Clerk
A-92	6/25/2022	Misc.	ES Admin. Office Clerk
A-93	7/26/2022	Misc.	Transmission Office Coordinator

THE CINCINNATI GAS & ELECTRIC COMPANY



CINCINNATI, OHIO 45201

December 22, 1971

Mr. Charles J. Neuhaus
Chairman
Independent Utilities Union
P.O. Box 1757
Cincinnati, Ohio 45201

Dear Mr. Neuhaus:

Reference is made to our discussion at a meeting on November 30, 1971 and to your letter of December 1, 1971, concerning a uniform vacation selection procedure for employees represented by the Independent Utilities Union.

In accordance with our conversation, the Company will adopt the following vacation selection procedures effective January 1, 1972:

Preference for the first two weeks of vacation to which an employee is entitled will be considered within a job classification at each particular work location on a system service basis. Employees entitled to more than a two week vacation may select that additional vacation on a system service basis after all eligible employees within the job classification at each particular work location have had an opportunity to select the dates for at least two weeks of their vacation.

It is emphasized that this procedure will in no way affect the Company's right to determine the number of employees who may take a vacation at any one time.

Please confirm that the procedure stated in this letter is satisfactory to the Union so that the various affected Company departments may be notified prior to January 1, 1972.

Very truly yours,

Robert E. Byrnes

Robert E. Byrnes
Manager
Industrial Relations

A-1

(Due to the deteriorating condition of the original, this letter has been retyped.)

July 16, 1974

Mr. Charles J. Neuhaus
Chairman
Independent Utilities Union
P.O. Box 1757
Cincinnati, Ohio 45202

Dear Mr. Neuhaus:

During the 1974-1977 negotiation meetings, the committees of the Company and the Independent Utilities Union discussed interdepartment transfers to different job classification and lateral bids and their effect on classified seniority. The following procedure has been implemented as a result of the negotiations and subsequent discussions with representatives of the Union.

Individuals who laterally bid or transfer from one bidding area to another will receive classified seniority dates based on the dates they enter the new job classifications in the new bidding area. However, when an employee's move is delayed, consideration will be given to the proper adjustment of the employee's classified seniority rank so that the employee will not be penalized with respect to future opening within the new department. When such employees bid on future openings in the new department, they will be ranked on the basis of their classified seniority date in that bidding area. Should these employees bid on an opening posted outside their immediate bidding area, their wage level seniority will be used in determining their ranking for consideration on the posting. In accordance with past practice, departmental personnel will be given first consideration on an initial I.U.U. wide posting.

The only exceptions to the above procedures are for the following employees in the Customer Services Division of the Customer and Public Relations Department: Douglas Ray Deaton, Patricia L. Lindsay, and Ronald Eugene May. These employees, as was agreed during the negotiations, will be ranked according to wage level date on all promotional bids after they acquire the minimum work experience required for a promotion.

The procedure described in this letter applies only to transfers and lateral bids across bidding areas. Wage level seniority will continue to govern on lateral bids within a bidding area where specific procedures have previously been established.

The Company believes that the described procedures will conform with the agreement reached during the discussions at the 1974 negotiation meetings and will eliminate the potential for employees who transfer or laterally bid into another bidding area from subsequently acquiring more seniority than incumbent employees within the same classification. If the Union concurs with these arrangements, please initial and return the attached copy of this letter.

Very truly yours,

Robert L. Byrnes
Manager
Industrial Relations

cc: L. M. Dagenbach
R. G. Graham

A-2

(Due to the deteriorating condition of the original, this letter has been retyped.)

March 28, 1977

Mr. E. Edward Divine
Chairman
Independent Utilities Union
P.O. Box 1757
Cincinnati, Ohio 45201

Dear Mr. Divine:

During the 1977 negotiation meetings, the Company and the Union agreed to the introduction of a multiple posting system into the Property Department. This system is designed to speed up the process of filling job openings in the clerical and manual groups of the Department. For the purpose of posing job openings, accepting bids and selecting qualified applicants for job classifications bargained for by the Independent Utilities Union the existing northern, southern, eastern and western divisions of the Department will remain unchanged. Through multiple posting any known original job openings that the Company decides to fill will be listed on the posting. Any equal or lower level job that opens as a result of the original postings may be filled as a resultant available opening. In addition, any original job opening that becomes available during the posting period may also be filled as a resultant available opening. However, the Company must maintain the right to discontinue the filling of openings at any level of the procedure.

To clarify the procedures, the meaning of certain terms used herein are defined at follows:

A "posting" is the announcement of a job opening on the proper forms which are displayed on the bulletin boards of headquarters within the four divisions of the Property Department.

A "bid" is a written request of an employee on the proper form for consideration for an opening.

A "cross-bid" is a bid for an opening in the same job classification in another Division.

A "lateral bid" is a bid for an opening in a different job classification having the same maximum rate of pay.

A "promotional bid" is a bid for an opening in a job classification having a higher maximum rate of pay.

Any Property Department employee may submit a bid at any time. It is not necessary that a job opening be posted before a bid can be submitted. Only one promotional bid, one cross-bid or one lateral bid can be made on a single bid sheet. The bidder may also indicate on the bid sheet his preference for geographical division in numerical sequence. The bid sheet on file with the latest date as of the closing date of a particular posting will be used in processing that posting. It is imperative that the employee be continually aware of the bids he has on file, as well as his promotional opportunities. An employee accepted on a valid bid must accept the new job classification or new location.

Mr. E. Edward Divine
March 28, 1977
Page 2

To be valid, a bid must be made out in duplicate and signed by the bidder's supervisor on or prior to the closing date of a posting. One copy of the bid will be returned to the bidder and the other copy will be forwarded to the general office of the Property Department. All bids submitted in the beginning of a calendar year will be retained and used for processing all postings for the calendar year unless changed by the employee.

The acceptance of a bidder on a posting will invalidate all bids of that employee and the employee must submit new bids for consideration on future openings. Any individual bid can be invalidated (withdrawn) by submission of a similar bid with a later date or by the bidder submitting a bid sheet requesting cancellation of all previous bids. In addition, all bids become invalid on December 31 of any year. This will require new bids to be submitted on the first working day of each year or as soon thereafter as practical.

After a job posting has closed the ranking of applicants will be determined on the basis of qualifications, promotional sequences, and classified seniority. Bids will be considered in the following order:

1. Cross-bids
2. Lateral bids
3. Promotional bids

The successful applicant on lateral and promotional bids may be required to qualify by means of an examination if specified by the applicable job descriptions.

Requests for specific job assignments, locations, or shifts within a division may be made in writing to the supervisor in charge of that division. The supervisor will forward a copy of such request to the general office of the Property Department for filing. These requests will be considered by the division supervisor when an opening occurs and prior to the posting of such an opening. However, employees may not exercise their seniority to assure a particular job assignment, location or shift within a division. Requests for assignments will be retained in file until December 31 of any particular year and will be given consideration when job openings occur in the division in which the applicant presently works.

A "results of job opening" will be posted after all bids have been processed. This form will indicate the successful applicants, the headquarters, shift schedule, type of change and effective date. Any applicable payroll changes will be effective on the date which is designated on the multiple posting results sheet.

If, as the result of a job posting, an original opening or any resultant opening cannot be filled by an employee within the Property Department, that job may be posted Company wide.

In addition to permitting more than one cross-bid per posted opening, it is believed that this procedure will materially reduce the time required for the filling of job openings thereby expediting the promotion of employees. It is contemplated that this change in procedure in the Property Department will become effective on or about May 1, 1977.

Very truly yours,

Arthur R. Ehrnschwender

(Due to the deteriorating condition of the original, this letter has been retyped.)

March 28, 1977

Mr. E. Edward Divine
Chairman
Independent Utilities Union
P.O. Box 1757
Cincinnati, Ohio 45201

Dear Mr. Divine:

During the 1977 negotiations, the committees for the Company and the Union discussed the testing procedures which are utilized in many promotional sequences when employees promote.

In certain areas of the Company, an employee is tested on the basis of the job from which he promotes. In other instances, testing is based on the job into which an employee will progress and is given within a certain time interval before or after the employee is accepted. Further, the re-testing time interval for employees who do not successfully complete a promotional test varies in different departments. In certain areas of the Company, employees may be pre-tested for future promotional openings. The Union has requested that such advance testing be made available to employees for the next job in their promotional sequence even though an opening may not exist.

The Company is not opposed to advance testing in those situations where a supervisor agrees that such advance testing is in the best interest of all concerned. It must be realized, however, that in some areas of the Company, methods or technology often change so that advance testing is not practical, in such instances the material upon which an employee is tested may be altered substantially at the time an employee may ultimately be promoted. An employee who wishes to be considered for this advance testing should consult with his supervisor. The supervisor will appraise the employee if such testing is permissible and, if not, the supervisor will explain to the employee why his request may not be granted.

It is thought that this letter will clarify any misunderstanding that may have existed concerning advance testing.

Very truly yours,

Arthur R. Ehrmschwender

A-4



April 13, 2012

Mr. James Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071

Re: Leaves of Absence

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed Sidebar Letter A-5 dated April 10, 1986 regarding good cause for granting leaves of absence. The parties recognized that there have been significant legal developments since 1986, including but not limited to passage of the Family Medical Leave Act (FMLA) and the Uniformed Service Employment and Reemployment Rights Act (USERRA). Given these and other similar developments, the parties agreed to replace the April 10, 1986 Sidebar Letter as set forth herein.

The Company understands that employees may need to be away from the workplace at times for legitimate reasons. The Company further recognizes that time away from work is important to maintaining a healthy work-life balance. At the same time, the Company depends on a responsible and dependable workforce to serve its customers and meet its business goals.

To balance these interests, the Company provides leaves of absence for qualifying reasons, such as for new parents, medical issues (experienced by the employee or eligible family members), military service, caregivers, education, and other personal reasons deemed by the Company or its third party administrators to justify a leave of absence. Leaves of absence may be granted for up to a maximum of six (6) months, or as otherwise set forth in the applicable summary plan description.

All leaves of absence are provided in a manner consistent with applicable laws. To the extent that a leave of absence provided by the Company is over and above the employee's legal entitlement, it is recognized to be a privilege and not a right of the employee. Such leaves are granted at the discretion of the Company. While never desirable, an employee's absence in most situations can be tolerated more so during certain times of the year than other times.

It is difficult to enumerate the variable circumstances under which employees may be granted personal leaves of absence. The Company evaluates each request on an individual basis in light of the surrounding circumstances specific to such request. For

example, leaves of absence will not be granted for individuals who are absent due to incarceration or for individuals who want to try full-time employment elsewhere.

Employees are expected to cooperate with providing supporting documentation in a timely and truthful manner as needed by the Company and/or its third party administrators to manage the leave process consistently. Employees also are expected to keep their management apprised of their return-to-work status and any work-related restrictions prior to returning to work. Advance notice of the employee's return-to-work date and of any work-related restrictions is necessary for business planning and to ensure compliance with applicable laws.

It is believed that this letter accurately describes the parties' agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro".

Jay R. Alvaro
Vice President, Labor Relations

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

Robert E. Byrnes
Senior Vice President

April 18, 1989

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201

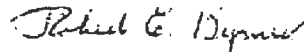
Dear Mr. Bradford:

During the 1989 negotiations, the parties discussed the possibility of the Company notifying the Union of the initial employment of co-ops in two year Associate Degree programs.

As agreed during these negotiations, Department Managers will attempt to inform the Union delegates whenever a two year co-op is hired within their areas of responsibility.

It is thought that by proceeding in this manner, the concerns expressed by the Union during the negotiating meetings will be alleviated.

Very truly yours,



Robert E. Byrnes

A-6



April 13, 2012

Mr. James Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071

Re: Partial Day Vacation Administration

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed the granting of vacations in less than one day increments.

As was agreed, department managers will review their individual work groups and where it will not disrupt normal operations, at their discretion, permit requests for partial day vacations in increments of one-half the employee's scheduled work day but not less than four hours. It was further agreed that requests for these partial 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 partial day off with less than a seven (7) calendar day notification may be approved by an employee's supervisor.

Currently there are some departments that allow, business needs permitting, employees to take partial vacation days in less than half day increments. It is agreed that individual departments will have the ability to grant vacation requests for less than half day increments at their discretion.

It is believed that this letter accurately describes the parties' agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jay B. Alvaro'.

Jay B. Alvaro
Vice President, Labor Relations

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 980 Cincinnati, Ohio 45201-0980

Robert E. Byrnes
Senior Vice President

April 18, 1989

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1989 negotiation meetings, the committees for the Company and the Union discussed the degree of discipline to be administered to employees who falsify or tamper with Company records.

Many employees represented by the Union are in positions of trust concerning Company records and accounts. The management depends upon the integrity of each employee in the performance of his or her various job duties and responsibilities. The importance of this reliance upon complete employee veracity cannot be overemphasized.

In many disciplinary situations, the Company adheres to a policy of progressive and constructive discipline in order to impress upon employees the nature of Company expectations. However, as mutually agreed upon during the negotiations, employees whose dishonest acts adversely affect the Company will be summarily discharged. For example, it has been a long established Company policy that all meter reading personnel will be terminated who curb readings, falsify records, or are guilty of defalcation; immediate discharge for these activities will continue.

Employees in various departments have access to Company and other accounting and business records and are confronted with situations where circumstances could allow indiscretions for their personal gain or the benefit of others without proper remuneration to the Company. Many positions of trustworthiness could be misdirected to a manipulation or falsification of Company records in a fraudulent, larcenous, or otherwise dishonest manner. As agreed, such activities will result in immediate termination of employment.

If the types of activities occur as described above, the Company will react in good faith upon a full, fair, and impartial investigation. The Company will take every precaution to evaluate particular incidents in full light of all circumstances in order to make certain that any summary termination is not undertaken in an arbitrary, capricious, or disparate manner.

Very truly yours,

Robert E. Byrnes

Robert E. Byrnes

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CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201

Dear Mr. Bradford:

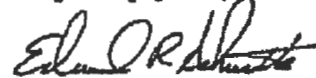
During the 1992 negotiation meetings, representatives of the Company and the Union discussed the negotiated intent and the current administration of holiday call out provisions contained in Article XI, Section 1 (d) of the Agreement.

There was no dispute between the parties as to how an employee is compensated for any call out assignment where all the hours worked by the individual were entirely within the holiday (midnight to midnight). When such call out assignments are for four hours or less the employee receives four hours pay at the appropriate overtime rate and no travel pay. When such call outs are more than four hours but less than eight, the employee receives eight hours of pay at the appropriate overtime rate and no travel pay. When an employee works entirely within the holiday for more than eight hours, all hours worked after eight hours are compensated at the double time rate of pay with no travel pay. The area of dispute between the parties concerns those call out assignments which are worked contiguous to hours on the day before or the day after a holiday.

In order to completely resolve this matter, the Company is willing to compensate the employee for one hour of travel time at the appropriate rate of pay for call outs of four hours or more contiguous with hours worked into or out of a Company recognized holiday. However, the guarantee of eight hours pay for a call out that is more than four hours but less than eight that is contained in Article XI, Section 1 (d) will not apply to call outs that are contiguous with hours into or out of the holiday.

By proceeding in this manner, it is thought that a consistent and equitable manner of administering the holiday pay provisions of the Agreement can be attained.

Very truly yours,



Edward R. Schuette

A-11

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1992 negotiation meetings between the Company and the Union, the committees discussed the use of flextime.

As was discussed during these meetings, it is the policy of the Company to use flextime programs in those work groups where such scheduling is deemed appropriate by the Department Manager. Although the Company reserves the right to discontinue the use of flextime where appropriate, it will meet with the Union before proceeding.

It is thought that this will adequately describe the discussion concerning this matter.

Very truly yours,


Edward R. Schuetts

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CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201


Dear Mr. Bradford:

During the 1992 negotiation meetings, the committees for the Company and the Union discussed the change of schedule provision in Article XII, Section 3 (b).

Although the language in the current Agreement states that an employee will receive at least a 24-hour notice of a change in shift, the Company will attempt to give at least a five calendar day notice of such changes.

It is thought that this is a fair and equitable policy which will satisfy the interests of all concerned.

Very truly yours,


Edward R. Schuetts

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CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201

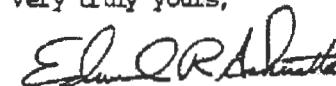
Dear Mr. Bradford:

During the 1992 negotiations, the committees for the Company and the Union discussed the reorganization of the Distribution Operations Division of the Electric Systems Operations Department.

As was agreed during these negotiations, the supervisory positions within this section will have the flexibility to perform bargaining unit work when an Operations Technician is unavailable to readily respond to a customer inquiry that needs immediate attention. On those occasions supervision will be able to investigate, resolve and recommend solutions to customers about their inquiries. They may also be setting test equipment and or preparing written recommendations for customers. It is anticipated that the performance of this bargaining unit work will be minimal. As stated during the negotiations, it is thought that supervisory employees will only perform these types of operations on an average of one per week. In the event that the Operations Technician, assigned to a specific area, is on vacation, that average may increase to approximately two to three per week. This agreement does not restrict supervisory employees from doing work they previously performed.

It is thought that this agreement will enable us to better serve our customers.

Very truly yours,


Edward R. Schuette

A-14

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1992 negotiation meetings, representatives for the Company and the Union discussed the policies and procedures to be utilized when employees are required to work or train at out-of-town locations.

The mode of transportation to be utilized for all out-of-town trips will be determined by the Company. Commercial airlines will be used whenever possible. The Company will normally furnish roundtrip airline tickets (tourist or coach class) between the Greater Cincinnati Airport and the point of destination. If prior arrangements are made and the Company agrees, employees may drive to and from their destination and be reimbursed at the appropriate mileage rate but not exceeding the cost of the roundtrip airline ticket. Each individual request will be evaluated by the Company before determining if alternate transportation will be permitted. Employees utilizing the personal car option will not be granted additional time off from their regular scheduled work week in order to meet travel schedules not arranged by the Company. Nor will any other expenses such as personal auto repairs and insurance, extra meals or lodging be reimbursed by the Company.

Normally the Company will arrange for, and pay any living accommodation expenses. Occasionally, there will be times when employees will be responsible for direct payment prior to leaving the hotel/motel. In this case, the employees will receive advance payment for the applicable room rates and must reconcile their accounts personally. During most other out-of-town trips, prior arrangements may permit invoicing of applicable hotel/motel room costs directly to the Company. In this situation, involved employees will not receive any direct payments for room costs. Other types of accommodations will be handled on a case-by-case basis with methods of payment appropriate to the situation.

For extended trips, employees will be informed prior to leaving for the out-of-town assignment as to the number of return trips to Cincinnati they will be allotted. For these return trips, the Company will normally furnish transportation. In the event that visits home are granted and taken, the Company will reimburse each employee for roundtrip transportation costs only.

A-15

The Company may establish and pay an applicable per diem rate in advance for each out-of-town day and each travel day. This rate, which may vary between individual out-of-town locations, will include all other expenses, such as meals, laundry, telephone calls, tips, etc. Transportation and lodging will not be included in the daily per diem amount that each employee will receive. Any expenses incurred over and above the stipulated per diem amount for any given trip will be the responsibility of the employee. Alternately, the Company may elect to reimburse employees for the direct reasonable expenses for such items as meals, laundry, telephone calls, tips, etc. The Company will determine on a case-by-case basis whether a per diem arrangement or reimbursement for reasonable expenses is used for out-of-town assignments.

It is thought that this letter will clarify the Union's concerns about the policies and procedures to be utilized when employees are required to work or train at out-of-town locations.

Very truly yours,


Edward R. Schuetts



April 13, 2012

Mr. James Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071

Re: Four 10-Hour Day Guidelines

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed Side bar Letters A-17 and A-47 regarding four 10-hour day workweeks. As a result of those discussions, the parties agreed to the following revised Guidelines for employees who are assigned to work four 10-hour days.


1. **Off Days.** Management will attempt to provide employees working a four 10-hour day workweek with three consecutive off days. However, employees in a particular work group may request or may be required to have two consecutive off days and another off day within the scheduled workweek. Supervision will give due consideration to such requests.
2. **Overtime.** Time and one-half will be paid for all overtime hours worked in any single workweek, with the exception of Sunday. All overtime hours worked on a Sunday will be paid at double time.
3. **Vacation.** One day vacations are for 10 hours. Weekly vacations are for 40 hours. Employees who are transitioning to or from a four 10-hour day workweek shall be entitled to all accrued vacation (i.e., if an employee returns to an five 8-hour day schedule with 10 hours remaining vacation, the employee will have one day and two hours of vacation to take in accordance with the contract).
4. **Personal Days.** Personal days must be taken in full days regardless of the employee's schedule, and cannot be taken in smaller increments. For employees on 10-hour shifts, personal days are paid for 10 hours. For employees on 8-hour shifts, personal days are paid for 8 hours.
5. **Holidays.** Employees working four 10-hour shifts convert to a five 8-hour day schedule during all workweeks that contain a holiday recognized by the Company in an effort to maintain consistency throughout the bargaining unit for employees to receive 40 hours of pay.

A-17

For any other alternate work hour schedule that may be developed, it is agreed that at least two off days will be consecutive. The two consecutive off day agreement does not apply to any currently established workweek or when changing from one schedule to another. Furthermore, the two consecutive off day requirement can be waived, but both supervision and the employee must mutually agree to such a schedule.

It is thought that this letter accurately describes the parties' agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro".

Jay R. Alvaro

Vice President, Labor Relations

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P. O. Box 1757
Cincinnati, Ohio 45201

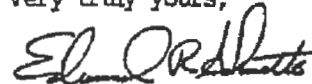
Dear Mr. Bradford:

During the 1992 negotiation meetings the committees of the Company and the Union discussed the representation of employees by personal attorneys or outside agencies during the grievance and arbitration procedures.

As a result of these discussions, the parties agreed that the Union is the sole bargaining representative for its members and therefore no outside representation will be permitted during such meetings. This in no way restricts the Union's ability to have an attorney represent its own interests during the grievance and arbitration procedures.

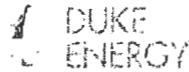
It is believed that by proceeding in this manner the concerns expressed during these meetings have been alleviated.

Very truly yours,



Edward R. Schuette

A-18



*Duke Energy
139 East Fourth St
Cincinnati, OH 45201*

April 15, 2015

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Time Off For Union Duties/Business

Dear Mr. Anderson:

During the 2015 - 2019 negotiations, the representatives of the Company and the Union clarified the administration of time off work and compensation for performing Union duties/business. Subject to legitimate business needs, the Company will grant compensated or non-compensated time off work in accordance with the following guidelines.

NEGOTIATIONS

Members of the Union negotiating committee and any other employee required to attend or prepare for negotiating meetings will be able to attend during working hours. These employees will not be compensated by the Company for time spent in and preparing for negotiations, unless previously agreed to by the parties.

GRIEVANCES & ARBITRATIONS

A reasonable number of employees will be able to prepare for and attend grievance and arbitration meetings. Union employees will not lose their straight-time wages while attending grievance meetings. The time spent by Union members in preparing for and attending all arbitration meetings is not compensable by the Company.

JOINT MEETINGS

A reasonable number of employees will be able to attend joint meetings between Union members and Company representatives. These employees will not lose their straight-time wages while attending or preparing for joint meetings.

UNION DUTIES/MEETINGS

A reasonable number of employees may be excused but not compensated by the Company for attending, preparing for or performing union duties/meetings. This includes items such as counting votes, regular Union meetings, General Board meetings, working on Union accounting records, or other union duties or meetings.


**MILEAGE
EXPENSES**

The Company will agree to reimburse the Union mileage expenses for up to two union representatives to attend Company scheduled meetings. This does not include grievance meetings, arbitrations, negotiations or meetings held at the request of the Union. The Company will agree to reimburse the Union mileage expense for one union representative to attend fact finding meetings. The Union will provide an itemized statement each month for this expense and the Company will reimburse the Union.

There may be occasions when exceptions to these guidelines may be granted. The parties will make every effort to accommodate each other in these matters. The Union agreed to give as much advance notice as possible to supervisors of employees who need to be off work for Union business.

The advancing of wages for non-compensable union business will continue, absent abuse of this process. If problems arise, management will meet with the Union in an attempt to correct the abuse. However, management must maintain the right to discontinue this arrangement, if a satisfactory resolution cannot be reached.

Sincerely,



Jay R. Alvaro
Director, Labor Relations
Duke Energy

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

September 2, 1998

Mr. Patrick G. Bradford
Chairman
Independent Utilities Union
P O Box 1757
Cincinnati, Ohio 45202

CINERGY.
CG&E

Dear Mr. Bradford,

As you are aware, a new job evaluation system, the BOGAR Job Evaluation System is being implemented for all job classifications represented by the IBEW, Local 1347, IUU and the USWA, Locals #12049 and #5541-06. The new system was designed by the ERT Sub-Committee II (Joint Union/Management Team) and approved for implementation by the ERT at its June 29, 1998 meeting. The BOGAR Job Evaluation System completely replaces the McIntyre system.

The McIntyre Evaluation break points for each grade level have been mathematically converted to new break points under the BOGAR System, therefore it is not necessary for job classifications to be reevaluated at this time. Only new job classifications or revised job classifications with significant changes since their last evaluation will be evaluated using the new system. Job classifications will retain their current wage rates/grade levels, but will be subject to change if they are revised and reevaluated as was the practice in the past.

Under the current agreement, a company job evaluation committee is responsible for evaluating all new or revised job classifications. (Article VIII, Section 1(I)). A key component of the new job evaluation system is the establishment of a new joint Union/Management job evaluation committee. The committee will consist of two management representatives from each business unit, two representatives from the IUU, IBEW and each USWA local and two representatives from the Corporate Center. Accordingly, there will be 16 total members with a maximum of 10 active during an evaluation. Operating guidelines for the committee are as follows:

- Unions will appoint their representatives and they will only participate in the evaluation of job classifications represented by their Union.
- Unaffected union representatives may be present, but will not participate at this time.
- No more than two of the four USWA representatives will participate in the evaluation of USWA job classifications.


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- The participating union must have at least one representative available during the evaluation process.
- Consensus should be reached on each factor during the evaluation; absent consensus, majority rules.
- The participating Business Unit must have at least one representative available during the evaluation process.
- All job evaluation members should be informed it is a long term commitment.
- A quorum to have a meeting is six members.

A job evaluation coordinator from the Human Resources Department will also facilitate in the evaluation process and will not be a voting member. The ERT Sub-Committee II also established the pre-evaluation process, presentation guidelines, post evaluation process, training, a creditability check and employee communication and these will be implemented as presented to the ERT at the June 29 meeting.

This letter and accord modifies the terms of the 1998-2001 contract with respect to the job evaluation system and it is believed that this letter accurately describes the agreement the Company and Union have reached.

Sincerely,



Kenneth E. Williams
Manager
Employee Relations and Safety

INTERNAL CORRESPONDENCE

To: Officers, General Managers and Managers

From: Patrick Gibson

Subject: **MANUAL, CLERICAL AND TECHNICAL JOB CLASSIFICATIONS**

Date: December 29, 2000

Reply By: **CINERGY.**

The purpose of this letter is to amend and update the Walter C. Beckjord letter of October 1, 1945, which has served as a preamble to the Cincinnati Gas & Electric Company's job classification and evaluation system for Union represented job classifications:

In October 1945, after a careful and comprehensive study of the various kinds of work necessary to conduct the business of the Company in a safe, efficient and otherwise satisfactory manner, and the requirements of each job involved, the Company by agreement with the Unions representing the employees and with the approval of the National War Labor Board (Region V), placed into effect a schedule of job titles and descriptions for all manual, clerical and technical employees. Wage rate schedules were established and made effective in accordance with the Union agreements and the approval of the War Labor Board.

The job descriptions and wage rate schedules were designed to provide a fair and equitable means by which all the jobs, within the scope of the plan, being filled by manual, clerical and technical employees could be designated with uniformity and understanding throughout the Company system. The Company and the duly certified exclusive bargaining representatives of the bargaining units agreed to the basis used for defining jobs. It became the duty and responsibility of the supervisory force as the representatives of management to see that it was applied and maintained in a fair and consistent manner. It was also essential that employees clearly understood the duties and requirements of the jobs to which they were assigned. While the job descriptions were not intended to be all-inclusive, they were intended to cover such typical tasks necessary to provide a fair basis for evaluation.

The job classification and evaluation plan provided:

1. A set of job descriptions which prescribe typical duties and qualifications;

The Cincinnati Gas & Electric Company

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INTERNAL CORRESPONDENCE

2. A set of promotional charts indicating the line of normal promotions in the respective departments;
3. A set of wage schedules containing maximum wage rates for all jobs and steps of progression to arrive at the maximum wage rates;

In September 1998, a new evaluation system (BOGAR) was implemented to evaluate all manual, clerical and technical job classifications represented by the International Brotherhood of Electrical Workers, Local 1347; the United Steelworkers of America, Locals 12049 and 5541-06; and the Independent Utilities Union. A joint union/management committee designed the BOGAR Job Evaluation System. In addition to the items listed above, the BOGAR system requires a Job Evaluation Questionnaire to be completed and approved for each new or revised job classification.

JOB DESCRIPTIONS

Each job description consists of a statement of the nature of work involved in the job classification, in sufficient detail to identify the title and content to those familiar with the organization; also a statement of the minimum qualifications required to enter the job. Each job description is subdivided into two parts, "Duties" and "Qualifications" as follows:

DUTIES

This section is devoted to a description of the essential duties required in the classification itself, considered entirely apart from the individual who may occupy the position. A sufficient number of duties are listed to:

1. Indicate the character and grade of the work;
2. Indicate the variety of duties;
3. Distinguish each job classification from another.

The duties for each job description are those principal duties that are required to properly identify and evaluate each of the specific job classifications. These duties are not to be considered all-inclusive. Employees may be temporarily assigned, within their capabilities, duties of other classifications. When the temporarily assigned duties are those of a higher or lower rated job classification the employees should be paid the appropriate rate of pay in accordance with the Union agreement.

This section also indicates, as a general guide, the degree of supervision under which the employees are expected to be able to perform their work; that is under "Close," "Directive," or "General Directive" supervision. These terms are defined as follows:

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

INTERNAL CORRESPONDENCE

1. The term "under close supervision" means that the employees perform only those tasks which they have been instructed to do and are observed and supervised most of the time while performing them.

For example: A helper assisting a mechanic in performing assignments would ordinarily be under the "close" supervision of the mechanic.

2. The term "under directive supervision" means that the employees perform primarily those tasks and duties which they have been directed to do and then carry out such instructions under observation or checking from time to time.

For example: A mechanic, working under the direction of a supervisor, assigned to a section of the work but observed or contacted periodically during the day, by the supervisor, would be considered as working under "directive" supervision.

3. The term "under general directive supervision" means that the employees under general instructions perform duties independently, but within the limitations of standard practices or procedure.

For example: A Senior Lineperson operating in the field on scheduled assignments, in accordance with standard practices and procedures but without any supervision while in the field, whose production or performance would be the check on activities and quality of work, would be considered as working under "general directive" supervision.

QUALIFICATIONS

In this section of the job descriptions are listed those minimum qualifications which the individual is expected to bring to the job. Specifically included are such items as basic education, degree of skill, extent of experience, special knowledge, and other required qualifications.

Company Requirements as to General Qualifications

In addition to the duties and qualifications for each job classification as set forth in the job descriptions, each employee must meet the Company's requirements as to general qualifications, which include:

1. The physical and mental abilities to perform the essential functions of the job classification, with or without reasonable accommodations;

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

INTERNAL CORRESPONDENCE

2. The willingness to follow instructions and cooperate with other employees;
3. The willingness to respond to calls outside of regular hours, when the need arises and in emergencies, to help in any department or phase of the Company's operations in which they are qualified to help;
4. The willingness to work a shift schedule and irregular hours where the nature of the work requires it;
5. The willingness to direct and instruct or train employees, of a lower job rating, assisting on the same work;
6. If required by assignment to drive automobile or trucks, must hold a valid State Bureau of Motor Vehicles Operators' license;
7. Compliance with the general rules and practices of the Company, with specific rules of the department in which they are employed, and with those of other departments with which their work must be coordinated;
8. Thorough familiarity with and strict observance of the Company's safety rules applicable to their job;
9. Have the characteristics of dependability, trustworthiness, and carefulness, and have a satisfactory previous record in these respects;
10. The willingness to submit to physical examinations by a licensed physician designated by the Company;
11. The willingness to supply the necessary employment records including, but not limited to, birth certificate, social security number, selective service record, military record, character and past employment records.

JOB EVALUATION QUESTIONNAIRE

Each questionnaire consists of questions related to the six factors used to evaluate a job classification under the BOGAR system. One or more employees in a job classification represented by the applicable Union must complete and sign one questionnaire. A departmental management representative must approve the completed questionnaire. The six factors and related sections of the questionnaire are as follows:

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

INTERNAL CORRESPONDENCE**Knowledge**

Questions related to the amount of formal and informal education, training and experience.

Responsibility

Questions related to the amount of responsibility for such things as: Company funds; confidential information; safety, training and/or work direction of others; materials and equipment; etc.

Customer Contact

Questions related to the amount, importance and difficulty of contacts with internal and external customers.

Decision Making and Complexity of Duties

Questions related to the complexity of the work; the freedom employees have to make decisions; and, the impact their decisions may have on the Company.

Physical/Adverse Characteristics

Questions related to the amount, duration and frequency of: physical work (e.g., lifting, climbing and walking); and, work in adverse conditions (e.g., heat, cold, dust and noise).

Hazards

Questions related to the inherent dangers in the job which directly expose the employee to the possibility of accidents which may result in lost time accidents or death.

WAGE SCHEDULE**Starting Rates**

When employees are first assigned to a job classification, they receive the starting/minimum rate indicated in the wage schedule for that job, except in cases where an employee is already receiving a rate equal to or in excess of the starting/minimum rate indicated. In such event when the employee is promoting into the job classification, the employee receives an increase as described in the applicable Union Agreement, but in no event in excess of the maximum wage rate for the job to which the employee is assigned.

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

INTERNAL CORRESPONDENCE

Progression Steps within a Wage Range

The wage range provides for progression steps leading up to the maximum evaluated rate of the job. Job progression steps are designed for the purpose of advancing an employee within the wage range. These progression steps are to be used as follows:

At intervals of six months, the supervisor shall make a review of the employee's development and progress on the assigned job. If progress, measured by demonstrated ability and performance, has been satisfactory, the scheduled progression step will be made effective on the first Monday following the expiration of that particular interval, until the employee's wage rate equals the maximum rate specified for the particular job classification.

When the performance review indicates that the employee has not made satisfactory progress in the job and an increase in pay is not warranted the employee is to be personally notified by the immediate supervisor that the progression step increase is being withheld. The notification must take place at least one month in advance of the date for the scheduled progression step. In addition, serious consideration should be given as to whether or not the employee should be demoted, transferred or released. The Union may request a review of such a decision. Such review is to be made by a representative or representatives of the Union and a representative or representatives of the Company.

For new employees the six-month interval will start from the hiring date, and for promoted employees, a new series of six-month intervals will start on the date of promotion.

CONCLUSION

Although this plan is set forth as clearly and explicitly as possible, questions may arise as to the intent or interpretation of some provisions. In such event, the matter should be discussed with a representative in the Labor Relations department.

Very Truly Yours,



Patrick P. Gibson

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

May 14, 2003

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Ms. Mary Harthun
President
Local Union 600, IUU
Utility Workers Union of America
810 Brighton Street
Newport, Kentucky 41071

CINERGY.
CG&E

Re: Disconnect Non-pay, Succession
And Special Meter Reads Agreement

Dear Ms. Harthun:

This letter documents our discussions and agreements related to disconnect non-pay (DNP) field credit activity and succession and special meter reading work.

In August 2002, the Company met with the leadership of each of the CG&E affiliated local unions to discuss the need to significantly increase the number of completed DNP's and to complete all succession/special meter reads at a competitive cost. As a result of those discussions, a team was formed, which included the leadership from each union and management representatives, to evaluate the business case for implementing necessary flexibilities and cost control measures to perform the identified work at a competitive cost. The team was charged with reaching a consensus on a plan to achieve the desired results.

It was recognized that residual union jurisdictional issues around the DNP work and the succession and special meter reading work had resulted in restrictive work practices across the multiple unions connected with these job functions. Since August of 2002, the joint union and management team has worked together on a regular basis to achieve compromise for the implementation of the following competitive alternatives to outsourcing these job functions. Pending agreement with the leadership of the four local unions involved in the discussions, the Company will implement the changes described below.

The Company will form a new centrally managed work group for the specific purpose of performing the DNP fieldwork. The Company will initially staff the new work group with 10 existing employees (Senior Representatives) represented by the UWUA currently performing DNP work. Additionally, 8 employees will be added in each of two entry-level job classifications, one represented by the USWA and the other by the IBEW, Local 1347. It is understood that if any of the aforementioned 10 employees represented by the UWUA vacate their position and the Company decides to backfill the position(s), it will be filled as an entry-level DNP worker represented by the USWA or IBEW. The Company assured the Union that the two clerical positions that provide support to the DNP work process would not be eliminated as a result of this reorganization.

The 16 new entry-level DNP worker job openings will be made available to other employees represented by their respective unions (i.e., USWA and IBEW). If all 16 openings are not filled by employees in their respective unions or by displaced employees in redeployment represented by the IBEW, the remaining openings will be made available to full-time meter readers and then part-time meter readers, in that order. If any full-time or part-time meter

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readers vacate their positions as a result of accepting any of the initial 16 DNP worker job openings represented by the IBEW and USWA, the Company will backfill those vacancies accordingly (i.e., part-time with part-time and full-time with full-time). These agreements only apply to the initial 16 DNP worker job openings.

If any of the 10 Senior Representatives in Revenue Collections are bumped by Senior Representatives with more seniority as a result of Company initiatives, it will not impact the number of positions being eliminated through attrition.

The succession and special meter reading duties will be primarily, but not exclusively, assigned to UFWA represented employees. As a result, 10 new full-time meter reader job openings will be filled. Management intends to assign work other than succession/special reads to DNP workers represented by the USWA and IBEW, whenever there is other productive work available for them to perform within their job classifications. However, this does not restrict management's right to assign those employees to perform such meter reads. The Company agreed to backfill part-time meter reader positions that are vacated as a result of part-time meter readers accepting any of the initial 10 new full-time meter reader positions.

This agreement is made between the parties without prejudice to the position of either party regarding the jurisdiction, assignment and contracting of work. However, the Union agrees that no grievances will be filed or pursued relating to the assignment of work as described above, for the duration of this agreement. To the extent that the Company has retained its rights with regard to making future changes to this, or any other work processes in the future, the Union retains its right to grieve in the event that management implements changes to the above-described terms for achieving the DNP, succession and special meter-reading work. In this context, however, it is also understood that slight modifications to this overall business plan may be made, as long as the plan's basic design remains in effect.

The team of management and union leaders is commended for their commitment to meeting the present day business needs in a competitive manner. It is expected that all parties will benefit by this plan for achieving this work with company employees. Please sign where indicated below to indicate the Union's agreement to the above terms.

For the Company:

Todd Arnold 5/14/03
Todd Arnold Date
V.P., Customer
Contact Services

Patricia K. Walker 5/14/03
Patricia K. Walker Date
V.P., Billing &
Metering Services

For the Union:

Mary Hathun 5-15-03
Mary Hathun Date
President
Local Union 600, IUU
Utility Workers Union
Of America

Cc: J. O'Conner
J. Polley

June 10, 2004

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Ms. Mary Harthun
President
Local Union 600, IUU
Utility Workers Union of America
810 Brighton Street
Newport, Kentucky 41071

CINERGY.
CG&E

Re: Post-Retirement Medical Benefits

Dear Ms. Harthun:

On April 27, 2004, the Company met with union representatives from UWUA Local 600, USWA 5541-06 and 12049 and IBEW 1347 to continue the negotiations for providing a post-retirement health reimbursement account ("HRA") option (the "HRA Option") to our active employees. Prior to that meeting, in a letter dated March 2, 2004, the Company provided the unions (I) a written overview of the Company's proposed design for the HRA Option, and (II) written responses to certain related questions. This letter updates the Company's proposed design for the HRA Option.

I. OVERVIEW OF HRA OPTION

All current, full-time employees represented by UWUA, Local 600 will be able to make a one-time choice between continuing in the current traditional post-retirement medical option (the "Traditional Option") or electing to participate in the new HRA Option described below. Employees will be required to make this election by a specified election date in 2004. (Notwithstanding the foregoing, employees currently receiving long-term disability benefits or on a military leave of absence, will make this election when they return to active, full-time status. If they do not return to active, full-time status, they will default to the Traditional Option.) All employees hired or rehired on or after January 1, 2005 will participate in the HRA Option. Each employee who elects to participate in the HRA Option, and each employee hired on or after January 1, 2005, will be referred to as a "HRA Participant" herein.

Under the Traditional Option, eligible retirees (those who retire after attaining age 50 with five (5) years of Service, as defined in the applicable Pension Plan) are provided access to group medical coverage and a premium subsidy that varies based upon the retirees' service and classification (see detail regarding the various classifications and subsidy levels attached hereto).

Subject to any collective bargaining obligation, the Company reserves the right to amend, modify or terminate the Traditional Option and/or the HRA Option at any time. However, amounts already credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

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Ms. Mary Harthun

June 10, 2004

Page 2

The benefit under the HRA Option is based on a bookkeeping account that can grow like a savings account with service and interest credits as described below. An employee who elects the HRA Option will start with an opening balance that is equal to 1/12th of \$1,000 for each prior calendar month in which the HRA Participant worked at least one day for the Company. In the future, the Company will credit eligible HRA Participants with an additional 1/12th of \$1,000 for each calendar month in which the HRA Participant works at least one day for the Company. The Company will also credit each eligible HRA Participant's bookkeeping account with an annual interest credit. Interest will be credited at the same interest rate as the cash balance updates as determined in August of each year, except that for the term of the current labor agreement, the interest rate will not be less than 3.5%; for 2004, the rate is 5.31%. Except as discussed below, only HRA Participants who are active, full-time employees and work at least one day in the month are eligible for the monthly service credit. Like retirees in the Traditional Option, HRA Participants will have access to group medical coverage only if they retire after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), however, there will be no subsidy. Please note the following regarding the HRA Option:

- a. If a HRA Participant retires after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), the amounts credited to the HRAs generally can be used for the qualified medical expenses, as defined in Section 213(d) of the Internal Revenue Code, of the retiree and the retiree's spouse and eligible dependents (see IRS publication 502 for examples of qualified medical expenses). To the extent permitted by applicable law and as is otherwise practicable, the HRA option is intended to provide a tax-free benefit. Due to future law changes, however, there can be no assurance of favorable tax treatment.
- b. Except as provided below, if the employment of a HRA Participant terminates prior to attaining age 50 with five (5) years of Service (as defined under the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- c. If a HRA Participant dies while actively employed prior to attaining age 50 with five (5) years of service (as defined in the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- d. If a HRA Participant dies while actively employed after attaining age 50 with five (5) years of Service, his/her spouse and eligible dependents will be entitled to use amounts credited to the HRA to pay qualified medical expenses immediately.
- e. In the event of disability or leave, the Company will continue monthly service credits for the first 12 months. The Company will continue interest credits while the HRA Participant is disabled or on leave (and prior to recovery or retirement). For HRA Participants on a military leave, service credits and interest credits will continue for the full qualified leave period.

Ms. Mary Harthun

June 10, 2004

Page 3

- f. If the employment of a HRA Participant is involuntarily terminated in connection with an involuntary reduction in force and such termination is in no way related to performance deficiencies, the HRA Participant will be eligible to maintain his/her HRA balance as of termination. The HRA Participant will be able to use amounts held in his/her HRA Account immediately following the termination.
- g. For the term of the current Collective Bargaining Agreement, the Company will agree not to amend, modify or terminate retiree health care benefits for any active employees covered by the CBA. Amounts credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

II. QUESTIONS

Set forth below are responses to some of the questions regarding the HRA Option raised in previous meetings.

1. **Will the Company offer choice to all employees?**

A: Yes. Presently, the Company plans to allow all current, full-time employees to elect to stay in the Traditional Option or switch to the HRA Option. After January 1, 2005, new hires and rehires will automatically participate in the HRA Option.

2. **Will an employee be able to elect the HRA Option upon retirement?**

A: No. A one-time election will take place in 2004.

3. **Can a HRA Participant withdraw amounts credited to his/her HRA account in cash upon retirement? Can the Company pay the amount out in a lump sum?**

A: Money may be withdrawn from the HRA account only for paying qualified medical expenses. The account will not be paid out in cash. Favorable tax treatment is available for a HRA only if the HRA reimburses medical expenses as defined in Section 213(d) of the Internal Revenue Code. As stated below from IRS Notice 2002-45, any right to receive cash will disqualify the HRA from receiving favorable tax treatment.

"An HRA does not qualify for the exclusion under § 105(b) if any person has the right to receive cash or any other taxable or non-taxable benefit under the arrangement other than the reimbursement of medical care expenses. If any person has such a right under an arrangement currently or for any future year, all distributions to all

Ms. Mary Harthun
June 10, 2004
Page 4

persons made from the arrangement in the current tax year are included in gross income, even amounts paid to reimburse medical care expenses. For example, if an arrangement pays a death benefit without regard to medical care expenses, no amounts paid under the arrangement to any person are reimbursements for medical care expenses excluded under § 105(b)... Arrangements formally outside the HRA that provide for the adjustment of an employee's compensation or an employee's receipt of any other benefit will be considered in determining whether the arrangement is an HRA and whether the benefits are eligible for the exclusions under §§ 106 and 105(b). If, for example, in the year an employee retires, the employee receives a bonus and the amount of the bonus is related to that employee's maximum reimbursement amount remaining in an HRA at the time of retirement, no amounts paid under the arrangement are reimbursements for medical care expenses for purposes of § 105(b)..."

4. What happens to the HRA balance upon disability or extended leave from the Company?

A: See Section I(e).

5. What happens to the HRA balance in the event of a termination of employment?

A: See Section I.

6. What happens to the HRA balance if I die while actively employed?

A: See Sections I(c) and I(d). Currently, the spouse and eligible dependents of an employee who dies while actively employed with Cinergy can elect to become covered under the non-union medical plan and receive subsidized coverage at the active employee rate until death or a disqualifying event (for the spouse, this would include, but not be limited to, remarrying or becoming Medicare eligible; for an eligible dependent, it would include, but not be limited to, ceasing to qualify as an eligible dependent due to age).

7. Will the Company contributions be indexed in future years (e.g., indexed to the trend line for health care costs)?

A: No. At this time, we do not plan to align our service credit or interest credit to any index. However, the Company will continue to evaluate its crediting levels. Subject to any collective bargaining obligations, the Company reserves the right to make adjustments, including increasing, decreasing or discontinuing credits unilaterally.

Ms. Mary Harthun
June 10, 2004
Page 5

8. **Will the opening HRA balances be calculated with retroactive interest crediting?**

A: No. Making retroactive interest credits would be cost prohibitive from the Company's perspective.

9. **What are other companies doing with regards to post-retirement healthcare?**

A: See Hewitt survey previously provided (51% of survey respondents have a unionized workforce).

10. **How can HRA Participants use amounts credited to the HRA?**

A: Money credited to a HRA can be used to reimburse the HRA Participant for medical expenses as defined in Section 213(d) of the Internal Revenue Code. See IRS publication 502 for examples of qualified medical expenses.

11. **Who will administer the HRA account balances?**

A: Hewitt Associates will track the HRA credits while HRA Participants are actively employed. The Company is reviewing proposals from third party administrators for post-retirement administration, but this will likely be Hewitt Associates.

12. **Will the HRAs be protected/guaranteed?**

A: The benefit under the HRA option is based on a bookkeeping account and is not funded like a 401(k) plan. See Section I regarding the Company's ability to amend.

13. **If the Company decides to eliminate the Traditional Option at a later date, would employees be allowed to get in the HRA?**

A: The Company periodically evaluates its benefit programs and would determine the appropriate course of action at that time.

14. **Would interest on the HRA account continue to accrue after an employee retires?**

A: See Section I.


15. **If two Cinergy employees are married, can they make different elections with respect to the HRA Option?**

Ms. Mary Harthun
June 10, 2004
Page 6

A: Yes, one could elect to remain in the Traditional Option, and the other could elect the HRA Option; If they remain married during retirement and so elect, they would receive subsidized coverage under the Traditional Option and have access to amounts credited to the HRA on behalf of the other spouse. Regardless, the elections are independent of each other.

Please note that the explanation set forth above merely summarizes the basic elements of our currently proposed design for the HRA Option. The Company is in the process of working out the details of the HRA proposal and necessarily reserves the right to work out those details. The Company also reserves the right to more fully document the HRA Option, which option will be governed and construed in accordance with the terms of the Plan as adopted by the Company.

Very truly yours,


John E. Polley
General Manager
Labor Relations

cc: T. Verhagen
P. Gibson
K. Feld

bcc: L. Gregory

What are other companies doing with regards to post-retirement healthcare? Hewitt Associates conducted a survey for the Henry J. Kaiser Family Foundation between June and September 2003 to understand how large private-sector employers are handling retiree health benefits. The survey included responses from 45% of all Fortune 100 companies and 30% of all Fortune 500 companies. Among the companies surveyed this is what they had to say:

- 10% have terminated all subsidized health benefits for *future* retirees
- 20% say they are very likely to terminate all subsidized health benefits for future retirees
- 35% of the firms terminated benefits for future retirees and now provide access-only to health benefits with the retiree paying 100% of the cost
- 6% of employers shifted to a defined contribution approach
- 71% report having increased retiree contributions to premiums in the past year 53% report increases to plan design cost sharing
- 57% increased prescription drug co-payments
- 12% now require mandatory mail-order refills for maintenance drugs

Summary of Post-Retirement Health Care Options**Current Post-Retirement Health Care Option**

Employees hired before January 1, 2005, who elect the subsidy option and who retire from the company on or after age 50 with at least five years of service, may be entitled to a post-retirement health care subsidy from the company dependent on their years of service at retirement.

Subsidy Schedule:

Service at Retirement	(Pre-65 only)
30+	50%
29	45%
28	40%
27	35%
26	30%
25	25%
24	20%
23	15%
22	10%
21	5%
20	0%
19	0%
18	0%
17	0%
16	0%
15	0%
14	0%
13	0%
12	0%
11	0%
10	0%
9	0%
8	0%
7	0%
6	0%
5	0%



April 13, 2012

Mr. James Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071

Re: Amendment to Sidebar Letter A-42 Post-Retirement Medical Benefits

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed Sidebar Letter A-42 dated June 10, 2004 regarding post-retirement medical benefits. As a result of those discussions, the parties agreed that Sidebar Letter A-42 will (i) continue to apply without modification for employees hired prior to January 1, 2013, and (ii) be amended to reflect that any employee hired or rehired on or after January 1, 2013 will not participate in the HRA Option or the Traditional Option (both as defined in Sidebar Letter A-42). It follows that Sidebar Letter A-42 is hereby amended as set forth below:

In the second full paragraph on page one of Sidebar Letter A-42, the fifth and sixth sentences are hereby deleted and replaced with the following:

- All employees hired or rehired on or after January 1, 2005 and before January 1, 2013 will participate in the HRA Option. No employee hired on or after January 1, 2013 will participate in the HRA Option or the Traditional Option.
- No employee rehired on or after January 1, 2013 will continue to participate in the HRA Option or the Traditional Option following such rehire date. Any such rehired employee who was participating in the HRA Option or the Traditional Option at the time of such employee's prior termination of employment:
 - (i) shall be eligible for access to the HRA or premium subsidies, as applicable, only if he or she was eligible for such HRA access or premium subsidies at the time of such prior termination of employment, and
 - (ii) shall not accrue additional benefits under either the HRA Option or the Traditional Option.
- Employees hired or rehired on or after January 1, 2013 who retire after attaining age 50 with at least five (5) years of service under the applicable Pension Plan are provided unsubsidized access to post-retirement medical coverage.
- Each employee who elected to participate in the HRA Option, and each employee hired on or after January 1, 2005 and before January 1, 2013 will be referred to as an 'HRA Participant' herein.

A-42a

Any provision of Sidebar Letter A-42 that is inconsistent with the above shall be deemed no longer in effect. Except as provided herein, the remaining provisions of Sidebar Letter A-42 continue in full force and effect.

It is believed that this letter accurately reflects the parties' agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro". The signature is stylized with a large initial "J" and "A".

Jay R. Alvaro
Vice President, Labor Relations



Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201

April 1, 2019

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Post-Retirement Healthcare

Dear Mr. Kowolonek:

During the 2019 negotiations, the parties discussed post-retirement healthcare benefits. This letter amends the Post-Retirement Medical Benefits Sidebar Letter A-42 dated June 10, 2004 and A-42a dated April 13, 2012, and confirms these discussions and the resulting agreement.

Access to Post-Retirement Health Benefits

Employees who terminate on or after October 1, 2015 after attaining at least age 50 with at least 5 years of service will have unsubsidized access (i.e., no Company contributions) to post-retirement medical, dental, and vision coverage; provided, however, that beginning as soon as January 1, 2021, employees who do not enroll in Duke Energy-sponsored pre-65 retiree medical, dental and vision coverage at the time of retirement or following the expiration of any COBRA continuation will not be permitted to enroll themselves or their eligible dependents at a future date. Coverage for retirees age 65 and older will be provided on an unsubsidized basis through a Medicare Coordinator. The Company shall provide a subsidy/contribution towards the cost of post-retirement health coverage only as provided below in this letter.

Subsidies/Company Contributions - Traditional Option

For employees who terminate on or after October 1, 2015, the "Traditional Option" is hereby amended to provide contributions towards the cost of post-retirement healthcare coverage, in the form of credits to a newly established Subsidy Health Reimbursement Account ("Subsidy HRA"), only for individuals who are under age 65 and who are:

- In a group eligible for a medical subsidy under the rules in effect prior to October 1, 2015, which is limited to those hired prior January 1, 2013; and
- At least age 55 with at least 10 years of service at termination of employment.

The amount of the contributions will vary as follows:

- Eligible employees age 50 or older by October 1, 2015 will receive (during retirement) a pre-65 contribution of \$350 per month, plus \$175 per month for their spouse/domestic partner, if any; and
- Eligible employees younger than age 50 as of October 1, 2015 will receive (during retirement) a pre-65 contribution of \$250 per month, plus \$125 per month for their spouse/domestic partner, if any

Sidebar Letter A42b
Page 2

Subsidies/Company Contributions - HRA Option

Effective October 1, 2015, the "HRA Option" is hereby amended such that:

- The Company will discontinue crediting 1 /12 of \$1,000 each month to the health reimbursement accounts for those employees who have a health reimbursement account under the HRA Option, with interest credits continuing; and
- The Company will offer a choice window in 2015 to employees who have a health reimbursement account under the HRA Option to elect whether to continue in the HRA Option (modified as described in the above bullet) or to forego their rights to their modified health reimbursement accounts under the HRA Option in exchange for participation in the Traditional Option (modified to provide credits to a Subsidy HRA as described above).

Miscellaneous

The post-retirement health benefits described above will replace the post-retirement medical coverage options in effect prior to October 1, 2015, for employees who terminate on or after October 1, 2015, including those described in Sidebar Letters A-42 and A-42a. These benefits will be governed by and construed in accordance with the applicable plan documents.

In all other respects, Sidebar Letters A-42 and 42a shall continue in accordance with their terms.

Sincerely,



Jay R. Alvaro
Director, Labor Relations



Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201

April 1, 2019

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Temporary Upgrading

Dear Mr. Kowolonek:

During the 2019 contract negotiations, representatives of the Company and the Union discussed temporarily upgrading employees in clerical and technical job classifications.

The Agreement provides that temporary upgrading shall only be available for manual employees. However, as a result of these discussions, the Company will agree, during the term of the 2019 – 2023 Agreement, to permit clerical and technical employees to be temporarily advanced to higher classifications. Employees will only be given consideration for temporary advancement when they actually replace another employee in a higher job classification for a full day or more; or supervision deems there is a need for an employee to fulfill the duties of a higher classified job for a full day or more. When employees are temporarily upgraded they will receive the minimum rate of the higher job classification or \$10.00 per week more than their current wage rate, whichever is greater. When selecting the individual to be temporarily advanced, the management will give consideration to seniority and rotation among qualified employees. Such upgrading will not take place when the work duties of another employee are distributed among several other employees, or when employees perform duties of higher classified jobs for training purposes.

The Company voiced a serious concern about the potential for voluminous grievances if temporary upgrading is permitted for non-manual employees as described. As agreed, no grievances will be processed by the Union as a result of this limited exception to Article XII, Section 6 of the Agreement.

Sincerely,

A handwritten signature in blue ink that reads 'Michael A. Ciccarella'.

Michael A. Ciccarella
Senior HR Consultant
Labor Relations



*Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201*

April 1, 2019

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Meter Reading

Dear Mr. Kowolonek:

During the 2019 contract negotiations, representatives of the Company and the Union discussed Meter Reading operations.

Job Classification, Meter Reader - New: As discussed, the Meter Reader - Full Time job classification will be retitled Meter Reader - New and the wage rate adjusted to the MR 3 wage level upon ratification of the new Agreement. Incumbent employees in this classification will have their hourly rate adjusted to the minimum rate of the MR 3 wage level and will be eligible for merit and general wage increases as outlined in the Agreement.

Part-time Meter Readers: Should part time employees be utilized in the future, they will be hired into the Meter Reader - New classification at the minimum rate of pay as outlined in the Agreement. All provisions of the Agreement regarding part-time employment would apply to these employees. Part-time Meter Readers will receive the appropriate compensation for overtime when they work in excess of 8-hours in a day or any other regularly scheduled shift that is longer than 8 hours.

Hours of Work: Core meter reading hours will be from 7:30 AM to 4:00 PM, subject to changes based on business needs and to any schedule arrangements approved by an employee's supervisor or manager. The normal work day will consist of 8.5 hours including a 30 minute unpaid meal break; however, based on business needs, employees may be assigned a straight eight hour shift with a paid fifteen minute break. The Company reserves the right to change these hours based on business needs in accordance with the Agreement. Employees working in excess of their scheduled work day will receive premium pay and meal compensation as provided for in the Agreement.

Transfers: Any future full-time openings in divisions offices will first be offered to voluntary transfers of current qualified full-time Meter Readers.

Sincerely,

A handwritten signature in blue ink that reads "Michael Ciccarella".

Michael A. Ciccarella
Senior HR Consultant
Labor Relations

April 21, 2005

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Mr. Jim Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky
Cincinnati, Ohio 45202



Re: Interplant Seniority Rights

Dear Mr. Anderson:

During the 2005 negotiations, representatives of the Company and the Union discussed the interplant seniority rights for employees at the electric generating stations, in the event of a surplus situation.

As agreed, during the term of the 2005 - 2008 Agreement, should the Company declare a surplus at one of its electric generating stations and affected employees cannot be absorbed into the work force at the plant, all of the electric generating stations within the CG&E service territory will be considered one department for purposes of administering roll-backs. The intent is to provide the more senior employees at the station with a surplus situation, the ability to bump the less senior employees at the other stations. The wage rates of surplus employees will be red circled.

By proceeding in this manner, the Union's concern in this matter is alleviated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John E. Polley".

John E. Polley
General Manager
Labor Relations

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Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

April 21, 2005

Mr. Jim Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071



Re: Personal/Diversity Day Requests

Dear Mr. Anderson:

It was agreed that the individual departments would attempt to accommodate as many requests as possible to take a personal/Diversity or vacation day on Martin Luther King, Jr. Day, Presidents' Day and/or Good Friday during the term of the 2005 - 2008 Agreement. All requests for a personal/Diversity or vacation day must be made by employees at least 7 days in advance. Days requested with the 7 day advance notice will not be considered as an absence for determining an individual attendance record.

It is thought that this agreement will be mutually beneficial for all involved.

Very truly yours,

A handwritten signature in black ink, appearing to read "John E. Polley".

John E. Polley
General Manager
Labor Relations

A-51

April 21, 2004 2005

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Mr. James Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071

Re: Job Elimination Situations

CINERGY.
CG&E

Dear Mr. Anderson:

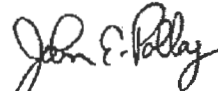
During the 2005 contract negotiations, representatives of the Company and the Union discussed the possibility of employees bumping other employees with less system service seniority at the same wage level in other job classifications in the event of a job elimination situation.

During the discussions the Union wanted the Company to agree to allow senior employees at a given wage level within a bidding area, the right to bump junior employees in other job classifications at the same wage level within the same bidding area, even though the senior employees had never been in the job classification(s) occupied by the junior employees. Due to the potential for a significant loss in productivity, the Company could not agree to that arrangement. However, during the term of the 2005 – 2008 agreement, it was agreed that if such a situation should arise, the Company would work with the Union on a case-by-case basis, in an attempt to place such employees in other available job classifications at the same wage level within the same bidding area. It was further agreed that if the Company is unable to place such employees in job classifications at the same wage level within the bidding area and they have 25 or more years of system service, they will maintain their job titles and wage levels and be eligible for negotiated increases and bonuses. This only applies when such employees with more system service seniority are qualified, but cannot bump into a same wage level job within the bidding area, held by a junior system service seniority individual because they have not passed through the other job.

It was also agreed that should a job elimination situation occur during the term of this Agreement, at the request of the Union, the parties would meet to discuss the rollback procedure described in Article V, Section 3, which may be revised by mutual agreement of the parties.

This accurately reflects the agreements reached between the parties.

Very truly yours,



John E. Polley
General Manager
Labor Relations

A-55



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

June 2, 2008

Mr. James W. Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Retirement Plan Agreement

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the Company's desire to migrate all employees to a common benefits program. The following outlines the agreement between the Company and the Union for providing the employees with options and protections for Retirement Plan participation that will remain in effect during the 2008 – 2012 Contract.

Traditional Retirement Program Frozen:

Participation in the Cinergy Traditional Retirement Program will be frozen as of January 1, 2013 for certain employees. Active employees on January 1, 2013 who are younger than age 50 (as of December 31, 2012) and anyone who is older than 50 but has fewer than 25 years of service (as of December 31, 2012), will automatically begin participating in the New Duke Retirement Program.

Voluntary Conversion Opportunities:

Active employees in the Traditional Retirement Program will be offered a voluntary window in 2008 to elect to remain in the Traditional Pension Program or elect the New Retirement Program. In 2012, a second voluntary window will be offered only to those active employees who remain in the Traditional Program and who are age 50 with 25 years or more of service as of December 31, 2012.

Voluntary Conversion to the New Retirement Program:

Part A Benefit (Part A): The pension plan benefit employees will earn under the Traditional Program will be based on their participation service as of the "day before conversion date" and their final average monthly pay at retirement (not the date of conversion).

AND

Part B Benefit (Part B): On the "conversion date," employees will start earning an additional pension plan benefit through a new formula that "mirrors" the Duke Energy Retirement Cash Balance Plan.

The Company matching contributions for the 401(k) plan will be enhanced to mirror the Duke Energy Retirement Savings Plan. As a result, employees will be eligible to receive higher matching contributions on a broader definition of pay. The higher

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Mr. James W. Anderson
June 2, 2008
Page 2

amount is a dollar-for-dollar match on the first 6% of eligible pay (this includes base, overtime and annual incentive pay).

Employees will also begin participating in an annual incentive plan with greater award opportunities (up to 5%).

With Mandatory Conversion to the New Retirement Program:

1. Mandatory conversion will be effective January 1, 2013 for employees who have elected to remain in the Cinergy Traditional Retirement Program. Other terms applicable to the mandatory conversion are as follows:
 - a. The final average monthly pay for retirement will be frozen at the time of conversion (no pay run up).
 - b. Employees will have no choice between annuity and lump sum on Part A; only the current traditional program annuitant options will be available for Part A.
 - c. Can still grow in to the 85 points.
 - d. Employees will receive the enhanced 401(k) and enhanced incentive pay as described above once they mandatorily convert.

Employees Currently in the Cash Balance Plans:

Employees who previously selected one of the Cinergy cash balance plans (Balance or Investor) will automatically transition to the New Retirement Program as soon as administratively possible, but no later than January 1, 2009, to include participation in a cash balance pension plan that mirrors the Duke Energy Retirement Cash Balance Plan and an enhanced 401(k) plan to mirror the Duke Energy Retirement Savings Plan and an enhanced annual incentive plan as described below:

Annual Incentive Plan Summary Changes for those who elect or automatically move to the New Retirement Program:

In conjunction with the New Retirement Program, all participants who volunteer or upon mandatory conversion to the New Retirement Program will be eligible for up to a 5% maximum annual incentive pay (payable in 2010) based on the achievement of goals as set forth below:

NEW RETIREMENT PROGRAM – UEIP

Goal	Level 1	Level 2	Level 3
Company Financial Result	.75%	1.5%	3%
Safety	.5%	.75%	1%
Customer Satisfaction	.5%	.75%	1%
	1.75%	3.0%	5.0%

Mr. James W. Anderson
June 2, 2008
Page 3

Annual Incentive Plan Summary Changes for those who do not elect the New Retirement Program:

Employees who elect to remain in the Cinergy Traditional Program, which provides benefits under the current final average pay formula, will not be eligible for the higher incentive payout, but will continue their eligibility for the current Cinergy 401(k) Plan formula and will begin participating in an annual incentive plan, with a maximum award of 2% based on the achievement of goals as set forth below:

TRADITIONAL RETIREMENT PLAN – UEIP

Goal	Level 1	Level 2	Level 3
Company Financial Result	.5%	.75%	1%
Safety	.25%	.375%	.5%
Customer Satisfaction	.25%	.375%	.5%
	1.0%	1.5%	2.0%

The Retirement Conversion Agreement Survives the 2008 – 2012 Contract:

The Company and the Union expressly understand and agreed that the Retirement Program conversion agreement shall continue in full force through January 1, 2013, surviving the termination of the 2008 – 2012 Contract, and shall continue in full force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,



Jay R. Alvaro
Vice President



Duke Energy
139 East Fourth St
Cincinnati, OH 45201

April 15, 2015

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Amendment to A-58 Retirement Plan Agreement

Dear Mr. Anderson:

During the 2015 negotiations, the Company and the Union discussed changes to the Company's retirement programs. This letter sets forth the changes that were agreed to by the Company and the Union.

Retirement Benefits for New Hires

For employees hired or rehired on or after January 1, 2016, the Company will provide an annual contribution to the Duke Energy Retirement Savings Plan ("RSP") in the amount of 4% of the employee's annual compensation (including base, overtime, and incentive compensation) in accordance with the RSP plan documents. Such newly hired or rehired employees also will be eligible for the Company-provided matching contribution equal to 100% of the before-tax (and Roth) contributions made up to 6% of eligible compensation in accordance with the RSP plan documents on the same basis as employees hired or rehired prior to January 1, 2016. Employees hired or rehired on or after January 1, 2016 will not be eligible to participate in the Cinergy Corp. Union Employees' Retirement Income Plan (the "Retirement Income Plan").

Cash Balance Interest Credit

The cash balance interest credit rate under the Retirement Income Plan for pay credits made on and after January 1, 2016 will be based on a 4% interest rate (0.327% monthly equivalent interest rate). For purposes of clarity, the cash balance interest credit rate applies to cash balance participants and the Part B benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit. The Part A (traditional) portion of the participant's benefit will not be affected by this change.

Retirement Income Benefit for Long-Term Disability

A participant who starts receiving long-term disability benefits on or after July 1, 2016 will receive interest credits under the Retirement Income Plan's cash balance formula while disabled, but will not receive pay credits while long-term disabled, in accordance with the Retirement Income Plan documents. This change will not apply for any individual who starts receiving long-term disability benefits before July 1, 2016, or participants under the traditional formula, or for the Part A benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit.

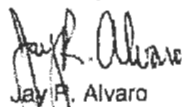
Sidebar Letter A58a Page 1

For purposes of clarity, as previously agreed, the Company may in its discretion merge the Retirement Income Plan into the Duke Energy Retirement Cash Balance Plan or other defined benefit plan maintained by the Company. In accordance with applicable law, any such merger will not reduce participants' accrued benefits.

The complete provisions of the Company's retirement plans are set forth in the plan documents, as amended to make administrative changes, legally-required changes and/or technical changes that do not reduce the benefits formula. In the event of a conflict between any other communication and the plan documents themselves, the plan documents control.

It is thought that this letter accurately describes the agreement reached by the parties regarding amendments to Sidebar Letter A-58 relating to retirement plan agreements.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro".

Jay R. Alvaro
Director, Labor Relations
Duke Energy



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

June 2, 2008

Mr. James W. Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Sabbatical Vacation Bank and Vacation Credit Programs

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs.

As agreed, these programs shall be phased out in accordance with the attached document, Attachment A, which outlines the specific revisions to the Sabbatical Vacation Bank and Vacation Credit Programs that will remain in effect through December 31, 2012.

The Company and the Union expressly understand and agreed that the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs, as stated in the attached document, shall continue in full force until December 31, 2012, surviving the termination of the 2008 – 2012 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jay R. Alvaro'.

Jay R. Alvaro
Vice President

Attachment

ATTACHMENT A

**REVISIONS TO THE SABBATICAL VACATION BANK
AND VACATION CREDIT PROGRAMS
FOR UWUA, LOCAL 600**

Effective January 1, 2009, the Vacation Bank and Vacation Credit Programs will be phased out over a four year period and will be ending on December 31, 2012.

THE CHANGES:**Sabbatical Vacation Program:**

- The sabbatical banking program will be eliminated for employees who are younger than 47 years old as of December 31, 2008.
- Employees who are 47 years old or older as of December 31, 2008 will be eligible to continue banking vacation until December 31, 2012, up to the limits described on the schedule below.
- Employees who have already banked more than the maximum amount of vacation based on the schedule below (including any vacation credits) cannot bank more after January 1, 2009 but will be grandfathered with the amount they have banked.
- No additional banking will be permitted after January 1, 2013. Therefore, the last opportunity to bank vacation will be in December 31, 2012 because banking is done at the end of the year.
- Banked vacation will be paid out at the final rate of pay at retirement.

Vacation Credit Program:

- Vacation Credits: Up to six weeks credit, starting at age 51, cannot exceed the employee's vacation entitlement.
- Employees who are at least 51 years old as of December 31, 2012 will continue to receive "vacation credits" up to the lesser of their annual vacation entitlement or the schedule below.
- The vacation credit program will be modified for employees who are younger than 51 years old as of December 31, 2012. For those employees "only" hired prior to January 1, 1997 will receive their "vacation credits" up to the amount of vacation time they were eligible for as of January 1, 2006.
- Vacation credits will be paid out at the final rate of pay of retirement.

Service Credit Program:

- Service Credits: Up to two weeks for years 32 and 33 years of employment in lieu of a 6th week of vacation time off.
- Employees will continue to receive one week of "service credit" added to their vacation bank in years 32 and 33 of employment in lieu of time off until December 31, 2012. Effective January 1, 2013, employees will be granted a 6th week of vacation time off during their 32nd year of employment in lieu of a week of service credit.
- An employee who has already reached their maximum or more of vacation bank before January 1, 2013 will receive their 6th week of vacation as "time off" in lieu of a service credit.

THE SCHEDULE:

Age as of: 12/31/2008	Maximum Banked Vacation (including vacation and service credits)
47	10
48	10
49	10
50	12
51	14
52	16
53	18
54	20
55	22
56	22



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

June 2, 2008

Mr. James W. Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Union Employee Annual Incentive Program (UEIP)

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed that the payout for the incentive bonuses for employees will vary based on their participation in the offered retirement program.

Beginning with the 2009 goals and during the term of the 2008 – 2012 Agreement, the UEIP payout (payable in 2010) will be administered as follows:

Annual Incentive Plan Summary Changes for those who elect or automatically move to the New Retirement Program:

In conjunction with the New Retirement Program, all participants who volunteer, or upon mandatory conversion, will be eligible for up to a 5% maximum annual incentive pay, as specified below:

NEW RETIREMENT PROGRAM – UEIP

Goal	Level 1	Level 2	Level 3
Company Financial Result	.75%	1.5%	3%
Safety	.5%	.75%	1%
Customer Satisfaction	.5%	.75%	1%
	1.75%	3.0%	5.0%

A-60

Mr. James W. Anderson

June 2, 2008

Page 2

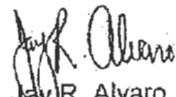
Annual Incentive Plan Summary Changes for those who remain in the Traditional Retirement Program:

Employees who elect to remain in the Cinergy Traditional Program, which provides benefits under the current final average pay formula, will not be eligible for the higher incentive payout, but will participate in an annual incentive plan, with a maximum award of 2%, as specified below:

TRADITIONAL RETIREMENT PLAN – UEIP

Goal	Level 1	Level 2	Level 3
Company Financial Result	.5%	.75%	1%
Safety	.25%	.375%	.5%
Customer Satisfaction	.25%	.375%	.5%
	1.0%	1.5%	2.0%

Very truly yours,



Jay R. Alvaro
Vice President



Duke Energy
139 East Fourth St
Cincinnati, OH 45201

April 15, 2015

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Amendment to A-60 Letter Regarding the Union Employee Annual Incentive Plan (UEIP)

Dear Mr. Anderson:

During the 2015 contract negotiations, representatives of the Company and the UWUA, Local 600 ("Union") discussed eligibility for the Union Employee Annual Incentive Plan ("UEIP"). As a result of those discussions, the parties agreed to amend Letter A-60 dated June 2, 2008 as set forth below.

Beginning with the 2015 calendar year performance period under the UEIP, the Company will provide a prorated UEIP payment (calculated as set forth below) to any eligible Union employee who meets the following criteria during a performance period: (i) works for at least six complete calendar months, and (ii) retires (as defined below).

Such prorated UEIP payments shall be paid in the first quarter of the calendar year immediately following the applicable performance period at the same time and on the same basis as other UEIP payments are made to other eligible Union employees, and any such prorated UEIP payment shall be calculated based on the eligible earnings of the retired Union employee during the applicable performance period and actual achievement relative to the pre-established goals set forth in Letter A-60.

For purposes of clarity, in no event will a Union employee who does not meet the criteria set forth in this letter be eligible for a prorated UEIP payment for a performance period if he or she isn't employed on December 31st of the performance period. For purposes of this Letter, "retire" means separate from employment with the Company after having attained at least age 55 and 10 years of service (as determined for purposes of access to Company sponsored retiree medical coverage).

In other respects, Sidebar Letter A-60 shall continue in full force and effect herein for the duration of the 2015 - 2019 Agreement, unless changed by mutual agreement of the parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay B. Alvaro".

Jay B. Alvaro
Director, Labor Relations
Duke Energy

Sidebar Letter A60a



*Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201*

April 1, 2019

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Union Employee Annual Incentive Program (UEIP)

Dear Mr. Kowolonek:

During the 2019 negotiations, the parties discussed the UWUA Union Employee Annual Incentive Program (UEIP). This letter amends the UEIP Sidebar Letter A-60 dated June 2, 2008 and confirms these discussions and the resulting agreement.

As discussed during negotiations, beginning with the 2020 incentive year UWUA represented 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 Sidebar Letter A60 Union Employee Incentive Plan (UEIP), based on the achievement of goals during the previous year, as determined by the Company.

In all other respects, Sidebar Letters A60 shall continue in accordance with the terms as outlined.

Sincerely,

A handwritten signature in blue ink that reads 'Michael Ciccarella'.

Michael A. Ciccarella
Senior HR Consultant
Labor Relations

April 1, 2023

Mr. Steve Kowolonek
President Local 600
Utility Workers Union of America 810
Brighton Street
Newport, KY 41071

RE: Cincinnati Customer Care Center

Dear Mr. Kowolonek:

During the 2023 negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the Duke Energy Cincinnati Customer Care Center. This letter supersedes any and all previous letters and agreements between the parties with respect to the subject matter in this letter, including but not limited to the Cincinnati Customer Care Temporary Upgrades and Shift Selection letter dated September 30, 2021, and the Call Center Energy Protection Premium letter dated November 16, 2009.

As agreed, the Cincinnati Customer Care Center organization will consist of Customer Service Representatives (CSR) and Service Installation (SI). The CSR group will consist of employees in the Cust Svc Rep-FT Regular, Customer Service Rep-Full Time New, and Cust Service Rep-Part Time job classifications. The Service Installation group will consist of employees in the Order Processing and Customer Service Representative – Service Installation job classifications.

The Cincinnati Customer Care Center wages and merit increases will be administered as follows and per the attached (Attachment A). Effective the first day of the pay period after contract ratification, the minimum wage rate for the Cust Svc Rep-FT Regular and Cust Svc Rep-Full Time New job classifications will be \$17.00 per hour and the maximum hourly rate will be \$21.00 per hour. The General Wage Increase ("GWI") will not increase the minimum or maximum rate of pay for this job classification. In addition, the rate of pay for any current employees in the Cust Svc Rep FT or FTN job classifications, effective the first day of the pay period after contract ratification, will increase as follows:

CSR-FTN and CSR-FT Current Rate	New Rate After Market Adjustment
\$16.65 - \$16.99	\$18.25
\$17.00 - \$17.23	\$19.25

Incentives in the Cincinnati Customer Care Center will be based on the achievement of established performance measures as determined by the Company. The Company will notify the Union of any changes and will meet to discuss if requested by the Union. Any request by the Union to meet for discussion will not delay the implementation of incentive measures. Any bargaining unit Cincinnati Customer Care Center employee who is serving in a non-call-taking role will receive a bonus equal to the average bonus payout for call-takers, unless an alternative method is mutually agreed upon by the Company and the Union. There will be a quarterly review by the Company and the Union to ensure that bonus calculations are accurate. Assuming the Union representatives involved in this review are in agreement with the calculations, the Union agrees

not to support or process grievances related to the bonus calculations. An incentive eligible employee who leaves the Cincinnati Call Center, prior to the end of a quarter will receive a prorated bonus for the time worked in the Cincinnati Call Center organization.

It is expected that Cincinnati Call Center employees working evening, night, holiday or weekend shifts will provide at least three hours' advance notice if they are going to be unable to report to work, whether due to illness or other factors. It is understood that there will be times when an emergency occurs within three hours of the start of an employee's shift.

Employees (including SI), who are called out for other than planned overtime, will be paid a minimum of four hours at the appropriate overtime rate except when they come in, relative to storms, less than four hours before their scheduled shift. In this case, they will only be paid at the applicable overtime rate for a minimum of two hours.

The Call Center may elect to observe the actual holiday, or the Company designated holiday based on business needs. Prior to December 31 of each year the Company will notify employees of the holiday schedule for the following year. Employees scheduled to work the holiday designated by the Call Center that are excused from work by the Company will receive holiday pay for the regularly scheduled hours they would have worked on the holiday. All other employees will receive eight hours of holiday pay. Twelve hour and nine hour shift employees working on the holiday designated by the Call Center will receive time and one-half pay for their scheduled hours. If the employee exceeds their scheduled hours, double time will be paid for those hours worked in excess of their schedule. In order to be eligible to receive holiday pay, employees must work the last regularly scheduled workday prior to the holiday and the first regularly scheduled workday after the holiday.

The Union also agrees to the following:

Virtual Routing (Base Customer Care)

- The Union agrees to not grieve the routing of Duke Energy customer calls and other types of Call Center non-call work to available representatives within the Duke Energy Call Centers or outsourced center(s). The outsourced portion of this work is not subject to any related side-letter agreements.

Premium for Specialties

- Employees in developmental roles will receive \$2.25 per hour in addition to the employee's normal hourly wage rate. These roles currently include the training of new employees and performing the duties of On Job Trainer. This premium may be applied to other roles as determined by the Company. Prior to applying this premium to other duties, the Union and Company will meet at least thirty days in advance to discuss.
- Full-time new and part-time representatives, within the Cincinnati Call Center, who demonstrate, through assessment, that they are fluent in Spanish, will be paid a premium of \$1.00 per hour. A \$2.25 per hour premium will be paid to Call Center employees when management assigns them to perform energy protection type work. It is anticipated that the number of employees performing this work will vary based on workload and the needs of service. When considering assignments, management will take the following factors into consideration:

1. Employees must have achieved the minimum performance standards for

Call Center Representatives.

2. Any employee who has received a verbal warning in the past six months, or a disciplinary letter or higher level discipline in the past 12 months will not be eligible for consideration. Those employees will be eligible for consideration once his or her record is free from a verbal warning for six months, and/or free from any disciplinary letter or higher level discipline for 12 months.
3. Employees experiencing performance-related issues may be reassigned duties other than energy protection-related work prior to discipline being issued, at the sole discretion of the Company.
4. Only full-time employees are eligible to be assigned to energy protection-related work.

If all of the above criteria are met, then management will consider seniority as a tiebreaker to determine which equally qualified employees will be assigned to perform this work. Management chooses to reassign employees, at its discretion, based on business needs. No premium will be paid to employees while training or on paid time off. This letter shall not be construed as limiting management's right to assess whether such assignments are necessary, how many employees to provide such an assignment to, or the duration of the assignment.

Applicable to Customer Care Operations (Base and SI)

- **Virtual Agents:** The use of Virtual Agents was discussed and it was agreed that the Company will have the ability to implement a Virtual Agent program based on business needs. The advantages to such a program include faster response for emergency/outage situations, a more efficient use of resources, and increased customer satisfaction. Eligibility will be based on an employee's performance including but not limited to:
 - Achieving or exceeding all performance metrics.
 - No corrective action within the past twelve months.
 - Minimal escalations or Resource Support Line (RSL) calls.
 - Participating employees who subsequently develop performance related issues may have their Virtual Agent privileges revoked.

The number of employees participating in the program is at the sole discretion of the Company. In the event that two or more employees' performance is equal as determined by the Company, seniority will be the deciding factor. Order Processing Representative and Customer Service Representative – Service Installation (CSR-SI) classifications will be combined when determining eligibility for the Service Installation work group. In addition, the program may be suspended or discontinued based on business needs by the Company in its sole discretion. Prior to making such a decision, the Company will meet with the Union for discussion.

- **Emergency or Abnormal Operations:** In order to ensure that our customers' needs are met during outage, abnormal, or emergency situations, it was agreed that a 33% response rate over a rolling twelve-month period will apply to all Cincinnati Customer Care employees. Response rate is defined as reporting to work a callout associated with these types of situations. Any employee who has pre-approved vacation/personal time scheduled immediately prior to or after scheduled off days, or is beginning or ending a bereavement leave, will not have a non-response credited to them for the purposes of calculating the response rate. However, if an employee does respond in this situation a credit will be applied. Employees failing to meet the required

rate are subject to corrective action.

- Vacation Availability: In the event that Workforce Management determines that additional vacation slots are available during the workday, employees will have the ability to make a request to take advantage of those slots.

Applicable to Base Customer Care Operations

Employees may be hired as full-time or part-time based on business needs. In accordance with the Collective Bargaining Agreement new employees will be classified as probationary for a period of one year. Probationary CSRs will not be eligible to apply for other positions for a period of twelve months from the date of hire. Employees meeting the educational requirements for technical positions represented by the UWUA will be eligible to apply during the twelve-month period.

Based on business needs, there may be a requirement for part-time CSRs. All part-time CSRs will receive part-time employee benefits, regardless of the number of hours they work. While the intention is for part-time CSRs to be scheduled for less than 32 hours per week, they may exceed this number of hours due to actual or expected peak call volumes, trading of hours between employees, etc.

In 2012, two new schedules were agreed to:

- A) 3 twelve-hour days and 1 four-hour day.
- B) 4 nine-hour days and 1 four-hour day.

The Company reserves the right to implement these, and other schedules based on business needs. At least 30 days prior to implementation, the Union and Company will meet to discuss the schedule. The Company will make every attempt to notify effected employees within a reasonable amount of time when planned overtime is being cancelled.

The meal provision for twelve-hour workers will be triggered when the employee works thirteen consecutive hours and fifteen consecutive hours with the employee receiving a meal, or compensation in lieu thereof. For employees on a nine-hour schedule, a meal or compensation in lieu thereof will be provided at eleven and fifteen consecutive hours respectively.

Personal days must be taken in full-day increments regardless of the employee's schedule. Twelve-hour shift workers will be entitled to three personal days and one diversity day and nine-hour shift workers will be entitled to four personal days and one diversity day.

Applicable to Service Installation

Customer Service Representative – Service Installation (CSR-SI) within the Customer Relations bid area will have a minimum wage rate of \$18.50 and a maximum wage rate of \$23.00 per hour. Only full-time employees will be considered for this job classification. The GWI will not increase the minimum or maximum rate of pay for this job classification. In addition, the rate of pay for any current employees in the CSR-SI job classifications, effective the first day of the pay period after contract ratification, will increase as follows:

CSR-SI	New Rate
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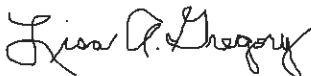
Current Rate	After Market Adjustment
\$17.00 - \$17.99	\$18.50
\$18.00 - \$18.99	\$19.50
\$19.00 – \$20.50	\$22.00

For the first twelve months after entry into the classification, and in accordance with the Patrick P. Gibson Letter, employees failing to meet performance standards may be demoted to the Full Time New job classification. Such demotion may take place prior to corrective action being taken. This does not preclude action being taken for more serious offenses, such as including, but not limited to attendance, zero tolerance calls, or any dischargeable offense. Any demotion will not be subject to the grievance procedure. If such a demotion occurs, the employee's rate of pay will be reduced to the rate of pay at the time the employee promoted to the CSR-SI job classification plus any merit increase that the employee had received since their promotion, not to exceed the maximum wage rate for the CSR classification. If the employee is demoted, they will not be considered for promotion for an additional nine months, from the date of demotion or last corrective action. During the first six months, an employee can request to demote from CSR-SI. Employees who demote within six months will retain their classified seniority. Employees demoted after six months will receive an adjusted seniority date.

Employees in the CSR-SI classification will receive a \$0.50 per hour merit increase every six months in accordance with the December 29, 2000, Patrick P. Gibson Letter. The GWI will not increase the minimum or maximum rates of pay for this position. Once an employee reaches the maximum rate of pay, they will receive an annual lump sum equal to the negotiated GWI for clerical employees.

This letter will be in effect during the term of the 2023 – 2027 Agreement.

Sincerely,



Lisa Gregory
Manager Labor Relations
Labor Relations

Attachments

Title	Wage Range	Negotiated Base Wage Increases	Merit Increases	UEIP	Call Center Incentive Bonus
CSR-PTN	\$15.00-\$17.00 ¹	Same as Clerical ²	\$0.50	Yes	Minimum of \$375 per Quarter for highest performance
CSR-FTN	\$17.00 - \$21.00 ¹	Same as Clerical ²	\$0.50	Yes	Minimum of \$500 per Quarter for highest performance
CSR- FT Regular	\$17.00 - \$21.00 ¹	Same as Clerical ²	\$0.50	Yes	Minimum of \$500 per Quarter for highest performance
CSR-SI	\$18.50-\$23.00 ¹	Same as Clerical ²	\$0.50	Yes	See #3
Order Processing Rep	N9	Same as Clerical ²	\$0.50	Yes	See #3

1. The minimum and maximum wage rates for the CSR-PTN, CSR - FTN, and CSR - FT Reg and CSR -SI will not increase with annual base wage increases.
2. Any CSR-PTN, CSR - FT, CSR – FTN, or CSR-SI with a wage rate at or above the maximum will receive their annual increase in the form of a lump sum rather than a base increase.
3. Service Installation representatives assigned to take base calls at least 35% of the quarter will receive the quarterly Call Center Incentive based on their performance.
4. Employees are eligible to participate in the UEIP.



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

June 2, 2008

Mr. James W. Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Part-Time Employee Benefits

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed benefits that would be extended to part-time employees represented by the Union. Accordingly, the following table outlines the benefits that these employees will receive during the term of the 2008 – 2012 Collective Bargaining Agreement.

Benefit	Comment
Pension	Only if work greater than 999 hours in a 365 day period
401(k)	Same as full time employees
Medical	Same as full time employees
Dental	Same as full time employees
Vision	Same as full time employees
Flex Spending Accounts	Same as full time employees
Bereavement	Day of funeral only
Holidays	Only if holiday falls on a regular scheduled work day
Personal Day	One personal day after 12 consecutive months of employment
Vacation	Number of hours regularly scheduled per week times # of vacation weeks based on years of service
Supplemental Workers' Compensation	Same as full time employees
Jury Duty & Witness Pay	Only if it falls on a regular scheduled work day
Shift/Sunday Premiums	Same as full time employees
Life and AD&D Insurance	Same as full time employees
Dependent Life Insurance	Same as full time employees

Very truly yours,

Jay R. Alvaro
Vice President

A-62

April 1, 2023

Mr. Steve Kowolonek
President Local 600
Utility Workers Union of America
810 Brighton Street
Newport, KY 41071

RE: Revenue Services Representatives

Dear Mr. Kowolonek:

During the 2023 negotiations the parties have agreed to the following items related to the Revenue Services Representative (RSR) position:

Wage Rate: Effective the first day of the pay period following ratification of the 2023 Labor Agreement (the "Agreement"), the minimum rate of pay for the RSR position will be \$18.50 per hour and the maximum will be \$23.00 per hour. The GWI will not increase the minimum or maximum rate of pay for this job classification. In addition, the rate of pay for any current employees in the RSR job classifications, effective the first day of the pay period after contract ratification, will increase as follows:

RSR Current Rate	New Rate After Market Adjustment
\$17.00 - \$17.99	\$18.50
\$18.00 - \$18.99	\$19.50
\$19.00 - \$20.50	\$22.00

Merit Increases: Employees in the RSR position may progress to the maximum wage rate through merit increases of \$0.50 per hour at six-month intervals. Employees will be eligible for \$0.50 merit increases in accordance with the December 29, 2000, Patrick P. Gibson Letter. Employees at the maximum rate of pay will receive an annual merit increase in a lump sum amount equal to the negotiated general wage increase for clerical employees, which may be in the form of a percentage pay increase and/or lump sum amount.

Selection: The Company will give first consideration to full-time employees over part-time employees in the competency-based selection process for the RSR position when all other qualifications, knowledge and experience are equal.

Incumbent Employees: Incumbent employees will perform all functions of the newly created job description but will be considered grandfathered in their existing job classifications. Incumbent employees will continue to receive the negotiated general wage increases applicable to their current job classifications in accordance with the Agreement. In addition, these employees will retain all bid and rollback rights in the Customer Relations Bidding Area.

Tamper Theft and Switched Meter Work: The Company and the Union agree to establish a \$2.25 per hour premium to be paid to employees in the RSR position when management assigns them to perform tamper theft and switched meter work. Management will assign full-time employees to perform this specialty-type work as needed. Any employee who has received a verbal warning in the past six months, or a disciplinary letter or higher-level discipline in the past year will not be eligible for those assignments. Such employees are eligible for consideration once his or her record is free from a verbal warning for six months, and/or free from any disciplinary letter or higher-level discipline for one year. It is anticipated the number of

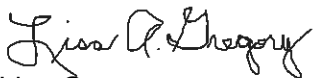
employees performing this work will vary based on workload and the Company's needs of service. Should additional specialty type work become necessary, as determined by the Company in its sole discretion, the Company will meet with the Union, at its request, to discuss whether the premium is applicable to the work. The Company reserves the right in its sole discretion to determine whether the premium is applicable.

Management will consider seniority as a tiebreaker to determine which equally qualified employees will be assigned to perform this work. No premium will be paid to employees while training or on paid time off. This letter shall not be construed as limiting management's rights under the terms of the Agreement in any way.

In addition, probationary RSR's will not be eligible to apply for other positions for a period of twelve months from the date of hire. However, employees meeting the educational requirements for technical positions represented by the Union will be eligible to apply during the twelve-month period.

This letter will be in effect during the term of the 2023 – 2027 Agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa A. Gregory". The signature is fluid and cursive, with the first name "Lisa" being more prominent.

Lisa Gregory
Manager Labor Relations
Labor Relations

April 1, 2023

Mr. Steve Kowolonek
President Local 600
Utility Workers Union of America 810
Brighton Street
Newport, KY 41071

RE: Competency Based Selection

Dear Mr. Kowolonek:

During the 2023 negotiations, the Company and Union discussed the ongoing implementation of the Competency Based Selection (CBS) Process for certain job classifications. Specifically, this process will be utilized when filling certain clerical jobs designated as Level C8 and above and certain technical jobs designated as level T4 and above. This will ensure that the most qualified candidate is selected for the position and is more likely to succeed.

Job openings will be filled using the following Competency Based Selection process:

- Job applications/resumes will be screened to determine that the basic qualifications, as set forth in the job description are met. An employee's corrective action which is below suspension, or which was issued more than twelve (12) months earlier, will not affect consideration of the employee for any jobs that are posted externally.
- To supplement their application, Company employees may print copies of their training records, job history, or other similar documents relating to their employment from the Employee Center on the Company's Portal, and provide such documents to interviewers during the interview process or as attachments to their electronic application. All such documents provided by employees will be considered by the Company.
- Candidates meeting the minimum qualifications will be evaluated based on the following factors: skills and qualifications, prior job performance and/or experience and, in certain positions, a Basic Skills Assessment.
- Absent unusual circumstances, candidates will be interviewed by a team of at least three qualified, interviewers as determined by the Company. When determined by the Company to be feasible, one of the interviewers will be from a department out of the department posting the position. Human Resources and/or Labor Relations will continue to provide guidance as appropriate.
- Company employees will be provided with advantage points in the process that will not be provided external applicants. Specifically, the advantage points will be calculated as follows:
 - One point will be provided for existing UWUA members; and
 - One point will be provided for existing UWUA members who are full-time employees.

Accordingly, a part-time UWUA member would be provided with one advantage point and full-time UWUA members would be provided with two advantage points.

- Seniority will be the deciding factor if there are two full-time, internal candidates who are equally qualified as determined by the Company.
- Unsuccessful candidates under this process will be provided with additional interview training and/or assistance with resume preparation upon their written request to their HR Business Partner.

The process, as outlined above, will be used for the following job classifications:

CLERICAL	TECHNICAL
Gas Operations Administrator	System Integrity Technician Associate
Administrative Office Clerk	System Integrity Technician
Transmission Office Coordinator	Sr System Integrity Technician
Order Processing Representative	Gas Technician
Sourcing/Purchasing Associate	Control Technician III
Customer Relations Representative B	Technician
Gas Document Specialist	Control Technician II
Customer Relations Clerk B	Gas Layout Technician
Office Coordinator	T&D Support Technician
Revenue Services Representative	Control Technician I
Service Installation Representative	Sr Gas Layout Technician
Customer Experience Support	GIS Technologist II
Senior Work Management Specialist	GIS Technologist I
Land Analyst	GIS Technologist III
Gas Office Coordinator	LIT Support Agent II
Gas Operations Support Specialist	LIT Support Agent I
Customer Relations Representative C	T&D Design Technician
Customer Relations Clerk C	Design Technician
Engineering Office Clerk	Operations Technician
Administrative Office Clerk – IT	Sr Substation Design Technician
Administrative Office Clerk – ES	Sr T&D Design Technician
Gen Station Office Coordinator	Distribution Technician
Trans Supply/Material Clerk	Substation Design Technician
	Surveying Technician
	Sr Transmission and Distribution Technician
	Sr T&D Support Technician
	Gas Marketing Specialist
	Configuration Management Specialist
	Engineering Specialist I
	Engineering Specialist Assistant
	Event Tech Services Specialist I
	Gas Controls System Tech
	P&C Design Document Specialist
	Lighting Specialist I
	Lighting Specialist II
	Network Engineering Specialist
	NG GIS Technologist I
	NG GIS Technologist II
	NG GIS Technologist III

Additionally, the Company would use this process to fill any newly created job classifications that are at or above the NB or T4 wage level (or its equivalent). The selection process for Customer Projects Resource Specialist, Customer Project Coordinator and the Gas Operations Trainer, will remain as outlined in the applicable side bar letters.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa D. Gregory".

Lisa Gregory
Manager Labor Relations
Labor Relations



*Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201*

April 1, 2019

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Severance Program

Dear Mr. Kowolonek:

To the extent the Company and the union agree that a severance opportunity will be provided to UWUA represented employees during the term of the CBA, the Company will provide employees who are designated as eligible by management a one-time lump-sum severance payment and other benefits if they meet basic plan requirements, as set forth below;

Severance Payment Formula

The Severance Payment will be calculated as follows based on the Eligible Employee's release date;

- Two weeks of Annual Base Pay for each Year of Service (including partial Years of Service).
- For employees hired on or after April 1, 1989, the Severance Payment will not be less than 12 weeks and not more than 52 weeks of the eligible employee's Annual Base Pay.
- For employees hired before April 1, 1989, the Severance Payment will not be more than two times the eligible employees Annual Base Pay. The maximum severance payment will not exceed two times an employee's annual compensation calculated as two times the compensation listed in Box 5 of the employee's most current W-2.

Additional Benefits

- Six months of Company-paid medical/dental coverage under COBRA following separation for all participating employees who have such coverage in effect as active employees upon separation.
- Access to outplacement services under the Company's program.

Design Features

- Employees are required to remain employed in good standing until their release date, which will be established by management in its sole discretion.
- Employees must sign and not revoke a Waiver and Release of All Claims in order to receive any benefits under this Program.
- Employees who separate under this Program will not be eligible for rehire or for staff-augmentation contingent worker (contractor) assignments for 12 months after their release date.

Sidebar Letter 70
Page 2

The Company shall designate who will be eligible for the severance program by department, job classification, age and/or years of service, or other legitimate, objective criteria, as determined by the Company, in its sole discretion.

Sincerely,

A handwritten signature in blue ink that reads "Michael Ciccarella". The signature is fluid and cursive, with the first name "Michael" and last name "Ciccarella" clearly distinguishable.

Michael A. Ciccarella
Senior HR Consultant
Labor Relations



April 13, 2012

Mr. James Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071

Re: Overtime Provisions

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed providing employees' flexibility in certain situations to work overtime assignments at a time mutually agreeable to the individual employee and his or her management, when consistent with business needs.

Per our discussion regarding overtime scheduling, the parties have agreed to the following in order to provide flexibility to employees. If an employee volunteers or is required to work overtime and the employee requests to work the overtime on their second scheduled off-day in lieu of working the overtime on a different scheduled off-day, management may approve the employee's request if it meets business needs as determined by the Company. When such employee requests are granted by the Company, the overtime worked will be paid at the rate of time and one-half, instead of double time.

Similarly, if an employee requests to work overtime at a date and/or time of his or her choice and the supervisor approves the request as consistent with business needs as determined by the Company, the Company will pay the overtime at the time and one-half rate.

This in no manner restricts the right of the Company to schedule overtime based on business and operational needs. Such assignments may be mandatory and employees are expected to work such mandatory assignments, and the applicable overtime and meal provisions would apply as stated in the Agreement.

It is believed that this letter accurately describes the parties' agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jay R. Alvaro'.

Jay R. Alvaro
Vice President, Labor Relations

A-71



April 13, 2012

Mr. James Anderson
President
Utility Workers Union of America
IUU Local 600
810 Brighton Street
Newport, Kentucky 41071

Re: Outsourcing Affecting Job Elimination

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed the issue of outsourcing and its impact on bargaining unit members. The parties agreed that the 2005 Labor Management Executive Committee (LMEC) process was outdated, and should be replaced as set forth herein.

The parties will continue to engage in a collaborative process where Labor Relations professionals, management, and union representatives exchange data, perspectives, and ideas so that outsourcing decisions affecting job elimination can be made in an open and candid environment.

As a first step, once the Company has determined that outsourcing is feasible based on proposals received from a potential vendor(s) and that outsourcing will likely result in job elimination, the Company will notify the Utility Workers Union of America, IUU Local 600 ("Union"). Upon receiving this notice, the Union can request information from the Company and/or propose how it would be more advantageous for unionized employees to retain the work at issue.

If requested by the Union, a meeting will be held to discuss the most competitive bid. During the meeting, the Company will provide the Union the key criteria used to evaluate the bid. The meeting should include the following representatives:

- Management representative of the outsourcing department;
- Union leadership;
- A representative from Labor Relations

The Company is fully aware of any legal responsibilities it may have, including the legal duty to share information and bargain in good faith, and will comply with those responsibilities. The Union understands that information shared between the parties while utilizing the process described in this letter is subject to legal protections, and the information shall remain confidential to this process and to the Company.

A-72

The parties recognize that each outsourcing proposal should be evaluated on a case-by-case basis, with consideration of factors including but not limited to the overall operating costs, relative labor costs (including the applicable loading rates such as benefits, pension, payroll taxes, etc.), any applicable regulatory requirements, equipment, technological developments, job process improvements, special expertise, efficiency, safety, availability of skilled labor and supervision, scalability, and any other factors that may impact the merits of outsourcing.

The parties further recognize and agree that neither party shall cause unreasonable delay during the process. It is the intent of the parties that this process will occur during approximately two months following the notice provided to the Union referred to in Paragraph 3 hereinabove and/or the parties' first meeting on the issue, if later than the notice. No provision of this letter shall be construed to eliminate or otherwise modify any applicable provision of the parties' collective bargaining agreement relating to outsourcing.

It is agreed that this letter accurately reflects the parties' agreement.

Very truly yours,


Jay R. Alvaro

Vice President, Labor Relations



Duke Energy Corporation
139 East Fourth St.
Cincinnati, OH 45202

Michael A. Ciccarella
Labor Relations Consultant
513.287.5022 (Tel)
513.287.1760 (Fax)

November 16, 2009

Mr. Jim Anderson
President, UWUA Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: LIT Support Agent Job Progression

Dear Mr. Anderson:

The Company is establishing a new job progression in order to provide information technology support to various business units. The classifications are as follows;

- LIT Support Agent I
- LIT Support Agent II
- LIT Support Agent III

Initially three positions will be filled with one employee classified as a Support Agent I and two classified as Support Agent II. Based on the skill set required to perform this work, the Company will select the individuals for these positions. In regard to educational requirements, employees initially placed in these positions will be grandfathered and will be considered as meeting the requirements for promotional opportunities within this progression. Going forward, the LIT Support Agent III will be the entry level position for this progression and posted as stated in the Collective Bargaining Agreement.

Wage Rates

The wage rates for this classification will be as follows;

Job Classification	Minimum Hourly Rate	Maximum Hourly Wage	Merit Increase
LIT Support Agent I	\$30.71	\$33.71	\$0.25
LIT Support Agent II	\$25.97	\$28.97	\$0.25
LIT Support Agent III	\$21.88	\$24.50	\$0.25

Individuals placed initially in these positions will be placed at their current wage level not to exceed the maximum wage rate established for the classification. Employees making less than the minimum will be placed at the minimum wage rate for that classification.

Merit Increases

Merit increases will be given every six months in accordance with the "Patrick P. Gibson" letter dated December 29, 2000. These increases will be \$0.25 per hour.

Sidebar Letter A73
Page 1

Mr. James Anderson
November 16, 2009
Page 2

Out of Town Work Assignments

It is anticipated that all employees in this progression will be given out of town assignments to support Duke Energy facilities. Based on skill level, the majority of these assignments will fall within the LIT Support Agent I classification. When such assignments are made Sidebar Letter A-15 will prevail.

Emergency Overtime Callouts

There may be occasions when employees are called out to respond to information technology issues that require an immediate response to ensure continuity of operations. In such cases, employees will be permitted to respond from locations other than a Duke Energy facility. In such case, the minimum call out of four hours will apply. If a second call out is required within four hours of the first call out it will be considered a continuation of that call out. If an employee does not travel in order to respond then no travel time will be paid.

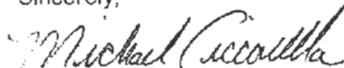
Employees are expected to respond to and work a reasonable number of emergency overtime assignments. Employees who are consistently unavailable for such assignments are subject to disciplinary action, up to and including discharge.

Progression


Employees will perform satisfactory will automatically promote from the Support Agent III classification to the Support Agent II classification once all qualifications are met. Employees on a disciplinary track or those that have been denied a merit increase will not be eligible to promote until they have received two consecutive merit increases or have been discipline free for one year. Promotions to the Support Agent I classification will be based on business need only.

This letter describes the establishment of the above mentioned classifications, wage rates, and initial staffing. Except where specifically abridged by this letter, all provisions of the 2008 – 2012 Collective Bargaining Agreement apply. In addition, the rights retained by the Company under Article I, Section 2 (c) of the Agreement remain unchanged. This letter in no manner represents a commitment on behalf of the Company in regard to staffing levels. The Company reserves the right to change or modify these job descriptions in accordance with the Agreement. I believe that this letter adequately describes our discussion regarding this matter. If the Union is in agreement with this proposal please return a signed copy of this letter to me at your earliest convenience.

Sincerely,



Michael A. Ciccarella
Labor Relations Consultant
Duke Energy

Signed: 
James Anderson, President
Utility Workers Union of America, Local 600

Date: 12/7/09



DUKE ENERGY CORPORATION
139 E. Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Michael A. Ciccarella
513.287.5022 (Tel)
513.287.1760 (Fax)

March 31, 2011

Mr. Jim Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: On Call Rotation - Local IT Support

Dear Mr. Anderson:

Per our recent discussion, the Company is establishing an on call rotation for employees in the Local Information Technology job progression. As we discussed, the employee in the LIT I classification is excluded from this rotation due to business needs at this time. However, it is acknowledged and agreed that the Company has the sole discretion to include employee(s) in the LIT I classification in the rotation if business requirements change in the future.

While on call, employees will be compensated at the rate of \$18.50 per day. In addition, the minimum call out will be two hours. If a second call out is required within two hours of the first call out, it will be considered a continuation of that first call out. As previously agreed to, employees will be permitted to respond from locations other than a Duke Energy facility. If an employee does not travel in order to respond, then no travel time will be paid.

Employees failing to respond to a call out in a timely manner may be subject to disciplinary action, up to and including discharge.

Sincerely,

Michael A. Ciccarella
Labor Relations Consultant
Duke Energy

For the Union:

James Anderson
President, UWUA Local 600

4/5/11
Date

A-74



Duke Energy
139 E 4th Street
Cincinnati, OH 45202

April 1, 2023

Mr. Steve Kowolonek
President Local 600
Utility Workers Union of America
810 Brighton Street
Newport, KY 41071

Re: Emergency Work

Dear Mr. Kowolonek:

This letter documents our discussions and agreement concerning emergency work performed for other utilities and outside of the Duke Energy Ohio and Kentucky Region. The following guidelines will apply when employees represented by UWUA Local 600, are called upon to work outside of the Duke Energy Ohio and Kentucky Region in emergency situations.

Compensation Guidelines:

- All hours of travel or work will be paid at the rate of time and one-half for all emergency time worked for other utilities at their respective operating locations.
- Emergency work performed outside of the Duke Energy Ohio and Kentucky Region at a location or facility owned or operated by the Company, or its parent and related subsidiaries/affiliates, that requires a lodging stay 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 days of such an assignment, the rate of time and one-half will be paid for hours worked.
- After 16 consecutive hours of work, Article XII, Section 2(c) will continue to apply.
- Compensation when traveling begins when the employee begins driving toward their destination and ends when the employee arrives at the final destination of the day.
- When employees reach their destination and are to begin work, compensation will begin when the employee leaves the staging area. If the staging area is away from the place of lodging and crews have to be transported to the staging area, then time begins when the employee leaves the place of lodging.
- Compensation ends for the workday when the employee returns to the staging area. If the staging area is away from the place of lodging and crews have to be transported, then the time will stop when the employee returns to the place of lodging.



Duke Energy
139 E 4th Street
Cincinnati, OH 45202

- Employees required to work ten consecutive hours or more, shall be furnished a meal or compensation in lieu thereof (in accordance with the Contract), and an additional meal or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty.
- Employees are not eligible to receive a daily per diem allowance.

Crew Assignments:

- Management will determine which bidding areas will be eligible to participate in a deployment, and the number of employees and crews from each of the bidding areas.
- During their deployment, employees are expected to comply with the Duke Energy Code of Business Ethics and related policies and procedures.

This letter will be interpreted and applied to comply with all laws. To the extent that this letter conflicts with any applicable law, the law will prevail. The current Contract will remain in effect for issues not addressed herein.

Sincerely,

A handwritten signature in blue ink that reads 'Lisa A. Gregory'.

Lisa Gregory
Manager Labor Relations
Labor Relations



Duke Energy
139 East Fourth St.
Cincinnati, OH 45202

May 8, 2014

Mr. Jim Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Senior Work Management Support Specialist

Dear Mr. Anderson:

I am writing in regard to our conversations regarding the establishment of the Senior Work Management Support Specialist within Midwest Delivery Operations. As we have discussed, the minimum hourly rate for this position will be \$31.02 and a maximum rate of \$31.52 per hour. Merit increases will be administered as outlined in the Collective Bargaining Agreement. Furthermore, Sidebar Letter A65 (Competency Based Selection) will be applicable to this position. Also as discussed, the Company will agree that the first three positions will be limited to qualified UWUA represented employees plus any additional positions for two years after entering this agreement. In the event that three positions are not filled within two years, the agreement will be extended until such time as three total positions are offered. This agreement in no manner restricts the Company's right to revise this job description in the future as provided for in the Collective Bargaining Agreement or any applicable sidebar letter.

I believe that this letter accurately describes our conversations regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,

Michael A. Ciccarella
Senior HR Consultant
Labor Relations KY/OH/Carolina

For the Union:

Signed:

James Anderson, President
Utility Workers Union of America, Local 600

Date:

5/8/14

www.duke-energy.com

Sidebar Letter A77



Duke Energy
139 East Fourth St
Cincinnati, OH 45201

April 15, 2015

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Separation of Delivery Operations and Gas Operations

Dear Mr. Anderson:

During the 2015 negotiations, the parties discussed the separation of Midwest Delivery Operations and Gas Operations relating to clerical functions performed by Office Coordinators, Customer Projects Recourse Specialists, and employees assigned to the Order Completion role.

As discussed, the work being performed by the above referenced classifications is being divided between the Midwest Delivery Operations (Electric) and Gas Operations (Gas) business units. As such, two new positions are being established in the Gas Operations Clerical Bid Area, Gas Office Coordinator (Gas QC) and Gas Operations Support Specialist (GOSS). Employees in the Office Coordinator classification currently assigned to Gas Operations will be reclassified as Gas Office Coordinators. The Customer Projects Resource Specialists (CPRS) currently assigned to Gas Operations will be re-classified into the new Gas Operations Support Specialist position. Employees currently performing the Order Completion role will remain in their respective classifications in the Customer Relations Bid Area.

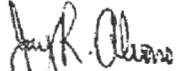
The wage levels for the new positions remains the same as the existing Office Coordinator and CPRS classifications. The Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters to revise job descriptions and/or discontinue filling these job classifications based on future business needs. Should such material revisions occur to the job descriptions, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

In order to give incumbent employees a final opportunity to move between the electric and gas bidding areas, the next three vacancies in either bidding area for an OC or a Gas QC will be filled by cross bidding (hand raising) as a combined area. The process for each vacancy will continue until the original posting is filled. This same process will also apply for the next CPRS or GOSS vacancy. Once this commitment is fulfilled, vacancies will be filled using the Competency Based Selection process in accordance with Sidebar Letters A21 (CPRS) and A65 and hand raising will apply only within the individual bid area.

Sidebar Letter A79
Page 1

In the event of a work force reduction, the Office Coordinator and Gas Office Coordinator classifications will be combined for the purpose of determining any rollbacks or layoffs. The same will apply for the CPRS and Gas Operations Support Specialist classifications.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro".

Jay R. Alvaro
Director, Labor Relations
Duke Energy



*Duke Energy
139 East Fourth St
Cincinnati, OH 45201*

April 15, 2015

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Global Positioning Satellite (GPS)

Dear Mr. Anderson:

During the 2015 contract negotiations, the parties discussed the use of Global Positioning Satellite (GPS) system and other types of technology being contemplated for use in Company vehicles.

The primary purpose of the GPS and similar technology is to allow the Company the ability to more efficiently manage and assign work and to enhance safety by allowing us to locate a vehicle in the event we have lost contact with someone or a vehicle has been stolen. As discussed, it is not the Company's intent to constantly monitor employee's whereabouts using the GPS or other technology for the purpose of issuing corrective action.

Although its primary use is for managing work, the Company may review and rely on technology and/or the information obtained through its use to aid in an investigation where there is reason to believe an employee may have violated a Company policy or work rule, and the violation may be substantiated or disproven by such a review. To the extent the Company does rely on such information, the Company will treat similarly-situated employees in the same manner. Any such information, upon which the Company relies for purpose of imposing corrective action, will be provided upon request by the Union in accordance with applicable law.

In accordance with the March 29, 2007 GPS Letter, the Company is providing notice to the Union that the amount of history maintained in these systems may be longer than 30 days.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay R. Alvaro'.

Jay R. Alvaro
Director, Labor Relations
Duke Energy

Sidebar Letter A-80

April 1, 2023

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Engineering Specialist Progression

Dear Mr. Kowolonek:

During the 2023 negotiations, the parties discussed the Engineering Specialist Job Progression in the Customer Projects Bidding Area and the Transmission & Distribution Bidding Area. This progression consists of the Engineering Specialist I, II, and III classifications.

Effective the first day of the pay period following ratification, all current employees in the Engineering Specialist III job classification will be slotted into the T10 wage level commensurate with their time in the job classification. The wage levels for these positions will be as follows:

Job Classification	Wage Level	Maximum Hourly Rate as of 4/1/23
Engineering Specialist III	T10	\$45.11
Engineering Specialist II	T8	\$41.87
Engineering Specialist I	T4	\$34.56

Wage progression will be as outlined in Article VIII of the Agreement and Sidebar Letter A40, with selections determined by the Company in accordance with Sidebar Letter A65. Employees are required to successfully complete all training programs required by the Company and to successfully promote to the Engineering Specialist III job classification within the timeframes outlined in the job descriptions. In addition, the Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters, including, but not limited to the right to revise the Engineering Specialist job descriptions based on future business needs. Should material revisions occur, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

Promotion will consist of the following requirements:

- Supervisor's review and recommendation
- Field Test

If an employee fails to satisfy these requirements on their first attempt, they will be given three (3) months to prepare to retake the field test. The three (3) months will begin once leadership has reviewed the results of the original test with the employee. Should an employee not successfully complete the requirements to move from Engineering Specialist I to Engineering Specialist II, the employee will be terminated from the Company. Employees hired after the effective date of this Agreement who do not successfully complete the requirements to move from Engineering Specialist II to Engineering Specialist III will be terminated from the Company.

Employees in the Engineering Specialist I classification may be assigned to a specific headquarters for training purposes as determined by the Company. Employees in the Engineering Specialist I classification will receive all training necessary as identified by the Company to safely perform assigned duties and meet all the requirements to promote to the Engineering Specialist III position.

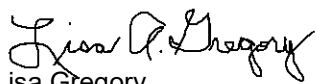
Due to a restructuring of how work is performed by the Company, the Company does not anticipate any future postings for Customer Project Apprentice positions. Incumbent employees will be grandfathered under their existing job description and will be eligible to continue to receive the negotiated wage increase applicable to employees in the Technical Unit. Existing employees in the progression not at the maximum rate of pay will be eligible to continue receive merit increases as outlined in the December 28, 2012, letter regarding this subject. Also, incumbent employees in the Customer Project Associate and Customer Project Apprentice classifications must continue to meet all Company expectations as previously required, including but, not limited to, the requirement to progress.

As agreed, current employees in the T&D Design Technician progression will be given a one-time opportunity to move to the Engineering Specialist progression following contract ratification. Employees in the T&D Design Technician job classification will be given the opportunity to transition to the Engineering Specialist II job classification and will be required to assume all job responsibilities and complete all applicable training. Employees will have the option to promote to an Engineering Specialist III upon successful completion of the necessary assessments. Employees in the Sr. T&D Design Technician job classification will be given the opportunity to transition to the Engineering Specialist III job classification and will be required to assume all job responsibilities and complete all applicable training.

For the purposes of "hand-raising" (bidding on headquarters or location) within the Customer Projects Bid Area, the Customer Projects Coordinator and the Engineering Specialist III classifications will be combined. In the event of a work force reduction, the Engineering Specialist progressions in the Customer Projects Bid Area and the Transmission & Distribution Bidding Area will be combined.

Additionally, the Company will use this process to fill any newly created job classifications that are at or above the C8 or T4 wage level (or its equivalent). The selection process for Customer Projects Resource Specialist, Customer Project Coordinator and the Gas Operations Trainer, will remain as outlined in the applicable side bar letters.

Sincerely,


Lisa Gregory
Manager Labor Relations
Labor Relations



Duke Energy
139 East Fourth St
Cincinnati, OH 45201

April 15, 2015

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Customer Relations Representative/Clerk C Positions

Dear Mr. Anderson:

During the 2015 negotiations, the parties discussed the filling of future vacancies in the Customer Relations Representative C and the Customer Relations Clerk C classifications.

Based on these discussions, the parties have agreed that future openings in the Customer Relations Representative C and Customer Relations Clerk C classifications will be filled by the Company using the Competency Based Selection process.

The first three (3) positions will be filled using the Competency Based Selection process among the incumbent Order Processing Representatives in good standing. Should there only be one Order Processing Representative apply for each of the first three positions and he or she meets the minimum qualifications and is in good standing they will be the successful candidate. Order Processing Representatives selected by the Company for the first 3 opportunities will have their rate of pay reduced to the maximum wage rate of the Customer Relations Representative/Clerk C classification. In the event that no Order Processing Representative in good standing applies for one or more of the first three positions, the Company may fill the vacancy by a Union wide posting using the Competency Based Selection process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jay R. Alvaro'.

Jay R. Alvaro
Director, Labor Relations
Duke Energy

Sidebar Letter A82



*Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201*

April 1, 2019

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Inclement Weather

Dear Mr. Kowolonek:

At Duke Energy, our goal is a zero injury and illness safety culture for our employees and the communities we serve. In order to address the UWWA Local 600's concerns regarding inclement weather, when the Company determines there is a safety concern during periods of heavy or continuous storms or excessive cold weather, the Company will not require employees to perform construction or maintenance work in exposed locations outdoors, unless such work is necessary to protect life, property, or continuity of service. Employees are encouraged to communicate with their supervisors or managers to report and discuss any weather situations they believe may be unsafe. 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.

Sincerely,

A handwritten signature in blue ink that reads "Michael A. Ciccarella".

Michael A. Ciccarella
Senior HR Consultant
Labor Relations



Labor Relations

Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

March 12, 2018

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Alternate Schedule

Dear Mr. Anderson:

I am writing in regard to our conversations regarding an alternate work schedule consisting of 4 nine hour days and one 4 hour day. As discussed, this schedule will be administered as follows;

- The four hour day will be determined by business needs and may not necessarily be a Monday or Friday.
- Meal compensation will remain at ten hours as outlined in the Collective Bargaining Agreement including the four hour day.
- Where possible, seniority will be used in the selection of schedules absent business needs as determined by the Company. Should it be necessary to deviate from seniority, the Company will notify the Union the reason for the deviation and afford the Union an opportunity to offer alternatives.
- The double-time day will be Sunday.
- Personal/diversity days must be taken in full days regardless of the employee's schedule and cannot be taken in smaller increments.
- Employees working this schedule will revert to an eight hour schedule during all workweeks that contain a holiday recognized by the Company in an effort to maintain consistency throughout the bargaining unit.

The availability of this schedule to various workgroups and employees within those groups will be based on business needs. The Company retains all rights under the Agreement and applicable sidebar letters including the right to discontinue this schedule. I believe that this letter accurately describes our conversations regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael A. Ciccarella'.

Michael A. Ciccarella
Senior HR Consultant

For the Union:

Signed: 
James Anderson, President

Date: 3/12/18



Labor Relations

Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

September 13, 2016

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Gas Marketing Progression

Dear Mr. Anderson:

The Gas Marketing progression, consisting of the Gas Marketing Specialist and Senior Gas Marketing Specialist classifications, was established in 2015 in order to assist in the expansion of Duke Energy's commercial gas operations. Since that time, the roles have evolved to the extent that the Company has determined that combining the classifications will provide the maximum flexibility in meeting customer needs.

Per our conversation, the existing classifications will be combined into one classification. Current educational requirements for the Gas Marketing Specialist call for a minimum of 45 credit hours with an Associate's Degree obtained within three years. The requirement for the revised job description will be a minimum of 45 credit hours with an Associate's Degree in engineering, technology, construction management, or business obtained within eighteen months of entry into the classification. Absent extenuating circumstances as solely determined by the Company, employees who fail to obtain the required degree within the eighteen month time frame are subject to discharge. The Company retains all rights under the Collective Bargaining Agreement to modify the duties and qualifications including acceptable degree requirements. Should the Company contemplate such revisions, notice will be given to the Union prior to any changes being made.

The wage rate for employees entering the classification will be the T7 minimum hourly rate. As outlined in the Patrick P. Gibson letter (Sidebar Letter A40) employees will be granted a merit increase in accordance with the Collective Bargaining Agreement if progress, measured by demonstrated ability and performance, has been satisfactory after six months. After one year, and again based on satisfactory performance, the employee's wage rate will be adjusted to the T8 minimum hourly rate provided that all educational requirements are met. For those employees not meeting the educational requirement at the twelve month mark, the wage adjustment will be made when the employee completes the requirement. As stated above, this must occur within eighteen months of entering the classification.

Incumbent Gas Marketing Specialists with more than one year of classified seniority and meeting all qualifications of the revised job description will have their wage rate adjusted to the T8 minimum hourly rate. Any current Gas Marketing Specialist not meeting the educational requirement of the revised job description will continue to have three years from entry into the classification to meet the requirement. Upon meeting the education requirement and all other qualifications, the employee will have their wage rate adjusted to the T8 minimum hourly rate. Employees in this category will maintain their seniority.

A85

Mr. James Anderson
September 13, 2016
Page 2

As stated previously, the Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters to revise or discontinue job descriptions, including this one, based on future business needs. Should such material revisions occur to the job description, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

In addition, UWUA Local 600 agrees to withdraw Grievance #399 pertaining to the establishment of the Gas Marketing progression.

I believe that this accurately describes our conversation regarding this matter. If you are in agreement, please sign and return a copy of this letter to me.

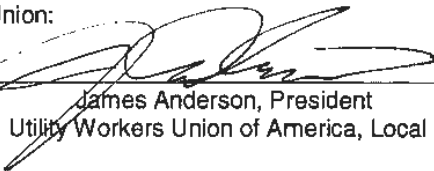
Sincerely,



Michael A. Ciccarella
Senior HR Consultant
Labor Relations

For the Union:

Signed: _____



James Anderson, President
Utility Workers Union of America, Local 600

Date: _____

9/14/16



Duke Energy
139 East Fourth St
Cincinnati, OH 45201
Labor Relations

September 26, 2017

Mr. James Anderson
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Lighting Specialist Progression

Dear Mr. Anderson:

I am writing in regard to our conversations regarding the establishment of the Lighting Specialist progression. As discussed, this will be a separate bid area consisting of the Lighting Specialist I (Wage Level T5) and Lighting Specialist II (Wage Level T8) job classifications. All applicable provisions of the Collective Bargaining Agreement, including Sidebar Letter A65 - Competency Based Selection, will apply to these positions.

The initial posting will be for two Lighting Specialists IIs and be restricted to qualified employees in the Distribution Design OH/KY and the Distribution Design (Subdivision) departments. Should the successful candidate be in a classification with a wage level higher than T8, then they will be grandfathered in their current classification and be eligible for contractual wage increases applicable to that classification. For all other purposes under the Collective Bargaining Agreement these grandfathered employees will be considered as Lighting Specialists IIs. As such, they will have no rollback rights within their former work groups. Conversely, these employees would not be included in any surplus/rollback scenario within their prior work group. The ability of employees with more than fifteen years of service to displace employees outside of their bidding area is not impacted. Employees in the Technician or T&D Design Technician classifications accepting a Lighting Specialist position will not be eligible to promote as outlined in Sidebar Letter A81.

The Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters to revise or discontinue job descriptions, including these, based on future business needs. Should such material revisions occur to the job description, UWWA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

I believe that this letter accurately describes our conversations regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,

A handwritten signature in cursive script that reads 'Michael Ciccarella'.

Michael A. Ciccarella
Senior HR Consultant
Labor Relations KY/OH/Carolina

For the Union:

Signed: A handwritten signature in cursive script that reads 'James Anderson'.

James Anderson, President
Utility Workers Union of America, Local 600

Date: 10/2/17



Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201

March 16, 2021

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: GIS Progression

Dear Mr. Kowolonek:

The parties have recently discussed revising the GIS Technologist job descriptions and progression. As was discussed, the changes to the GIS Technologist I (68141), GIS Technologist II (68140), and GIS Technologist III (68139) job descriptions are not material enough to warrant a reevaluation for wage purposes. Employees will be required to successfully complete all training programs required by the Company and to promote to the GIS Technologist II position in a timely manner. Employees successfully completing the requirements for the GIS Technologist III position will automatically promote to that position.

The Company maintains all rights under the Collective Bargaining Agreement and applicable sidebar letters to create and revise job descriptions, including the above referenced GIS job descriptions, based on future business needs as determined by the Company. Should such material revisions occur, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

I believe that this letter adequately describes our conversations regarding this issue. If you are in agreement, please sign and return a copy of this letter to me.

Sincerely,

A handwritten signature in blue ink that reads "Michael Ciccarella".

Michael A. Ciccarella
Senior HR Consultant
Labor Relations

For the Union:

Signed: Date: 3/16/2021
Steve Kowolonek
Utility Workers Union of America, Local 600

A-87



Duke Energy
139 E 4th Street
Cincinnati, OH 45202

April 1, 2023

Mr. Steve Kowolonek
President Local 600
Utility Workers Union of America 810
Brighton Street
Newport, KY 41071

Re: Special Union-Wide Lump Sum Bonus Opportunity

Dear Mr. Kowolonek:

During the 2023 negotiations, the parties agreed to a special union-wide lump sum bonus opportunity. For the 2023 and 2024 calendar years of the 2023 – 2027 Labor Agreement, all employees represented by UWWA, Local 600 will be eligible to earn a special lump sum annual bonus (the "Special Bonus") equal to 0.5% of their Eligible Earnings, as defined below, during the applicable year. The Special Bonus will be earned only if Duke Energy achieves at least the target performance level with respect to the adjusted diluted Earnings Per Share (EPS) goal that applies to UWWA, Local 600 employees under the Union Employees Incentive Plan (the "UEIP"), with the Company reserving sole discretion to determine the achievement level for the EPS goal based on such adjustments as it determines to be equitable and appropriate, provided the EPS achievement level for the Special Bonus will be the same as the achievement level for the EPS goal generally applicable to the enterprise under Duke Energy's short-term incentive plan for the calendar year.

To receive a payment, employees must be employed in good standing on December 31 of the applicable calendar year. Employees who have worked at least 6 months during the calendar year and retire from the Company during the year, will be eligible to receive a Special Bonus for the year, based on the Eligible Earnings received during the applicable calendar year. Any earned Special Bonus for 2023 and 2024 will be paid in March 2024 and March 2025, respectively, in a single lump sum payment, less applicable taxes and other withholdings. For purposes of the Special Bonus, "Eligible Earnings" will mean all straight time and overtime earnings for the applicable calendar year. Any Special Bonus earned will also be eligible to be taken into account when determining an employee's benefits under Duke Energy's retirement plans (i.e. pension and 401(k)).

Sincerely,

A handwritten signature in blue ink that reads "Lisa A. Gregory".

Lisa Gregory
Manager Labor Relations
Labor Relations



Duke Energy
Labor Relations
139 East Fourth St
Cincinnati, OH 45201

June 23, 2021

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Remote Work

Dear Mr. Kowolonek:

Recently the parties have engaged in discussions regarding remote work and the applicability for employees represented by the Utility Workers Union of America, Local 600. As discussed, each employee excluding those assigned to the Customer Care Center will be assigned to one of four Mobility Classifications described below.

- A. Field Employees – These roles involve highly mobile day-to-day work. Employees in field roles may be based out of a facility (e.g., operations center), but do not require an assigned workspace and infrequently use shared seating or collaboration space at a Company facility.
- B. On-Site Employees – In these roles, the vast majority of work must be performed at a Company facility. Employees in these roles normally require an assigned workspace, routinely use collaboration space, require access to Company assets and tools that are only available on-site, and/or require a high degree of in-person, face-to-face team interaction and collaboration.
- C. Hybrid Employees – Roles involving work that can be effectively performed by working either remotely or at an on-site location, normally 2-3 days per workweek being spent on-site. Employees in hybrid roles require and benefit from regular in-person, face-to-face team interaction or collaboration, but do not require an assigned workspace. Instead, they utilize unassigned or shared workspaces and the Company's standard desktop applications.
- D. Virtual Employees – Employees in these roles can perform almost all work from a remote location due to the nature of the job, do not require an assigned workspace and only occasionally need shared seating or collaboration space in a Company facility. Virtual employees should live within a reasonable commute to the Duke Energy facility where their team (i.e., manager and/or teammates) is located and/or to which they are assigned as they may be required to report to a Company facility.

Employee Mobility Classifications will be made by the Company in its sole discretion and may be changed by the Company at any time. Assignments will be based on business needs as determined by individual work groups. For example, Gas Work Management Support may determine that the business needs are better met by having employees classified On-Site while Customer Delivery Work Management Support may determine their needs can be met with Hybrid employees. Hybrid or Virtual employees experiencing performance or technology issues may be reclassified as On-Site employees. The Union may request a review of such a decision. The classification or reclassification of any employee shall not be subject to the grievance procedure.

Employees in a Hybrid/Virtual Employee Mobility Classifications are expected to report to a Duke Energy facility as required and directed by their manager/supervisor. This may change based on business need. To the extent possible, the Company will attempt to give a 24 hour notice for a change in reporting location. Employees should also report to their assigned Duke Energy facility in the event of technical difficulties, training, in-person meetings, or based upon business needs as determined by the Company.

Mr. Steve Kowolonek
June 23, 2021
Page 2

Employees must immediately report all internet or power outages via phone to their supervisor. If the outage is expected to last longer than 30 minutes or the duration is not known, the employee should make arrangements to report to a Duke Energy facility designated by their supervisor. Commuting time is not compensable. Connectivity issues not related to an outage lasting more than 15 minutes must also be reported to the employee's supervisor. For those connectivity or system issues requiring the assistance of the Enterprise Help Desk that cannot be resolved within 60 minutes, the employee should report to a Duke Energy facility as outlined above. As an alternative to reporting to a Duke Energy facility, the employee may utilize make up time in lieu of reporting to the office at supervisor discretion. Other options include, at supervisor discretion, vacation time or excused unpaid absence provided critical business needs are met.

Hybrid employees who qualify for the Commuter Benefits Program remain eligible for the Company provided subsidy for parking or public transit costs incurred when required to report to their assigned, metropolitan area Duke Energy facility on the same basis as the non-represented workforce. Hybrid employees will not be eligible for mileage reimbursement for commuting to their assigned Duke Energy work location. Virtual employees are not eligible to participate in the Commuter Benefits Program as their assigned work location is not in an approved metropolitan Duke Energy facility. Virtual employees may submit for reimbursement of reasonable and necessary parking expenses incurred when required to report to a Duke Energy facility through the expense management system.

Employees assigned a Hybrid or Virtual Employee Mobility Classification are expected to provide the following in their remote (i.e. home) workspace:

- A. High-speed internet service.
- B. Ergonomic office furniture and lighting.
- C. A safe, quiet workspace that accommodates confidential conversations as appropriate.

As stated above, the initial classification or reclassification of any employee or workgroup shall not be subject to the grievance procedure. In addition, the Company reserves the right to discontinue remote work for UWUA represented employees in its sole discretion. Such decision shall not be subject to the grievance procedure. Should the Company contemplate discontinuing remote work in its entirety, a notice of not less than 30 days will be provided to the Union.

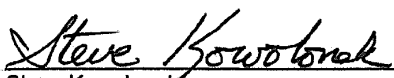
I believe this letter accurately describes our conversations regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,



Michael A. Ciccarella
Senior HR Consultant
Labor Relations

For the Union:



Steve Kowolonek
President, UWUA Local 600

6-23-21
Date



Duke Energy
139 East Fourth St
Cincinnati, OH 45201

February 24, 2020

Mr. Steve Kowolonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Establish Network Engineering Specialist Classification

Dear Mr. Kowolonek:

Per discussion between the Union and the Company, a new job classification is being established within the Customer Projects Bidding area. The classification and wage level are as follows:

Job Title	Wage Level
Network Engineering Specialist	T11

The Company reserves the right to change or modify this job description in accordance with the Collective Bargaining Agreement. Prior to modifying the job description, the Company will review proposed changes with the Union to discuss if the modifications are significant to the extent that an increase in the wage rate would be warranted. Per Sidebar Letter A65, the Competency Based Selection process will be used to fill openings in this newly created classification. I believe that this letter adequately describes the discussions held regarding this matter. If the Union is in agreement with this proposal please return a signed copy of this letter to me at your earliest convenience.

Sincerely,

Terri Barnes
Senior HR Consultant
Labor Relations

For the Union:

Signed:
Steve Kowolonek
President
Utility Workers Union of America, Local 600

Date: 2-24-2020



Duke Energy
139 East Fourth St
Cincinnati, OH 45201
Labor Relations

July 25, 2022

Mr. Steve Kolowonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071



RE: ES Admin. Office Clerk

Dear Mr. Kolowonek:

I am writing in regard to our conversations regarding establishment of the Environmental Services Administrative Office Clerk job classification. As discussed, the Environmental Services Administrative Office Clerk job classification will be established in the newly created Environmental Services Bid Area as a stand-alone position. The wage level will be C9 with a maximum rate of pay of \$28.18 per hour. All applicable provisions of the Collective Bargaining Agreement, including Sidebar Letter A65 - Competency Based Selection, will apply to this position.

The Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters to revise or discontinue job descriptions, including this one, based on future business needs. Should such material revisions occur to the job description, UWWA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

I believe that this letter accurately describes our conversations regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,

Michael A. Ciccarella
Senior HR Consultant
Labor Relations

For the Union:

Signed:  Date: 7-26-2022
Steve Kolowonek, President
Utility Workers Union of America, Local 600



Duke Energy
139 East Fourth St
Cincinnati, OH 45201

June 16, 2021

Mr. Steve Kolowonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Generating Station Clerk

Dear Mr. Kolowonek:

I am writing in regard to our conversation regarding the Generating Station Clerk classification at the East Bend and Woodsdale Generating Stations. As we have discussed, the wage level for this position is currently Wage Level 8 with a maximum rate of \$25.72 per hour. The parties have agreed to increase the wage level to Wage Level 9 with a maximum rate of \$27.49 per hour. This increase will be effective the beginning of the first pay period after the execution of this agreement. The two incumbent employees in this classification will receive an increase to \$27.49 per hour.

The Company maintains all rights under the Collective Bargaining Agreement and applicable sidebar letters to create and revise job descriptions, including the above referenced Generating Station Clerk job description, based on future business needs as determined by the Company. Should such material revisions occur, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

I believe that this letter accurately describes our conversation regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,

A handwritten signature in cursive script that reads 'Michael Ciccarella'.

Michael A. Ciccarella
Senior HR Consultant
Labor Relations

For the Union:

Signed: A handwritten signature in cursive script that reads 'Steve Kolowonek'. Date: 6-16-21
Steve Kolowonek, President
Utility Workers Union of America, Local 600



Duke Energy
139 East Fourth St
Cincinnati, OH 45201
Labor Relations

July 26, 2022

Mr. Steve Kolowonek
President
Utility Workers Union of America
Local 600
810 Brighton Street
Newport, Kentucky 41071

RE: Transmission Office Coordinator

Dear Mr. Kolowonek:

I am writing in regard to our conversations regarding the revised Electric Operations Clerk (EOC – 60764) job description. As discussed, the EOC will be retitled Transmission Office Coordinator and the wage level increased from C9 to C11 which has a maximum wage rate of \$30.30 per hour. The one incumbent employee in the EOC job title will have their pay adjusted to the maximum rate of pay for the C11 wage level. All applicable provisions of the Collective Bargaining Agreement, including Sidebar Letter A65 - Competency Based Selection, will apply to this position.

The Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters to revise or discontinue job descriptions, including this one, based on future business needs. Should such material revisions occur to the job description, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

I believe that this letter accurately describes our conversations regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,

A handwritten signature in black ink that reads 'Michael Ciccarella'.

Michael A. Ciccarella
Senior HR Consultant
Labor Relations

For the Union:

Signed: Steve Kolowonek Date: 7-26-2022
Steve Kolowonek, President
Utility Workers Union of America, Local 600

Contract

Between

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

And

USW, AFL-CIO-CLC

on behalf of

Local No. 12049

&

Local No. 5541-06

May 15, 2021

To

May 15, 2026

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USW 2021 – 2026 CONTRACT

This Contract, dated May 19, 2021, is agreed upon between Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., hereinafter referred to as the “Company,” and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW), 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 safety, productivity and helping the Company become the lowest cost producer and highest quality provider of energy service.

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 Field Operations Forces, to notify the Sub-District Office of the Union not less than 24 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.

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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

DUKE ENERGY OHIO AND KENTUCKY

- Gas Utility Operations
 - Field & System Operations
 - Construction & Maintenance
 - Ohio-Kentucky District
 - Systems Operations
 - Ohio-Kentucky District
 - Maintenance & Fabrication
 - Ohio-Kentucky District

- Pipeline Operations
 - Gas Plants
 - Ohio-Kentucky District

- Corrosion Control
 - Ohio District

Gas Measurement Center
Metering Services

LOCAL UNION 5541-06

DUKE ENERGY OHIO AND KENTUCKY

Gas Utility Operations
Field & System Operations
Construction & Maintenance
Systems Operations
Maintenance & Fabrication

Pipeline Operations
Metering Services

(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.

(j) The provisions of this Article IV, Section 1, regarding Union Security, shall not be applied to bargaining unit members in any state in which such union-security provisions are prohibited by law. The parties agree that, if the current law changes to make such union security provisions applicable, or not applicable, to any employees covered by this Agreement, the Parties will deem the Agreement amended to comply with the then current law.

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:

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	As of	Effective	Effective	Effective	Effective
Wage	May 15,	May 15,	May 15,	May 15,	May 15,
Level	2021	2022	2023	2024	2025
1	\$25.98	\$26.63	\$27.30	\$27.98	\$28.68
2	\$26.51	\$27.17	\$27.85	\$28.55	\$29.26
3	\$26.93	\$27.61	\$28.30	\$29.00	\$29.73
4	\$28.11	\$28.82	\$29.54	\$30.27	\$31.03
5	\$30.06	\$30.81	\$31.58	\$32.37	\$33.18
6	\$30.90	\$31.67	\$32.46	\$33.27	\$34.10
7	\$32.10	\$32.90	\$33.73	\$34.57	\$35.43
8	\$33.76	\$34.61	\$35.47	\$36.36	\$37.27
9	\$34.79	\$35.66	\$36.55	\$37.47	\$38.40
10	\$35.27	\$36.16	\$37.06	\$37.99	\$38.94
11	\$36.91	\$37.83	\$38.78	\$39.75	\$40.74
12	\$38.71	\$39.68	\$40.67	\$41.69	\$42.73
13	\$40.69	\$41.71	\$42.75	\$43.82	\$44.92
14	\$41.25	\$42.28	\$43.34	\$44.43	\$45.54
15	\$41.85	\$42.90	\$43.97	\$45.07	\$46.19
16	\$43.04	\$44.12	\$45.22	\$46.35	\$47.51

Level 5–Construction Assistant; Level 6–Meter Specialist III; Level 7–Gas Systems Operations Mechanic III, Mechanic Operator III, Operations Specialist III, Pipeline Welder III; Level 8– Premise Mechanic, Gas Plant Operator III; Level 11–Gas Plant Operator II, Meter Specialist II; Level 12–Gas Systems Operations Mechanic II, Mechanic Operator II, Operations Specialist II, Pipeline Welder II; Level 13–Service Mechanic “B”, Gas Plant Operator I, Meter Specialist I; Level 14–Tool Repair Specialist; Level 15–Gas Systems Operations Mechanic I, Mechanic Operator I, Operations Specialist I, Pipeline Welder I, Service Mechanic “A”, Welder I; Level 16–Inspecting Mechanic.

(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 15, 2021, 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) Employees will be eligible for consideration and rewards, on the same basis as non-bargaining unit employees, for those programs in which they currently do not participate, in accordance with departmental or safety recognition programs.

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

Name and Definition of Shift		Current	Effective May 17, 2021
Day Shift	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	\$0.00	\$0.00
Afternoon Shift	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight	\$1.80	\$1.85
Night Shift	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	\$1.85	\$1.90

Sunday Premium

When the majority of the regularly scheduled hours in a shift are on Sunday, a Sunday premium will be paid to an employee for all scheduled straight time hours worked on that shift as follows:

Current	Effective May 17, 2021
\$2.00	\$2.05

(i) 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.

(j) 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.

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(k) 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.

(l) 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.

(m) 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.

(n) 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 or training. 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 voluntarily accepts a temporary assignment to a supervisory position, he shall be paid the same rate of his classified assignment at the time of the temporary assignment.

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(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 and all employees transferring from other bargaining units into a job classification represented by the Union 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 Field Operations 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:

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LOCAL UNION 12049

DUKE ENERGY OHIO AND KENTUCKY

Gas Operations

Field Operations

Ohio – Kentucky District

Corrosion Control
 Ohio District
 Systems Operations
 Ohio - Kentucky District
 Production - Gas Plants
 Ohio - Kentucky District

Compliance and Service Delivery
 Service Delivery OH/KY
 Service Delivery
 Ohio – Kentucky District
 Meter Services
 Gas Measurement Center
 Ohio District

LOCAL UNION 5541-06

DUKE ENERGY OHIO AND KENTUCKY

Gas Operations
 Field Operations
 Systems Operations
 Production - Gas Plant

Compliance and Service Delivery
 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) For a period of six months following a promotion, when an employee who has been assigned to a job classification not bargained for by the Union returns to a job classification in which they have classified seniority, their 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 bargaining unit to which the employee is assigned. If the employee returns to the bargaining unit greater than six months from said promotion, they shall be placed at the minimum wage rate in a job classification no higher than Service Mechanic B, Meter Specialist II, Mechanic Operator II, Gas Systems Operations Mechanic II and Gas Plant Operator II. For purposes of bidding and downbidding, all previous seniority is lost and the employee will be ranked in seniority as a newly hired employee. No employee may return to a bargaining unit job classification if, as a direct result, an employee represented by the Union would be laid off.

Section 3. (a) An employee who has accepted a new position, will be given the first 10 working days of training, to evaluate the new position. If at the end of such period, the employee requests, they shall be restored to their previous position and previous classified seniority rank. This provision does not apply to employees who are in positions of automatic progression. 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.

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(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.

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(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.

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(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.

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(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.

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(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

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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 and Union have agreed 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, through a set of overtime guidelines that have been established and are contained in a separate document. The employees will be notified in advance, whenever possible, when they are required to work overtime. In the event the available overtime is not offered to the entitled employee(s) under the established overtime guidelines, the Company will offer the affected employee(s) make-up overtime. All make-up overtime must be offered and worked by the employee within six months of the time the disparity occurred.

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(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.

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(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 of the Company to 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.

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(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.

When it is necessary to temporarily assign probationary employees to a headquarters other than their own or to a job site reporting location that is farther from 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 the employee is 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.

(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.

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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.

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(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 40 hours work per week for 52 weeks per year for regular employees as provided for under this Contract.

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(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:

Current	Effective May 17, 2021
\$11.50	\$12.00

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.

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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 every other calendar week. Paychecks will be mailed to the employee's home address. 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. Direct Deposit advices will be mailed to the employee's home address if she/she has elected to receive a printed copy.

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.

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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.

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(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 up to 26 weeks of pay per incidence with payment based on the schedule below or until the employee 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.

The administration of short-term disability compensation will be as follows:

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

(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 or alcohol, 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. PARENTAL LEAVE: (a) Effective January 01, 2022, employees will be eligible for paid parental leave, on the same basis as the Company's general, non-represented employee population.

Section 15. HOSPITAL AND MEDICAL PLANS: (a) Any health care plans (medical or dental) that the Company unilaterally implements at its sole discretion for the general non-represented employee population shall also be provided to the bargaining unit employees at the same costs and plan design structure as for the non-represented employees. It is expressly understood that the right to add, eliminate, and alter or to make any other changes to these health care plans or to employee costs for the plans, is reserved to the Company.

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(b) The Company's part of the monthly premiums for the health care plans will continue to be paid while an employee is receiving illness or accident compensation, provided the employee was covered by such plan immediately prior to the employee's sickness or industrial accident.

(c) For the term of this Contract, post-retirement health care under the health care plans sponsored by Duke Energy Corporation will be made available to all union Employees hired prior to January 1, 2012 in accordance with the terms of the letter from the Company to the Union dated April 4, 2005, Sidebar Letter A-71 dated August 1, 2007,

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Sidebar Letter A-71a dated June 3, 2011, Sidebar Letters A-91 and A-92 dated June 2, 2016 and A-93 dated May 16, 2021. Union employees who are hired on or after January 1, 2012, will not be eligible for either the Traditional Option (as defined by the applicable sidebar letters) or the HRA Option (as defined by the applicable sidebar letters), but such employees shall be eligible for access (at unsubsidized rates) to post-retirement medical, dental and vision coverage as described in the "2016-2021 Post Retirement Health Care Letter" if they have attained age 50 and completed at least five years of service as of the date of their retirement.

Section 16. INSURANCE, HEALTH & WELFARE BENEFITS: Any insurance, health and welfare benefit plans under the Duke Energy Active Health & Welfare Benefit Plans not specifically referenced elsewhere in this Contract (e.g. life insurance, supplemental, accidental death and dismemberment, long term disability, and dependent life insurance) that the Company maintains and/or implements for the general non-unionized employee population shall also be provided to the bargaining unit employees at the same benefit levels, costs, and plan design structure as for the non-unionized employees. The Company has the right to add, eliminate, and alter or to make any other changes to these insurance, health and welfare benefit plans or to the employee costs for the plans, consistent with any changes it makes for the general, non-unionized employee population.

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Section 17. 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 one half of the difference between what he/she would have received at regular work and the amount received as compensation for such injury, for a period not to exceed 26 weeks. 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 18. 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.

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Section 19. 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, Stepchild or Foster Child	7	5
Mother, Stepmother or Foster Mother	7	5
Father, Stepfather or Foster Father	7	5
Brother, Stepbrother	7	5
Sister, Stepsister	7	5
A legal dependent residing in the employee's household	7	5
In-Laws (father, mother, brother, sister, son or daughter)	5	3
Grandchild, Step Grandchild	6	4
Grandparent/Spouse's Grandparent	4	2
Aunt, Uncle, Niece and/or Nephew	5	3

With supervisory approval, bereavement may be taken in segments. For example, an employee may take time off on the day of the death, return to work and then take off additional time to attend the funeral. 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 20. 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 21. 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 22. 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 23. 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 five 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 five 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 five calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, less than a five 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 24. 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.

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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.

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(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, at the discretion of the Union, a representative of the Union Grievance Committee, and the Departmental Section Management; third, between the Union Grievance Committee, Agents of the Union and officials of the Company. The Recording Secretaries for the Local Unions may also attend second and third step grievance meetings. If a satisfactory settlement cannot be reached before the second step of the procedure outlined above, the grievance shall be reduced to writing by the Union.

(c) An employee, who is considered by the Union or the Company 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.

*The Grievance Committee of Local Union 5541-06 shall consist of not more than three members.

ARTICLE X – ARBITRATION

Section 1. (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 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) 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 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.

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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 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) Excluding planned projects and appointments prompted by customer requests, no field construction, field maintenance or routine customer service work shall be performed on the actual calendar holidays for Labor Day, Thanksgiving Day and Christmas 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 (40 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 (40 hours at straight time) in lieu thereof for the fifth week.

(6) Employees with 20 years of services as of January 1, 2022 will retain the ability to earn the 6th week of vacation when they reach 32 years of service. New hires and employees with less than 20 years of service as of January 1, 2022 will no longer be eligible to earn a sixth week of vacation after 32 years of service. Employees who have already earned a sixth week of vacation will retain that benefit or, if required to work by the Company, payment of one week's wages (40 hours at straight time) in lieu thereof the sixth week.

(c) An employee may carryover unused vacation hours from one calendar year to the next not to exceed eighty (80) hours.

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 as well as any unused carryover vacation time. 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 as well as any unused carryover vacation time.

(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.

(j) An employee's vacation (full week) 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.

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 sponsored life and AD&D insurance coverage for employees starting an approved military leave of absence will be continued for a period of up to six months with the same cost sharing as before the leave began.

(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 – RETIREMENT BENEFITS

Section 1. RETIREMENT INCOME PLAN: (a) Eligible employees represented by the Union hired or rehired before January 1, 2017, will participate or continue to participate in the existing Cinergy Corp. Union Employees' Retirement Income Plan (hereinafter called the "Retirement Income Plan") as amended and restated effective January 1, 2014 and subsequently amended to make legally-required changes as required by appropriate federal legislation and regulation governing such plans or technical changes, under the terms set forth in the "Amendment to A-71 Retirement Plan and HRA Conversion Agreement" dated June 2, 2016. Employees hired or rehired on or after January 1, 2017 will not be eligible to participate in the Retirement Income Plan.

(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, 2021.

Section 2. RETIREMENT SAVINGS 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 “Duke Energy Retirement Savings Plan”, hereinafter called the “Retirement Savings Plan.”

(b) The Retirement Savings Plan is described in the Company’s publication the “Duke Energy Retirement Savings Plan”, Summary Plan Description and Prospectus.

(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 merge it into any other Savings Plan at any time. Any reduction or discontinuance of Company contributions during the term of the Contract will be subject to collective bargaining. 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.

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

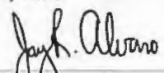
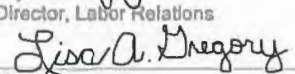
Section 1. (a) The Contract shall become effective as of May 15, 2021, and all the provisions thereof shall continue in full force and effect until May 15, 2026, and thereafter for successive three year periods unless one of the parties hereto on or before the 60th day next preceding any contract anniversary 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.

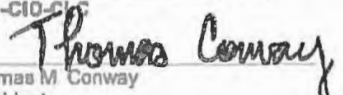

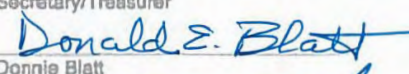
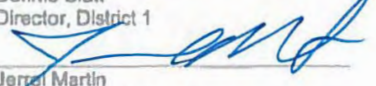


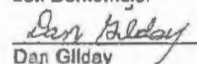
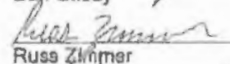
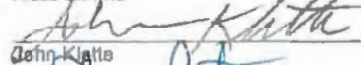

(c) On or before May 15, 2026, this Contract may be extended by mutual agreement of the parties for a specific number of calendar days. If a tentative agreement on the terms of a new Contract has been reached on or before May 15, thereafter the Union shall have one-half of the specified number of days 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.

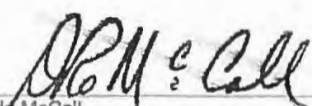
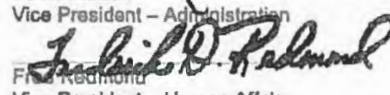
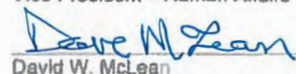
IN WITNESS WHEREOF, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW), AFL-CIO-CLC, on behalf of Local Unions 12049 and 5541-06, and Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc., do hereby, by their duly authorized agents, in the premises, execute and sign this 2021 – 2026 Contract in duplicate this 15th day of September 2021.

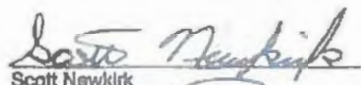
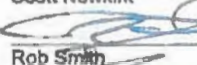

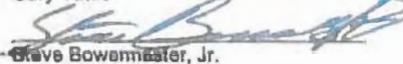
DUKE ENERGY OHIO, INC.
DUKE ENERGY KENTUCKY, INC.
Cincinnati, Ohio


Jay R. Alvord
Director, Labor Relations

Lisa A. Gregory
Manager, Labor Relations

UNITED STEELWORKERS (USW),
AFL-CIO-CLC


Thomas M. Conway
President

John E. Schinn
Secretary/Treasurer

Donald E. Blatt
Director, District 1

Jerrel Martin
Staff Representative

John Walts

Jeff Berkemeier

Dan Gilday

Russ Zimmer

John Klatte

Glenn Foston


David McCall
Vice President – Administration

Fred Redmond
Vice President – Human Affairs

David W. McLean
Sub 5 Director


Scott Newkirk

Rob Smith

Gary Tuttle

Steve Bowman, Jr.

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-94	Article V, Section 1	Manual, Clerical, and Technical Job Classifications	12/29/00
A-35	Article V, Section 1(a)	Mechanic III	05/19/21 (06/02/16) (10/07/96)
A-95	Article V, Section 1(h)	Shift Differential Guidelines	5/19/21
A-62	Article V, Section 2	Supervisory Upgrades	08/01/07
A-87	Article VI, Section 2(a)	Seniority Departments	06/02/16
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-96	Article VI, Section 3(c)	Pipeline Welder and Operations Specialist Lines of Progression	5/19/21
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-52	Article VII, Section 1	Work Hours	01/18/02 (10/07/96) (05/13/94)
A-81	Article VII, Section 1(b)	Field Operations – Schedule Replacement Guidelines	06/03/11
A-88	Article VII, Section 1(b)	Work Hours Beyond Normal Scheduled Shift	06/02/16
A-89	Article VII, Section 1(g)	Emergency Work Outside of Ohio/Kentucky Service Territory	05/19/21 (06/02/16)
A-18	Article VII, Section 1(j)	Scheduling Make-up Overtime	05/23/91
A-63	Article VII, Section 1(j)	Overtime Guidelines –Field and Systems Operations, Contractor Construction, Corrosion, Gas Production and Measurement Center	05/19/21 (06/02/16) (06/03/11) (06/14/07)
A-64	Article VII, Section 1(j)	Service Delivery Overtime Guidelines	05/19/21 (06/02/16) (06/15/07)
A-60	Article VII, Section 1(m)	Call Out Pay	01/18/02
A-54	Article VIII, Section 2	Voluntary Transfers Between Headquarters	06/02/16 (01/18/02) (10/07/96) (05/13/94)

A-DOC #	CLAUSE	ISSUE	DATE
A-82	Article VIII, Section 2(f)	Home Site Reporting Guidelines	06/02/16 (06/03/11)
A-97	Article VIII, Section 4(a)	Workplace Security Policy	05/19/21
A-36	Article VIII, Section 5	Inspecting Mechanics - AMRP	06/03/11 (10/07/96) (05/13/94) (05/23/91)
A-1	Article VIII, Section 8	Witness Pay for Criminal Cases	06/11/73
A-90	Article VIII, Section 12	Welders Returning to C&M	05/19/21 (06/02/16)
A-5	Article VIII, Section 13	One-time Use of Sick Pay for Chemical Addiction Rehab.	07/05/79
A-9	Article VIII, Section 13	Employee Notification of Absence Expectations	05/24/85 (05/18/76)
A-14	Article VIII, Section 14(a)	Company May Replace Health Care Plans	05/23/91
A-78	Article VIII, Section 14(a)	Health Care Security	06/03/11
A-71	Article VIII, Section 14(c)	Retirement Plan and HRA Conversion Agreement	06/03/11 (08/01/07)
A-71 Amendment	Article VIII, Section 14(c)	Post Retirement Healthcare	06/03/11
A-76	Article VIII, Section 14(c)	Post-Retirement Medical Benefits	04/04/05
A-91	Article VIII, Section 14(c)	2016-2021 Post Retirement Healthcare Letter	06/02/16
A-92	Article VIII, Section 14(c)	Amendment to A-71 "Retirement Plan and HRA Conversion Agreement"	06/02/16
A-93	Article VIII, Section 15(c)	Post Retirement Healthcare Opt-In/Opt/Out	05/19/21
A-68	Article VIII, Section 15	\$9,000.00 Paid-Up Post-Retirement Life Insurance Coverage	08/01/07
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-2	Misc.	Customer Service Route Bidding	06/11/73
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-DOC #	CLAUSE	ISSUE	DATE
A-25	Misc.	Inspecting Mechanics To Not Cross Union Local Areas	05/13/94
A-51	Misc.	Downbidding to Entry-Level Jobs	05/19/21 (06/02/16) (06/03/11) (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)	05/19/21 (06/03/11) (08/01/07)
A-67a	Misc.	Amendment to A-67 Letter Regarding the Union Employee Annual Incentive Program (UEIP)	06/02/16
A-69	Misc.	Sabbatical Vacation Bank and Vacation Credit Programs	08/01/07
A-70	Misc.	Sale of Assets	06/03/11 (08/01/07)
A-73	Misc.	Benefit Claims Disputes	04/04/05
A-75	Misc.	Clothing Allowance – Appearance and Attire Guidelines	05/19/21 (06/02/16) (06/03/11) 04/04/05
A-77	Misc.	Special Union Wide Lump Sum Opportunity	05/19/21 (06/02/16) (06/03/11)
A-83	Misc.	Apprentice Mechanic Operator III	02/25/13
A-85	Misc.	Safety Shoe Policy	05/19/21 (06/02/16)
A-86	Misc.	Global Positioning Satellite (GPS) Technology	06/02/16

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-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-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-14	Article VIII, Section 14(a)	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-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)
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A-28	Article V, Section 1	Training Union on Job Evaluation Procedure	05/13/94
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A-36	Article VIII, Section 5	Inspecting Mechanics - AMRP	06/03/11 (10/07/96) (05/13/94) (05/23/91)
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A-41	Article II, Section 1	Union Security – Company Neutrality	10/07/96
A-51	Misc.	Downbidding to Entry-Level Jobs	05/19/21 (06/02/16) (06/03/11) (01/18/02) (10/07/96) (05/13/94) (05/23/91)

A-DOC #	CLAUSE	ISSUE	DATE
A-52	Article VII, Section 1	Work Hours	01/18/02 (10/07/96) (05/13/94)
A-54	Article VIII, Section 2	Voluntary Transfers Between Headquarters	06/02/16 (01/18/02) (10/07/96) (05/13/94)
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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-60	Article VII, Section 1(m)	Call Out Pay	01/18/02
A-61	Article VI, Section 3(b)	Promotional Retraining	01/18/02 (10/07/96) (05/13/94)
A-62	Article V, Section 2	Supervisory Upgrades	08/1/07
A-63	Article VII, Section 1(j)	Overtime Guidelines –Field and Systems Operations, Contractor Construction, Corrosion, Gas Production and Measurement Center	05/19/21 (06/02/16) (06/03/11) (6/14/07)
A-64	Article VII, Section 1(j)	Service Delivery Overtime Guidelines	05/19/21 (06/02/16) (06/15/07)
A-65	Article VIII, Section 17	Inclement Weather – Service Delivery	08/01/07
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A-67a	Misc.	Amendment to A-67 Letter Regarding the Union Employee Annual Incentive Program (UEIP)	06/02/16
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(c)	Retirement Plan and HRA Conversion Agreement	06/03/11 (08/01/07)
A-71 Amendment	Article VIII, Section 14(c)	Post Retirement Healthcare	06/03/11
A-73	Misc.	Benefit Claims Disputes	04/04/05
A-75	Misc.	Clothing Allowance – Appearance and Attire Guidelines	05/19/21 (06/02/16) (06/03/11) (04/04/05)
A-76	Article VIII, Section 14(c)	Post-Retirement Medical Benefits	04/04/05

A-DOC #	CLAUSE	ISSUE	DATE
A-77	Misc.	Special Union Wide Lump Sum Opportunity	05/19/21 (06/02/16) (06/03/11)
A-78	Article VIII, Section 14(a)	Health Care Security	06/03/11
A-81	Article VII, Section 1(b)	Field Operations – Schedule Replacement Guidelines	06/03/11
A-82	Article VIII, Section 2(f)	Home Site Reporting Guidelines	06/02/16 (06/03/11)
A-83	Misc.	Apprentice Mechanic Operator III	02/25/13
A-85	Misc.	Safety Shoe Program	05/19/21 (06/02/16)
A-86	Misc.	Global Positioning Satellite (GPS) Technology	06/02/16
A-87	Article VI, Section 2(a)	Seniority Departments	06/02/16
A-88	Article VII, Section 1(b)	Work Hours Beyond Normal Scheduled Shift	06/02/16
A-89	Article VII, Section 1(g)	Emergency Work Outside of Ohio/Kentucky Service Territory	05/19/21 (06/02/16)
A-90	Article VIII, Section 12	Welders Returning to C&M	05/19/21 (06/02/16)
A-91	Article VIII, Section 14(c)	2016-2021 Post Retirement Healthcare Letter	06/02/16
A-92	Article VIII, Section 14(c)	Amendment to A-71 “Retirement Plan and HRA Conversion Agreement”	06/02/16
A-93	Article VIII, Section 15(c)	Post Retirement Healthcare Opt-In/Opt-Out	05/19/21
A-94	Article V, Section 1	Manual, Clerical, and Technical Job Classifications	12/29/00
A-95	Article V, Section 1(h)	Shift Differential Guidelines	5/19/21
A-96	Article VI, Section 3(c)	Pipeline Welder and Operations Specialist Lines of Progression	5/19/21
A-97	Article VIII, Section 4(a)	Workplace Security Policy	05/19/21

June 11, 1971

Mr. William F. Billingsley
Representative
United Steelworkers of America
3333 Vine Street, Room 311
Cincinnati, Ohio 45220

Dear Mr. Billingsley:

During the 1973 negotiations the committee of the Company and the Union discussed the Company's policy concerning allowing an employee, who is subpoenaed, to be off work to testify in a court proceeding which does not directly involve the Company.

Employees who are continually in contact with the public may occasionally witness acts which could lead to criminal arrests or observe personal injury or property damages which could result in litigation. In most instances, the actions observed by employees while within the scope of their employment can be recorded through written statements, affidavits, or in limited situations, depositions. Such gathering of factual information would not ordinarily involve absence from work.

In a very small proportion of cases, employees could be subpoenaed to testify in court proceedings. In criminal litigation the governmental body for whom an employee is subpoenaed may be unable to make the employee entirely whole for his lost earnings during the time of his testimony. However, in civil litigation, it is not uncommon for the party who causes the witness to be subpoenaed to reimburse the witness for resulting lost earnings and expenses.

Employees are not encouraged to go out of their way to make themselves available as witnesses to any incident which could ultimately be litigated. On the other hand, the Company does not want to penalize an employee who may be called upon to testify in the very infrequent situations when he is not reimbursed for his expenses and loss of regular pay by the party who subpoenaed him. The Company will evaluate such cases on an individual basis to determine whether such civic minded and responsible employees should receive their regular pay when they are off work to testify.

Very truly yours,

Arthur R. Hirschwender

A-1

June 11, 1973

Mr. William F. Billingsley
Representative
United Steelworkers of America
3333 Vine Street, Room 311
Cincinnati, Ohio 45220

Dear Mr. Billingsley:

During the 1973 negotiations the committees of the Company and the Union discussed the possibility of allowing Servicemen in the Customer Service Section of the Gas Operating Department to choose their routes on a seniority basis.

Upon the acceptance of the 1973-76 Contract, the department management and a committee of the Union will meet in an effort to draw up guidelines for the implementation of such a system. Providing a mutually agreeable set of guidelines is reached, the Company is willing to allow the assignment of routes on the basis of seniority for a trial period of one year. If this trial period proves satisfactory to the Company, the procedure will be continued during the term of the 1973-76 Contract.

Very truly yours,

Arthur R. Ehrnachvander

cc: T. Mounts
W. Egelston

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRENRECHWENDER
VICE PRESIDENT
ADMINISTRATIVE SERVICES

July 5, 1979

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
3300 Central Parkway
Cincinnati, Ohio 45225

Dear Mr. Spurlock:

During the 1979 negotiations, representatives of the Company and the Union discussed the allocation of overtime assignments.

The Company intends that overtime shall continue to be assigned in accordance with the long and well-established procedures of equalization within classifications at individual divisions or headquarters. While the low employee on the overtime list may not be called for a particular overtime occasion, the Company expects overtime to be relatively equalized over a period of time. Normally, it is not important to the Company which person in a designated classification performs an assignment as long as the individual is qualified. While a specific individual with certain skills may occasionally be necessary to perform a particular assignment, the occasions where that is required are limited. It is also understandable that employees who begin a particular overtime assignment may, for purposes of continuity, finish that work, even if the completion occurs at another time.

In making overtime assignments, all employees must understand the Company's needs. However, personal commitments of the employees involved also warrant serious consideration. Supervisors should attempt to avoid overtime assignments to individuals who have made previous personal commitments if others are readily available. It is understandable that individuals and families develop appointments and social obligations of importance. Although employees have a responsibility to be available for overtime assignments, supervisors should give recognition, when feasible, to employees' personal commitments. If operating needs require an individual to break his personal appointment, the least the responsible supervisors can do is to explain the reasons for this infringement to the individual.

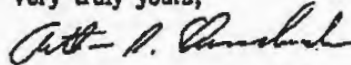
In those areas where overtime scheduling has functioned most effectively, supervisors and employees have developed a mutual interest and pride in meeting the operational needs of the Company while giving maximum recognition to the personal interests of the employees. Supervisors attempt to notify employees of the need for overtime as far in advance as possible. Employees frequently suggest schedules or volunteer for planned assignments. Employees often trade assignments

A-4

with supervisors' permission. This type of cooperative effort can provide the basis for a healthy and productive atmosphere in any headquarters. With such a cooperative atmosphere, incidents of disciplinary action because an employee is excessively absent from overtime assignments will be minimized.

It is thought that this letter will clarify the Company's policy concerning overtime assignments.

Very truly yours,



Arthur R. Ehrnschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRSCHWENDER
VICE PRESIDENT
ADMINISTRATIVE SERVICES

July 5, 1979

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
3300 Central Parkway
Cincinnati, Ohio 45225

Dear Mr. Spurlock:

During the 1978 negotiations, representatives of the Company and the Union discussed the compensation policy for employees who undertake treatment for alcoholism.

While sick compensation has not previously been granted for the treatment of alcoholic conditions, the Company will alter that arrangement when an employee obtains treatment at an appropriate detoxification facility under the direction of the Company Medical Director or in coordination with the Medical Director and the employee's personal physician. Available sick pay may hereafter be used for the first continuous absence when an employee undertakes to correct an alcoholic problem through an approved program. If the initial rehabilitation effort at a treatment center is not successful, the employee will not be granted additional available sick pay.

The Company is willing to extend this extra effort to help afflicted employees and their families, to eliminate the burden imposed upon the fellow employees, and to minimize lost productivity and absenteeism caused by alcoholism. An employee who is unwilling to accept the responsibility for his own behavior or who refuses to participate in a necessary program will, as in the past, jeopardize his continued employment with the Company.

The Union is encouraged to make the Company Medical Director aware of individuals thought to have alcoholism problems. With such assistance, fellow employees may be given a chance for which they may be forever grateful.

Very truly yours,

Arthur R. Ehrschwender

A-5

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHNSCHWENDER
VICE PRESIDENT
ADMINISTRATIVE SERVICES

July 5, 1979

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
3300 Central Parkway
Cincinnati, Ohio 45225

Dear Mr. Spurlock:

During the 1979 negotiations, representatives of the Company and the Union attempted to clarify the inclement weather policy applicable to employees in the Construction & Maintenance Division of the Gas Operating Department. As has always been the case, any or all employees will be expected to work without regard to weather conditions when it is necessary to protect life, property, or continuity of service.

Employees will not be required to perform normal work when the headquarter's thermometer reads five degrees or less. However, after considering the current and anticipated weather conditions, crews will leave their headquarters and proceed to their assigned job sites. When the temperature is six degrees and rising and the wind is calm or light, all crews will begin working. If the temperature is ten degrees or less and the wind is strong and gusty, the crews at the job sites will not be required to perform normal work. Whenever the temperature reaches 11 degrees, employees will begin working regardless of wind conditions. The Company will make an effort to provide indoor duties, conduct training or provide outdoor work under protective conditions during inclement weather conditions for the remaining individuals.

During conditions of dry or light snow, employees will be required to continue to work unless storm conditions develop that are too severe to permit a job assignment to be completed safely. During conditions of drizzle or light rain employees will be required to continue working unless the precipitation is great enough to soak their clothes. During periods of moderate or heavy rain, crews will be dispatched or assigned duties as stated above for cold weather conditions. Every effort will be made by the Area Supervisor to assign work at locations suitable to existing weather conditions where an assignment may be safely performed. When a crew arrives at a job site, the crew leader will evaluate the weather conditions. Unless the weather conforms to the long established Company definition of inclement (unmerciful, severe, harsh, tempestuous, rough, stormy, boisterous, or otherwise hard to bear) the work will be performed as assigned. If weather conditions become inclement according to the above definitions at any time after work has been under way, the crew leader may stop operations, seek shelter in Company equipment, and communicate this fact to the Construction & Maintenance Dispatcher. The crew's supervisor will thereafter determine if the weather is inclement. In all cases the supervisor's evaluation will prevail. The Gas Operating departmental management will continually counsel with supervisors in an effort to assure fairness and continuity of judgment regarding inclement weather.

A-7

With the exception of the newly established temperature minimums, the management in the Gas Operating Department does not intend to amend the administration of the inclement weather provisions. These procedures were described in the recent arbitration decision and award resulting from a hearing on January 10, 1978 and were explained to employees at group meetings at the various headquarters earlier this year. The past administration clearly reflects that no employees have been required to jeopardize their health or safety because of the requirement to perform normal work during adverse weather conditions. In fact, statistical information reflects that the proportion of total non-productive time attributed to inclement weather increased in recent years. The continued good judgment of crew leaders and cooperation with supervisory personnel will avoid future misunderstandings about inclement weather.

Very truly yours,

Arthur R. Ehrnschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRSCHWENDER
SENIOR VICE PRESIDENT

May 17, 1982

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
3300 Central Parkway
Cincinnati, Ohio 45225

Dear Mr. Spurlock:

During the 1982 negotiations, the committees for the Company and the Union discussed the possibility of implementing a new bargaining unit job classification. As a result of these discussions, the Company will agree to write a job description for a new job classification of Inspecting Mechanic during the first year of the 1982-1985 Contract. This job classification will be evaluated in the normal manner but the maximum wage rate resulting from such evaluation will not be subject to arbitration.

This new job classification will ultimately be responsible for performing the inspecting duties currently being accomplished by exempt employees. These exempt employees will continue to accomplish the inspecting duties they are now performing. When the Company determines that there is a need for additional or replacement personnel to perform these inspecting duties, the new bargaining unit job classification will be posted and filled through the established bidding procedure.

Employees who will subsequently fill this job classification will not be permitted to demote in accordance with the agreement in my letter dated May 17, 1982. Employees in this job classification will not take part in the Mechanic Operator shift rotation.

It is understood that this proposal will satisfy the Union's request to the mutual benefit of both parties.

Very truly yours,

Arthur R. Ehrnschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ROBERT E. BYRNES
VICE PRESIDENT
ADMINISTRATIVE SERVICES

May 24, 1985

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
821 Ezzard Charles Drive
Cincinnati, Ohio 45203

Dear Mr. Spurlock:

During the 1985 negotiation meetings between the Company and Local Unions 12049 and 14214 the committees discussed Article VIII, Section 13(g) of the Contract concerning the requirement that employees' notify the Company that they will be tardy or absent from work.

As discussed, the Company expects employees who will be late or absent from work to notify the Company before the beginning of a scheduled shift to indicate their contemplated absence from work. This notification by an employee allows supervision an opportunity to make last minute scheduling adjustments with full knowledge about which employees will be absent and which employees have been delayed in reporting to work.

The Company and the Union agreed that it is the employees' responsibility to provide such advance notification about their work intentions. Furthermore, the Union assured the Company that it would encourage its members to so notify the Company of their work intentions. Supervisors will counsel with those employees on an individual basis who continuously report absences after the start of a work schedule to determine the reasons that such notification was not given earlier. Employees who disregard their obligation to report their absences from work prior to the beginning of their work schedule will continue to subject themselves to disciplinary action.

It is thought that this letter adequately describes the concern expressed by the Company during these negotiations and will clarify the understanding of the parties concerning Article VIII, Section 13(g).

Very truly yours,

Robert E. Byrnes

Robert E. Byrnes

cc: C. Goyette
L. Byrd, Jr.

A-9

THE CINCINNATI GAS & ELECTRIC COMPANY



ROBERT E. BYRNES
VICE PRESIDENT
ADMINISTRATIVE SERVICES

May 24, 1985

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
821 Ezzard Charles Drive
Cincinnati, Ohio 45203

Dear Mr. Spurlock:

During the 1985 negotiations, the committees of the Company and Local Unions 12049 and 14214 discussed the holiday pay eligibility requirements contained in Article XII, Section 1(c).

As agreed, Mr. S. Smith's arbitration case shall have no force and effect on determining the eligibility requirements for holiday pay for situations similar to the circumstances in that case, such as a leave of absence or military service, where it is positively known that an employee is not available to the Company to perform work on a holiday.

It is thought that this letter adequately states the accord reached between the parties as to holiday pay eligibility.

Very truly yours,

A handwritten signature in dark ink, which appears to read "Robert E. Byrnes". The signature is written in a cursive style with a prominent "R" and "B".

Robert E. Byrnes

cc: C. Goyette
L. Byrd, Jr.

A-10

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Ross
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

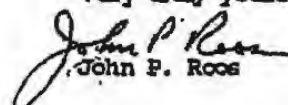
Dear Mr. Spurlock:

During the 1991 negotiation meetings, representatives of the Company and the Union discussed eliminating the need for management to confer with the Union in the event that a health care provider is replaced by other medical coverage.

During these discussions, the Company and the Union shared concern over the astronomical increase in medical costs that occurred in the past three years. As a result of these discussions concerning the elimination of Article VIII, Section 14 (b) of the Contract, the Union assured the Company that it would cooperate and objectively evaluate any health care carriers that the Company suggested as a substitute for existing health care providers.

It is thought that this accord will be mutually beneficial to both parties.

Very truly yours,


John P. Ross

cc: J. Dearth
R. Zimmer

A-14

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

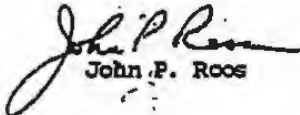
Dear Mr. Spurlock:

During the 1991 negotiation meetings the committees of the Company and the Union discussed the representation of employees by personal attorneys or outside agencies during the grievance and arbitration procedures.

As a result of these discussions, the parties agreed that the Union is the sole bargaining representative for its members and therefore no outside representation will be permitted during such meetings. This in no way restricts the Union's ability to have an attorney represent its own interests during the grievance and arbitration procedures.

It is believed that by proceeding in this manner the concerns expressed during these meetings have been alleviated.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

A-15

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

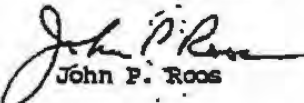
Dear Mr. Spurlock:

During the 1991 negotiation meetings, representatives of the Company and the Union discussed holiday pay for employees who are required to work on both of two consecutive holidays.

As a result of these discussions, the parties agreed that when employees work consecutive hours contiguous with the hours worked on the previous day holiday, all hours over eight (8) will be paid at the double time rates. This would only apply for hours worked on the day after Thanksgiving and the Company recognized holiday of Christmas Day.

It is thought that this correspondence adequately describes the accord reached by the parties concerning this subject.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

A-16

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

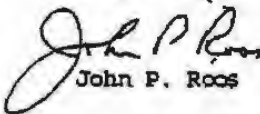
Dear Mr. Spurlock:

During the 1991 negotiations, the committees of the Company and the Union discussed employees taking vacations which include a Company recognized holiday.

In order for the Company to effectively and efficiently direct the work force, it must maintain its right to make the determination as to whether an employee will receive either eight hours additional pay or one additional vacation day when an employee schedules a vacation which includes a holiday. However, during these meetings the Company agreed that employees can make their preference known to supervision as to whether they want to receive either eight hours additional pay or an additional vacation day. The supervisor will give consideration to the employee's request.

By proceeding in this manner it is thought that the Union's concern in this matter will be alleviated.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

A-17

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 860 Cincinnati, Ohio 45201-0960

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

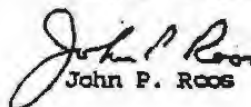
During the 1991 negotiation meetings, representatives of the Company and the Union discussed the scheduling of make-up overtime assignments.

During these meetings, the Union voiced a concern regarding the delayed granting of make-up overtime assignments as a result of heavy periods of regular overtime assignments.

The Company must be the sole judge as to the necessity for overtime work. However, the Company assured the Union that it would make every attempt to schedule make-up overtime assignments which are determined by supervision to be appropriate at the earliest practicable time. Additionally, the Company agreed that employees will be scheduled for make-up overtime assignments within six (6) months from the date granted by supervision.

This commitment by the Company should address the concerns expressed by the Union during these negotiations about make-up overtime.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

A-18

CG&E ■ The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 860 • Cincinnati, Ohio 45201-0860

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road, Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees for the Company and the Union discussed the implementation of time limits within the various steps of the grievance procedure.

The Company believes that the objective of the grievance procedure, to mutually and equitably resolve differences that may arise in the administration and interpretation of the Agreement, can be most favorably fulfilled without the imposition of mandatory time limits.

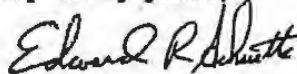
However, as a result of these discussions, the Company did give its assurance that it will strive to respond to all grievances as expeditiously as possible.

It is understood that unavoidable delays by both parties may occur for various legitimate reasons. Any such circumstances must necessarily be accommodated without prejudice to the position of any party to the grievance.

It was also agreed that if, in the future, the Union believes that grievances are not being resolved in a timely manner, the Company would be willing to meet with the Union in order to resolve this issue.

It is anticipated that, with this accord, the interval in processing grievances will be reduced.

Very truly yours,


Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-21

CG&E ■ The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
27162 Reading Road
Suite 610
Cincinnati, OH 45237

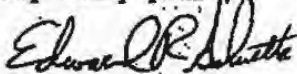
Dear Mr. Spurlock:

During the 1994 negotiation meetings, the parties discussed the administration of the Family Medical Leave Act (FMLA).

During the discussions, the Company assured the Union that its administration of the FMLA does not reduce the employee benefits provided for by the Contract. Furthermore, the Company assured the Union of its continued commitment to considering the particular circumstances involved with individual employees, who may be experiencing hardship and whose circumstances may warrant leave in addition to the FMLA annual allotment.

It is believed that the above commitment by the Company alleviates the Union's concerns in this matter.

Very truly yours,


Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-22

CG&E ■ The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road, Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees for the Company and the Union discussed the revision of the Construction Assistant job description.

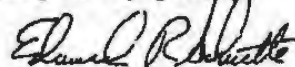
As discussed, the job description of the Construction Assistant will be revised so that employees, who are assigned to that job classification, may also be trained to perform other duties commensurate with their skills and abilities, within their medical limitations. However, employees in the Construction Assistant job classifications will not perform work of job classifications at higher wage levels than their previous job.

As stated during these negotiations, at some point in time, as determined by the Company, the number of Construction Assistants may reach a saturation point. As discussed, we are rapidly approaching that saturation point. If such a saturation point is reached, the Company will discontinue placing people in that job classification.

In addition, the Company assured the Union that if problems are detected as a result of the administration of the Construction Assistant job duties, the Company would be willing to meet with the Union to discuss this issue at that time. Furthermore, as stated during these negotiations, and in accordance with the original intent of the parties when the Construction Assistant job classification was established, only employees with 15 or more years of service will be red-circled when demoted to the Construction Assistant job classification. Employees with less than 15 years of service, when demoted to the Construction Assistant job classification, will be placed at the maximum wage rate of that job.

It is believed that this correspondence should alleviate the concerns of the Union in this matter.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-23

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road, Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

As discussed during the 1994 negotiation meetings, there are presently 15 Inspecting Mechanics in Gas Operations. These employees are performing the following functions: locating facilities, preparing permit drawings, inspecting exposed pipelines on bridges, inspecting pipelines and locating and plotting gas facilities as a result of Ohio House Bill 538. These Inspecting Mechanics are located throughout our system, but primarily at Monfort Heights, Dana Avenue and Todhunter Road.

As discussed, during the term of the 1994-1997 Contract, Inspecting Mechanics will be paid fifty-five cents (.55¢) above the maximum wage rate of their job classification.

Inspecting Mechanics will also protect facilities by their presence and direction of contractors working around gas facilities. This Inspecting Mechanic job will not be submitted for re-evaluation since the job description adequately defines the duties required in performing House Bill and system protection work. There will be two (2) Inspecting Mechanics performing House Bill work. They are John Fagaly located at Fairfield and Mose Barrett located at Dana. These two individuals will continue performing this work. Mr. Fagaly will perform work only in the Northern local and Mr. Barrett will perform work anywhere in Local 12049's service territory. At this time we do not anticipate a change of headquarters. The Company will train the remaining Inspecting Mechanics to perform House Bill work. The number of Inspecting Mechanics performing House Bill work may increase or decrease at any time due to work needs. The remaining incumbent Inspecting Mechanics will be assigned to specific geographic areas and duties for the purposes of work assignment. If the House Bill work load decreases, the Inspecting Mechanics performing that work will be assigned to perform any activity within their job description.

The Inspecting Mechanic will locate underground facilities for contractors performing work for the Company. This includes marking gas facilities for contractors installing and replacing gas mains and services.

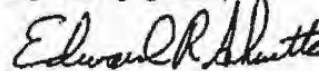
A-25

Inspecting Mechanics will be required to work in any geographical area assigned, i.e., Kentucky, Indiana, Ohio, except across Union Locals. Back-up Inspecting Mechanics will only be used as determined by business needs.

Future openings or replacements in the Inspecting Mechanics job classification when deemed necessary by the Company, will be filled by qualified employees from the Mechanic Operator I job classification, in accordance with the contractual posting procedure, within Local 12049 or within Local 14214. Also, the Company reserves the right to determine the headquarters as to where the replacements or openings will be filled, in Local 12049 or in Local 14214.

It is believed that this correspondence addresses our discussion at the negotiations.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk
R. Zimmer

CG&E The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 880 • Cincinnati, Ohio 45201-0880

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

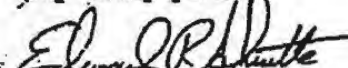
Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees of the Company and Local Unions 12049 and 14214 discussed notification to the bargaining unit of posted job openings, transfers and reassignments.

As was agreed, during the term of the 1994-1997 Contract, the results of posted job openings, transfers and reassignments will be forwarded to the Presidents of the Local Unions as soon as practicable.

By proceeding in this manner it is thought that the Union's concern in this matter will be alleviated.

Very truly yours


Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-27

CG&E ■ The Energy Service Company

The Cincinnati Gas & Electric Company
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

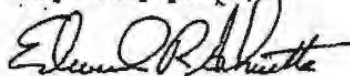
During the 1994 negotiations, representatives of the Company and the Union discussed the possibilities of a training program for the members of the Union job evaluation committee.

The procedures for establishing, revising, and evaluating job classifications is clearly set forth in Article V, Section 1 of the current Contract. As indicated, the Union may submit written comments regarding the duties of a revised job description to the Company's evaluation committee and may review the evaluation and wage rate of any new or revised classification considered by the Company's committee.

At the negotiation meetings, the Union expressed concern about its understanding of the job evaluation process. To understand the procedures, the Company will agree to provide a training program for members of the Union committee who may be unfamiliar with how the job evaluation system works. In addition, if the chairman of the Union's classification committee periodically requests information concerning which factor points were changed when its committee is scheduled to meet with the Company's committee to review the evaluation of a job, the Company official responsible for the administration of the wage and salary program will provide the designated Union representative with such information.

It is thought that proceeding as outlined in this letter will satisfy the Union's request about training in the job evaluation procedure during the term of the 1994-1997 Contract.

Very truly yours,


Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-28



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

Re: Mechanic III

Dear Gentlemen:

During the 2021 contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the "Union") discussed the newly created Pipeline Welder and Operations Specialist lines of progression. This letter replaces the previous letter of agreement titled "Mechanic III" which was last revised June 2, 2016 and all earlier versions.

As agreed, the specially negotiated wage rate for a Mechanic III job classification will be revised. Effective May 15, 2021, any employee moving into that job classification, will be paid at the starting rate of \$22.00 per hour. At intervals of six months, if progress, measured by demonstrated ability and performance, has been satisfactory, the employee will be eligible for a \$0.25 merit increase until reaching the maximum pay rate of \$23.00 per hour.

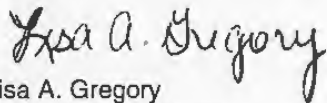
In addition, all employees entering into a Mechanic III position on or after May 15, 2016, will be employed with the understanding that they must be able to successfully promote to the Meter Specialist II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Mechanic Operator II, Pipeline Welder I, Operations Specialist I or Service Mechanic B within the timeframes outlined within the qualifications of the respective job descriptions. At a minimum, failure to qualify for this purpose would include situations where two successive written examinations or two successive practical demonstrations were not passed. Employees will be allowed a maximum time period of three months between the two successive examinations and/or demonstrations. Employees will not be permitted to request waiver of their rights to promotion.

The employment of any individual who does not successfully meet the requirements to promote from a Mechanic III position to a Meter Specialist II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Mechanic Operator II, Pipeline Welder I, Operations Specialist I or Service Mechanic B, will be terminated.

Employees will be promoted on the first day of the pay period following successful completion of the timeframes outlined in the respective job descriptions unless deemed not qualified or sooner, as determined by the Company. If a promotion is delayed due to the Company, the effective date of the promotion will be back dated to the first day of the pay period following successful completion of the timeframes outlined in the respective job description. If a promotion is delayed because an employee is deemed not qualified or has been unable to successfully complete a promotional exam, the effective date of the promotion will be the first day of the pay period following successful promotion.

It is thought that the above adequately describes the parties agreement on this matter.

Sincerely,

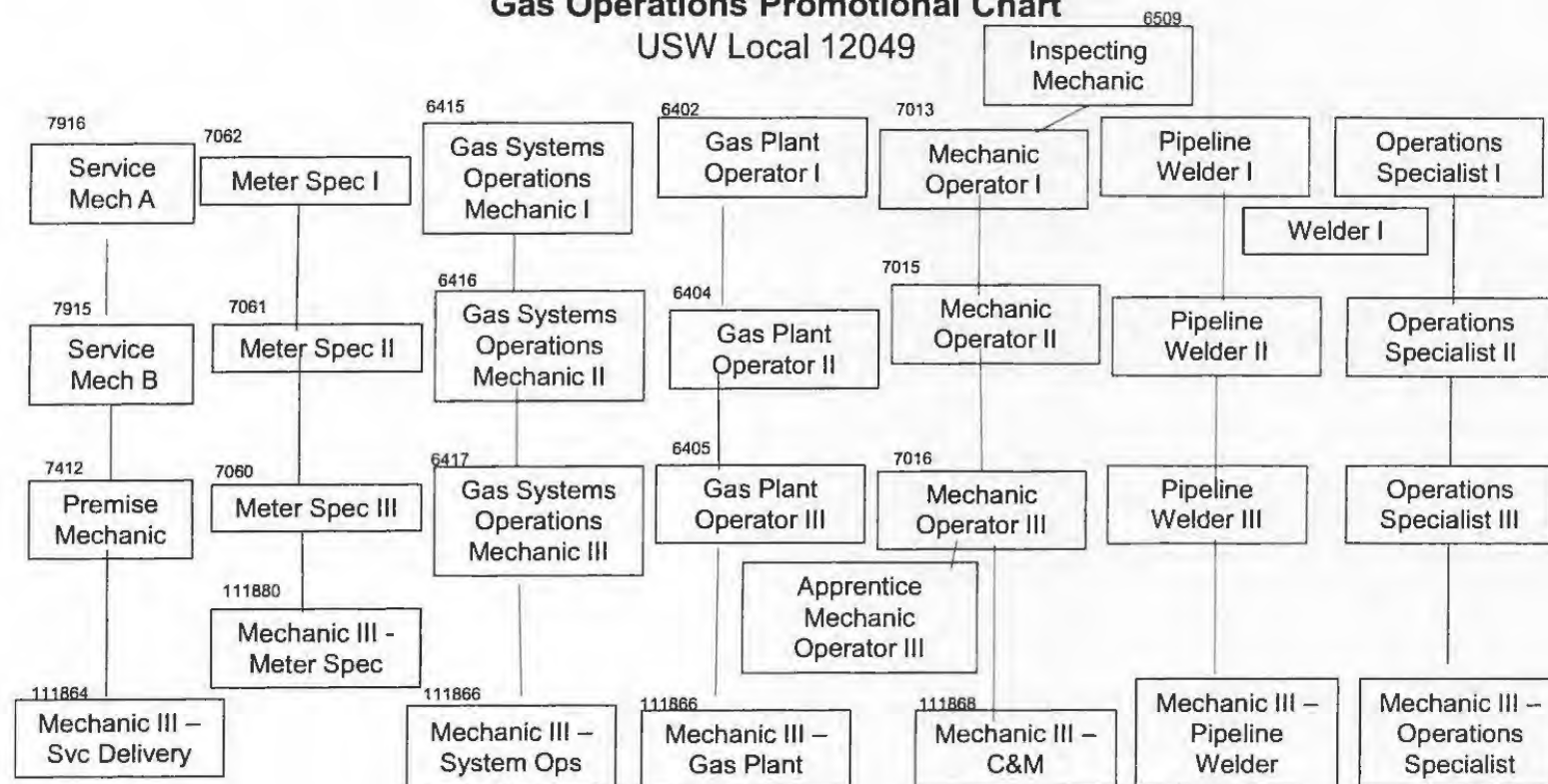


Lisa A. Gregory
Mgr., Labor Relations

cc: C. Allen
C. Fritsch
D. Smiley

Gas Operations Promotional Chart

USW Local 12049

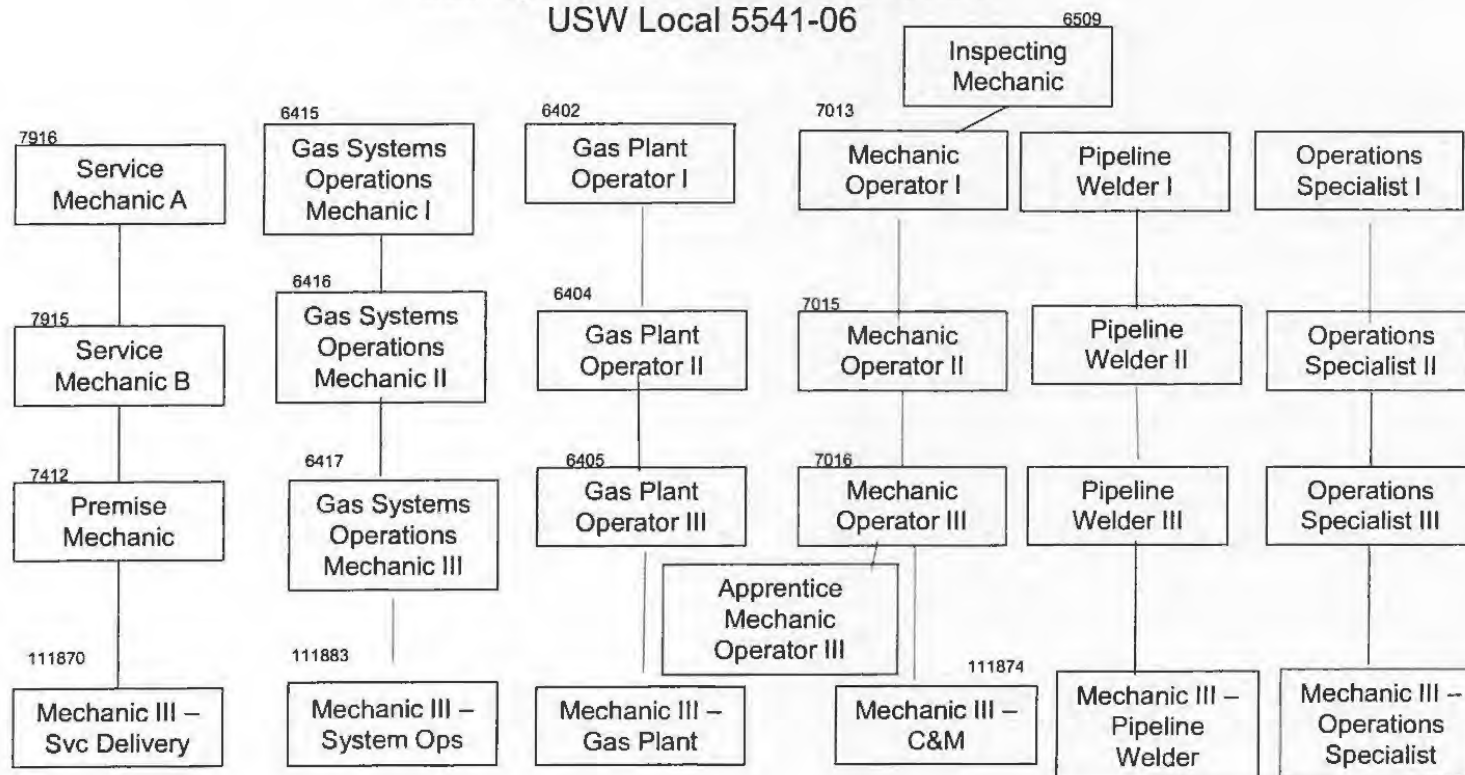


Horizontal Position Does
Not Necessarily Reflect Job
Evaluation or Wage Level

Rev. 05-19-21
Rev. 06-02-16
Rev. 06-03-11
Rev. 05-14-03
Rev. 05-16-94
Rev. 04-20-92
Rev. 04-06-92
Rev. 11-22-82
Rev. 05-22-82

Gas Operations Promotional Chart

USW Local 5541-06



Horizontal Position Does
Not Necessarily Reflect Job
Evaluation or Wage Level

Rev 05-19-21
Rev. 06-02-16
Rev. 06-03-11
Rev. 05-14-03
Rev. 05-16-94
Rev. 04-20-92
Rev. 04-06-92
Rev. 11-22-82
Rev. 05-22-82



June 3, 2011

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

Re: Inspecting Mechanic Agreement - AMRP

Dear Gentlemen:

This letter documents our discussions and agreements related to employees in the Inspecting Mechanic classification and the impacts on work and this job that are expected to occur towards the end of and after the Accelerated Main Replacement Program (AMRP).

In the fall of 2000, the Company met with the leadership of each of the Duke affiliated local unions to discuss the need to significantly increase the number of Inspecting Mechanics to enhance the Inspection program for an Accelerated Main Replacement Program. During those discussions, several items were agreed upon to successfully implement and complete the Program. All items to date have been successfully implemented by both parties. This document is to memorialize those items necessary to wind down the Program and implement post AMRP activities.

If it is necessary to "Roll Back" any Inspecting Mechanics, that person will return to a Mechanic Operator I (MOI) position at the district from which they were promoted. Roll Backs will occur by low classified Inspecting Mechanic seniority. If the district headquarters is no longer maintained, the person will be assigned to the district that absorbed the territory of the discontinued district. They are listed as follows:

- Little Miami absorbed by Eastworks
- Glendale absorbed by Monfort
- Dana absorbed by Eastworks
- 19th Street absorbed by Erlanger
- Florence absorbed by Erlanger

As discussed in 2000, during presentations and during discussions with the successful candidates, Inspecting Mechanics will maintain their current accrued seniority if a roll back to the MOI position is necessary. In addition, Inspecting Mechanics would have their pay redlined until the MOI wage rate increased to the point of surpassing the Inspecting Mechanic pay. At that time, the person would receive a wage increase up to the max rate of pay for a MOI.

As part of the original agreements, Inspecting Mechanics were to maintain their CDL license. A valid medical card is required to perform the MOI duties. Employees rolling back under this

LISA A GREGORY
Director Labor Relations

Duke Energy
EMMBO / 139 East Fourth St
Cincinnati, OH 45202

513-287-3934

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www.duke-energy.com

Letter will be given 6 months to obtain their medical card. If employees cannot obtain their medical cards in six months, the Company's Job Adjustment and Workplace Modification Program (JAWM) will be triggered. The JAWM Program is a two-tiered program for the Company to engage in an interactive dialogue with employees who may require job adjustments or workplace modifications due to a physical or mental health issue that impacts an employee's work.

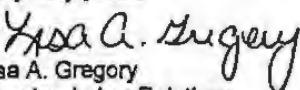
Management will make every effort to project the resource needs for the following year and avoid roll backs in the middle of the year. This will allow a smooth transition for the employee to be placed on the shift schedule. However, there may be those occasions when a roll back may occur in the middle of the year. When this occurs, management will not rework the schedule for the current year. Management will fill a vacancy in the shift schedule with the rolled back employee up to two times in that calendar year but, not two consecutive times. All other vacancies will be filled using the established Schedule Replacement Guidelines. If there is more than one rolled back employee in a district, they will alternate shift coverage until they have exhausted their obligation to work two scheduled vacancies for that calendar year. For rolled back employees who scheduled their vacation in advance, the Company will follow existing guidelines for filling shift vacancies. After the Company schedules a rolled back employee for a shift vacancy, the Company will not grant vacation for the employee's shift during the vacancy the employee is scheduled to work.

If a temporary Inspecting Mechanic is needed in the future, trained and qualified Mechanic Operator I's will be upgraded based on classified Mechanic Operator I seniority. The Company will pay temporarily upgraded "rolled back inspectors" at the top of the Inspecting Mechanic pay grade until the assignment is complete. After the temporary upgrade is over, the employee will return to their pay rate prior to being upgraded. The employee also will be provided with any promotional opportunities they would have received in the MOI position. If a Mechanic Operator I is upgraded and he/she did not previously hold the classification of Inspecting Mechanic, normal temporary upgrade guidelines will apply (Article V, Section 2).

Employees who are scheduled for shift work during a temporary upgrade assignment lasting 30-days or less will not be eligible for the upgrade and the next senior, qualified person will be selected. If the temporary upgrade assignment will last 31-days or more, upon completion of the scheduled shift, the most senior person will replace the more junior person on the upgrade assignment. Employees must pass an inspecting test to be temporarily upgraded to an Inspecting Mechanic role.

It is believed that the procedures outlined in this letter properly describe the agreement reached between the parties concerning this issue.

Very truly yours,


Lisa A. Gregory
Director, Labor Relations

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

October 7, 1996

Mr. Don Turner
Mr. James Newport
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.

Dear Gentlemen:

During the 1996 discussions concerning work flexibility and employment security, the Company and the Union discussed the continuation of participative management teams.

During these discussions, the parties agreed that together we face a changing regulatory environment, aggressive competitive forces and rising customer expectations.

To meet these challenges and to ensure both the Company and the Union's continued mutual success and security, the parties commit to achieving maximum customer, employee and shareholder productivity and quality of our work and its environment.

In making this commitment, the parties recognize a need for the Company, the Union and all employees to support and strive for a more cooperative atmosphere of increasing openness, trust and mutual respect, where all employees can fully utilize their creativity, talents and initiative in a safe and fulfilling work environment.

The parties agreed during these negotiations to continue the use of the participative team process to further these goals. It is also agreed that the following jointly developed guidelines will continue to be used for the participative team process:

When any team is formed to address an issue, individuals should be told that membership on the team is voluntary. Persons selected should be respected by their co-workers. Before the team begins its work, members must be informed that it is their responsibility to honor the collective bargaining agreements.

A-40

The Cincinnati Gas & Electric Company

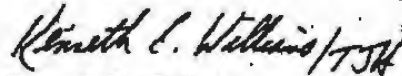
When forming a team to address non-contractual issues, team members should be selected objectively based on the issues and subjects to be addressed by the group.

When contractual issues arise after the start of the process, bargaining unit leaders and the Employee Relations and Safety Department must be notified as soon as it is apparent that a contractual issue is involved. Team membership should be reviewed to see if changes need to be made because of the new contractual issue.

The Company and the Union officers will select team members from their respective units to develop recommendations concerning contractual issues. The Employee Relations and Safety Department will be notified when a team is being formed in order to determine its level of involvement. Any recommendations made by the teams that would change or modify the collective bargaining contract will be subject to negotiations between the parties.

These commitments made by both the Company and the Union will enable both parties to be successful in our endeavor to reach our goals in serving our customers, employees and shareholders.

Very truly yours,



Kenneth E. Williams
Manager
Employee Relations

cc: R. Zimmer
S. Newkirk

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

October 7, 1996

Mr. Don Turner
Mr. James Newport
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45248

CINERGY.

Dear Gentlemen:

Reference is made to our 1986 discussions concerning employment security and work flexibility. During these discussions the parties discussed the issue of Union Recognition in a changing business environment to meet future competitiveness in our industry.

During the discussions, the Company confirmed its commitment to recognize the Union as the sole and exclusive collective bargaining agent for those employees who are employed in jobs currently under its jurisdiction. The Company also assured the Union of its ongoing commitment to honor any agreements it may enter into with the Union. The parties also discussed the need for new and innovative ways to meet future business needs in order to remain viable within a competitive environment. These new ways of conducting business may not only require significant changes within the current organization, but may also result in the Company's expansion into other business ventures.

During the discussions, the Company gave assurance to the Union that in the event of such future expansions of our business, should the Union attempt to represent or organize employees outside of its current jurisdiction, the Company will not interfere with such legitimate activity and will encourage a policy of neutrality among its supervisory/managerial workforce. However, the Company must maintain its right to respond to employee inquiries in an honest and open manner.

Hopefully, as a result of the discussion on this subject, the Union's concerns in this area have been resolved.

Very truly yours,

Kenneth E. Williams / TJS

Kenneth E. Williams
Manager
Employee Relations

cc: R. Zimmer
S. Newkirk

A-41

The Cincinnati Gas & Electric Company
PSI Energy, Inc.



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

Re: Downbidding to Entry-Level Jobs

Dear Gentlemen:

During the 2021 contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the "Union") discussed the downbidding process and the desire to continue to make entry level job opportunities available in the various divisions of the Natural Gas Business Unit to qualified employees who desire to change their career path. This letter replaces the previous letter of agreement titled "Downbidding to Entry-Level" which was last revised June 2, 2016 and all earlier versions.

For the duration of the 2021 – 2026 Contract, the opportunity for employees to downbid, will be made in conjunction with the Company's posting of entry level job opportunities. Prior to posting entry level opportunities, the Company will first permit any employee with eight (8) or more years of service to submit their name for consideration through the established bidding procedure, based on the following rotational sequence:

- Local Union 12049
 - Mill-C&M – every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Mill-C&M position.
 - Mill-Service Delivery – every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Service Mechanic B position.

- MIII-System Operations - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Gas Systems Operations Mechanic III position.
- MIII-Gas Plant - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Gas Plant Operator III position.
- MIII-Meter Shop - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Meter Specialist III position.
- MIII-Pipeline Welder - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Pipeline Welder III position.
- MIII-Operations Specialist - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Operations Specialist III position.
- Local Union 5541-06
 - MIII-C&M – every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the MIII-C&M position.
 - MIII-Service Delivery - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Service Mechanic B position.
 - MIII-System Operations - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Gas Systems Operations Mechanic III position.
 - MIII-Pipeline Welder - every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Pipeline Welder III position.
 - MIII-Operations Specialist – every 3rd job opening for this position will first be made available to eligible employees for the purpose of downbidding to the Operations Specialist III position.

The Company will consider employee requests for downbid in the established rotation sequence described above, on the basis of the system service within the seniority district. These employees will be required to successfully complete the departmental training program, and all required tests, before they are re-classified.

In all situations described in this letter, the following applies:

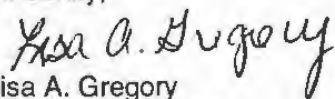
1. Employees will be eligible to downbid to another position only one time. Upon acceptance of a downbid opportunity, no future downbids will be allowed.

2. Employees who are accepted for the vacant position shall retain their present salary until they successfully pass the test for the new position. At that time, they will be demoted to the maximum wage rate of the job for which they have been accepted. However, employees who demote in accordance with this agreement with 15 or more years of service will have their wage rates red-circled.
3. If an employee fails to qualify for the position to which they have downbid, they will return to their original headquarters without loss of seniority and will not be eligible for downbid in the future.
4. While in training, the employees will retain the salary and job title of their current position.
4. If a downbid opportunity is not filled by the designated sequence and/or there are no downbids, the turn will be forfeited. This will be tracked by each job classification and each local.
5. Employees who are accepted for a vacant position, will be required to successfully promote in accordance with the terms and conditions outlined in the Mechanic III letter of agreement dated June 2, 2016.

It is acknowledged that the Company must maintain the right to limit the number of such individuals in any job classification at any one time.

It is anticipated that the procedures outlined in this letter properly describe the accord reached between the parties concerning this issue, for the term of this Contract.

Sincerely,


Lisa A. Gregory
Mgr., Labor Relations

cc: Chad Fritsch
Chuck Allen

January 18, 2002

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.
CG&E

Re: Work Hours

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed work hours of bargaining unit employees in both local unions. This correspondence cancels and supersedes correspondence from Messrs. Morgan and Randolph of June 4, 2001 to Messrs. McAlpin and Helsing and the letter of October 7, 1996 from K. Williams to D. Turner on this subject.

Based on discussions for the 2002 – 2007 labor agreement, work schedules will be implemented as follows.

Construction & Maintenance

Accept as specified below, the Construction & Maintenance Group will use both the 4-day 10-hour schedule and the 5-day 8-hour schedule. On or about May 1 of each year, that work group will commence a 4-day 10-hour schedule. It is believed that working the 4-10's during the prime construction season allows for the most efficient means to carryout that type of work. The shorter workweek and fewer trips to/from jobs will lessen the environmental impact from driving during summer months when environmental issues are at a peak. It will also save on fuel costs during the summer season when the cost for fuel is at a maximum. Additionally, the fact that school will be out will lessen disruptions to setting up job sites prior to 8:00 a.m. Employees, who value the third off day each week, will continue to be able to benefit from that schedule during the summer time season. The 4-10 work hours will remain from 7:00 a.m. until 5:00 p.m. at this time.

On or about November 1 of each year, the Construction & Maintenance Group will be scheduled to work the 5-day 8-hour schedule, with work hours of 7:00 a.m. to 3:00 p.m. For the reduced amount of construction projects during the winter months, the 5-day 8-hour work schedule is more conducive for achieving the maintenance type work that tends to be done during the colder months season. Additionally, the shorter work day during the winter months will allow for employees to arrive at home at an earlier time each day to tend to personal business. Management will continuously monitor and evaluate the effectiveness of the 8-hour schedules

including the start time for work hours and maintains the right to adjust the work hours as deemed necessary to meet business needs.

For business needs, the new gas service inspecting group (spotters) will be an exception to the seasonal schedule. Visual inspecting work must be accomplished on a 5-day 8-hour work schedule in order to meet the daily demands for those jobs, which have to be carried out within two days of a request. The four-day workweek has caused the need to take employees from Construction & Maintenance to assist in performing visual inspecting work on a regular basis, thus impacting the number of employees dedicated to construction and maintenance work on any one day.

Gas Production, Systems Operations and Corrosion Control

For the same reasons discussed above, and for the need to provide support for the construction & maintenance crews, Gas Systems Operations employees' work schedules will be the same as listed for Construction & Maintenance above and will also change on the referenced seasonal basis. The 5-8's schedule during the winter months allows for better coverage for cold weather related system adjustments and the need to implement the rotating shift during the winter season.

Contractor Construction Management

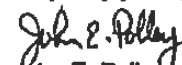
The Inspecting Mechanics will remain assigned to a 5-day 8-hour schedule year round. That work schedule maximizes our ability to provide inspecting services to the contractor work force. The 5-8's will enhance the availability of the inspecting work force at reduced overtime costs and at a minimum disruption to the Construction & Maintenance Group.

Service Delivery, Meter Operations, Gas Measurement Center

Employees in these work groups will continue to work their current work schedules at this time, as long as business needs are being accomplished.

It is believed that the work schedules as outlined above are a reflection of the consideration given to the Unions' input and employee comments while implementing work schedules that will help improve the organization's overall effectiveness. It must be noted, however, that the Company must maintain its right to make other work schedule adjustments in the future to meet business needs.

Very truly yours,



John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

June 2, 2016

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President
Local 12049
United Steelworkers
Valley View Headquarters

Re: Voluntary Transfers Between Headquarters

Dear Gentlemen:

This letter documents our discussions and agreements related to employees in the same job classification being permitted to voluntarily transfer between headquarters.

As was agreed, employees will be permitted to submit transfer requests to be assigned to another headquarters. On an annual basis, during the first week of August, a notice will be posted advising those employees who wish to change headquarters to submit a transfer request, in writing, to the Labor Relations Department. All such requests must be submitted on or before August 31st of each year. These requests for transfer will be evaluated in the same manner as cross bids for posted job openings. Reassignments between headquarters will be made as soon as determined practical by Management but no later than January 7th. The provisions of Article VI, Section 2 will govern the classified seniority of all employees who are transferred. These reassignments are not subject to the grievance and arbitration procedure. Once a reassignment between headquarters is made, the transferred employee will assume the work assignments, vehicle assignments and holiday and other schedules that were assigned to the employee with whom the trade is made. Both employees must be actively employed at the time of the move in order for the transfer to occur.

This procedure in no way alters the contractually provided right of the Company to unilaterally effect transfers and reassignments and to effectively conduct its business. Additionally, this procedure does not alter the long established practice of assigning new employees in the starting level job, Mechanic III, to the various headquarters of Gas Operations.

A-54

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It was also agreed that the provisions of Article VIII, Section 2 will not apply to these transfers. It must be understood that a transferred employee's scheduled vacation may have to be changed, if, during that period, the number of employees leaving on vacation from an individual's new headquarters handicaps the operation of the department.

It is believed that this letter properly describes the agreement reached between the parties concerning this matter.

Sincerely,

A handwritten signature in black ink that reads "Lisa A. Gregory". The signature is written in a cursive, flowing style.

Lisa A. Gregory
Human Resources Principal

cc: Chuck Allen
Terri Barnes
Gary Hebbeler

January 18, 2002

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Compensation for Non-industrial Medical Appointments

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12048 and 5541-06 (the "Union") discussed the compensation of employees performing limited duty work, while attending necessary medical appointments during working hours for non-industrial illness or injury.

It was agreed that when such appointments cannot be made outside of the normal working hours, employees will be paid sick pay for time away from the job for verifiable appointments. However, such compensation will only be granted after an employee has met the applicable sick pay waiting period for the same condition as necessitates such follow-up appointments.

It was also agreed that employees will make every effort to schedule such appointments during off duty hours. If this is not possible, such appointments should be made either at the beginning or at the end of their shifts. In addition, it was agreed that employees would only be eligible to receive sick pay for time lost to these appointments if they present verification that they attended them.

It is believed that this adequately describes the accord reached above for the 2002 – 2007 Contract regarding sick pay for doctor visits during normal working hours.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John E. Polley".

John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin

A-55

January 18, 2002

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 E. Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.
CG&E

Re: Paid Lunch Periods

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the continuation of the paid lunch periods for bargaining unit employees.

The Company and Union agreed that the paid lunch periods would continue at this time. The Company, however, expressed concern about increased costs and loss of productivity that could result from employees not carrying out the "eat on the run" concept as it was intended.

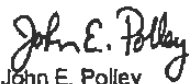
During the discussions, it was agreed that the "eat on the run" concept was the basis upon which the parties agreed to implement the paid lunch periods in 1996. Under that concept, it is expected that employees should have their lunch provisions available prior to leaving the headquarters each working day. When necessary, stopping during the working day to purchase lunch is permissible, but must occur only in transit between job sites and the time spent doing so should be held to a minimum. Lunch is to be consumed at or between job sites during the working day in an approximate 15-minute time period.

As a result of the discussions, the Company committed to re-emphasizing with the work force the above expectations of employees. In turn, the Union agreed it would reinforce with employees the importance of obtaining lunch before leaving the work headquarters in order to maximize productivity during the working day.

The Company agreed to discuss with the Union issues pertaining to the paid lunch periods on a quarterly basis in an attempt to identify and resolve any problems associated with this practice.

It is believed that the above adequately describes the agreement reached during the discussions on the subject of lunch periods.

Very truly yours,


John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsing
M. McAlpin

A-57

January 18, 2002

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.
CG&E

Re: Martin Luther King, Jr. Day

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the Union's proposal to add Martin Luther King, Jr. Day as a holiday.

As was agreed during these meetings, an additional holiday will not be added. As a result of the discussions at these meetings, however, it was agreed that the Company would give consideration to allowing as many employees as practicable to take their personal day off with pay on Martin Luther King, Jr. Day, during the term of the 2002 – 2007 Contract. All requests for a personal day must be made by employees at least 7 days prior to this date. In the event that more employees request a personal day on that date than the Department can permit off, system service will be utilized in determining which employees at a specific work location will be granted the time off from work. It was further agreed that the number of personnel to be permitted off on that day will be determined by the department so as to insure safe and efficient operations.

By proceeding in this manner it is thought that the concerns of the Union in this area will be met.

Very truly yours,



John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin

A-58

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

January 18, 2002

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.
CG&E

Re: Call Out Pay


Dear Gentlemen:

During the 2002 - 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the issue of multiple call outs within one four-hour period.

An employee who is called out for an overtime assignment will receive four hours' pay at the appropriate overtime rate. However, the Company clarified with the Union that employees called out more than one time within the same four-hour time period are not entitled to the payment of a second four-hour callout minimum. In those instances employees are paid additional overtime for any overtime worked beyond the initial four-hour period.

In most cases, if employees complete the overtime assignment within the four-hour period the Company will continue to release employees to return home rather than requiring them to remain at the headquarters for the entire four-hour period. However, employees are expected to remain available for the remainder of the four-hour period for additional assignments. If they are called out again during the initial four-hour period, it will be considered a continuation of the initial overtime assignment.

Very truly yours,


John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin

A-60

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

January 18, 2002

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1328 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.
CG&E

Re: Promotional Retraining

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the guidelines for promotional retraining of employees within the bargaining unit.

As agreed, an employee who does not pass a promotional examination shall be given the opportunity to meet with a trainer, on his or her own time, for remedial training.

In addition, for the term of the 2002 – 2007 Contract, the Safety and Technical Training area of the Regulated Business Unit will provide a one-time retraining opportunity, upon the employee's request, if a minimum of 12 months has transpired since the first re-test or 15 months from the original test. There must be an available posted opening and a scheduled training class. Travel pay will be provided as specified within the Contract.

Retesting will cover all of the material in the training program. Promotions will then become effective, after successful completion of the test, in accordance with the current posted job opening.

It is believed that this correspondence adequately describes the accord reached by the parties concerning this subject.

Very truly yours,



John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Heisinger
M. McAlpin

A-61



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-08
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Supervisory Upgrades

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-08 (the "Union") discussed the Union's concerns relative to the use of bargaining unit employees to fill in as temporary supervisors during non-core hours.

The Union stated that, under normal conditions on the day shift, certain issues are created when employees from the bargaining unit are put in the position of performing supervisory duties. However, the Union expressed even greater concern over the potential for more serious issues if employees are upgraded and placed in a temporary supervisor role during non-core hours, such as the night shift, when no other management resources are available on the premises.

Based on the Union's concerns, the Company stated its intent to avoid, when possible, using employees in the temporary supervisor role under circumstances where no other management resources are readily available. While management must maintain its right to assign work as needed, when making temporary supervisory assignments in the future, consideration will be given to the scope of duties assigned during non-core hours if other management resources are not available.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jay B. Alvaro'.

Jay B. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-08

A-62

www.duke-energy.com

May 19, 2021

Overtime Guidelines - Field Operations, Technical Field Operations, Fabrication, Corrosion, Gas Production and the Measurement Center, USW's 12049 & 5541-06

1. When overtime occurs within a job classification, the Company agrees to maintain a system of selecting the employees within the job classification, in a sincere effort to equalize overtime work. The Company will make a documented attempt to contact the available low overtime employee by telephone, as indicated by the overtime list, to offer the overtime work. Each employee is responsible for providing supervision with a single telephone number (land line or cell) for the Company to use when making the calls.

2. Overtime Headquarters:

Monfort Heights	Erlanger	Queensgate
Todhunter	Kellogg	
Erlanger Gas Plant	Eastern Avenue Gas Plant	

3. Each Headquarters will maintain a separate overtime list for the assigned personnel. Accumulated overtime shall consist of all overtime, casual, scheduled, call-out and waived.
4. Crew Leaders (MOI, GPOI, GSOI and MSOI) and Helpers will be shown on one overtime list. Once a Crew Leader has been acquired, based on low overtime, then management will follow the low overtime order to contact and acquire the appropriate low overtime person to complete the task at hand.
5. All overtime listings revert to zero (0) hours during the first pay period of each year, and shall be accumulated on an annual basis.
6. At the first of each year, employees will be placed in the order of their seniority by job classification on one list. Other groups such as Welders, Inspecting Mechanics, etc. will be on separate list.
 - a. The classified seniority standing of MOI's, MOII's, MOIII's, etc. (from highest classification to lowest classification) will be used to place the employees in order of call-out priority, most senior first.

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May 19, 2021

b. The new overtime list will be posted on Wednesday of the first full week of the year, and each Wednesday thereafter recording the overtime worked or waived the previous week.

7. Employees will not be contacted to work overtime (scheduled or call-out) when they are on one (1) or more weeks' vacation, off due to illness, voluntary, or death in the family. Employees on less than one week vacation and/or personal days will be eligible for call-out on the day(s) they are off at the end of the regular shift. Employees taking a week or more of vacation must notify their immediate supervisor in writing prior to that start of vacation of their desire to work scheduled overtime during the vacation week.
8. When calling out a crew or a single employee, the existing low overtime list shall be used. A sincere effort will be made to follow the overtime list in order, however, in emergency situations, as determined by the Supervisor, only the first five (5) employees will be called before choosing someone. Any employee that supervision makes the documented attempt to reach by phone, or those who are contacted and turn down the overtime assignment, shall be waived the amount of overtime worked by the employee that replaces him or her. If no employee agrees to work the required overtime, the lowest qualified employee on the overtime list will be required to work. If, for some reason, no attempt is made to contact the low overtime person for a particular overtime assignment, that employee shall be provided the appropriate amount of make-up overtime.

Employees who do not wish to be considered for overtime opportunities may submit to their supervisor a written waiver to that effect. Under normal circumstances no effort will be made to call those employees and they shall be waived the appropriate amount of overtime in each instance attempts to contact them would otherwise have occurred. However, such a waiver in no way limits management's right to require the employee to report for overtime when circumstances are deemed necessary by supervision. Nor does the waiver provide the employee the right to refuse to report when required. In addition, management may limit the number of employees who can submit waivers at a headquarters if its business needs are impeded. Except as stated above, employees who submit a waiver will not be called for overtime opportunities for the remainder of the calendar year in which the waiver has been submitted. Employees must submit a new waiver at the beginning of each calendar year to be removed from the overtime call out list.

9. Employees, who are working overtime, may be required to respond to emergency situations in other headquarters. However, in the case where a crew works in excess of four hours of overtime in the other headquarter area, the Company shall provide make-up overtime in the appropriate amount to the employee(s) within that area who was low on the overtime list.

The make-up overtime shall be the amount of time worked in the other headquarter area. The four hour period commences at the time the crew is dispatched to the other headquarter area.

May 19, 2021

This language applies only to shift work and call-outs and does not apply to casual overtime.

10. Up to four hours per day of casual overtime may be worked by employees represented by USW 12049 working in other headquarters within the 12049 local territory.

In addition, up to four hours per day of casual overtime may be worked by employees represented by USW 12049 and 5541-06 working within the Gas Service area regardless of Union boundaries. Management will use the least senior available employees, represented by USW 5541-06, in USW 12049's local territory, when practical. The arrangement provided for in this paragraph will be reviewed on a semi-annual basis. If any party elects to withdraw for just cause from this four hour casual overtime arrangement, a six-month written notice will be provided, by the party withdrawing, to the remaining parties that have agreed to this arrangement. Six months following written notice, the parties will revert back to the two hour casual overtime agreement, for the term the Contract.

11. If the need to work casual overtime becomes known before the end of the shift, the Supervisor is not required to ask the low overtime person.

Supervisor discretion and consideration of overtime will be used in the assignment.

12. Employees transferred from one headquarters to another, as a permanent assignment, will be assigned at the average overtime for that classification.

Temporary Reassignments: Overtime will be posted and worked at the temporary headquarters (the employee's actual overtime hours should travel with them.)

13. When posting for volunteers for scheduled overtime, all employees shall be charged for overtime waived.
14. Any employee voluntarily transferring from one seniority district to another district will be placed at one (1) hour more than the highest overtime in that classification at the new location. If the employee is forced to the new district, they will be averaged as in #11 above.
15. When scheduled or call-out overtime is needed, management will follow the low overtime order to contact and acquire the appropriate low overtime person to complete the task at hand.
16. Newly hired employees will not be eligible for call-outs or the schedule until they have worked for six (6) months after they have been trained, tested and fully qualified. After their release from training, they will be permitted to work their first off day when all other qualified employees have been given an opportunity. They are permitted to work casual overtime during the six month period.

May 19, 2021

17. If overtime is required to fill a shift vacancy or to add additional personnel the overtime list shall be used.
18. When planned overtime occurs employees will need to comply with current D.O.T requirements for hours of rest between shifts in order to be eligible
19. When scheduled or call-out overtime for welders is required, the following procedure will be used. The Northern local welder overtime list should be used for the northern area. The Kentucky overtime list should be used for Kentucky. The Central overtime list should be used for the central area. Central area will backup the north and south, and vice versa.

**FIELD CUSTOMER SERVICE
USW OVERTIME GUIDELINES
May 19, 2021**

- 1) Gas Operations Work Management Support is the primary resource for maintaining, logging, tracking, obtaining, and reporting Gas Service Delivery Worker overtime. Occasionally, the Gas Operations Field Services Supervisor will request personnel to work overtime. When this occurs, it is the Gas Operations Field Services Supervisor's responsibility to forward the required information; i.e., personnel who will work the overtime, personnel who waived the overtime, etc. to Gas Operations Work Management Support.
- 2) Each Work Area (North, South, and Central) will have a separate, single overtime list containing the names of the Workers in low overtime order (lowest being first on the list), the call-out contact telephone number provided by the employee, and associated prior week and year-to-date accumulated overtime hours. All overtime listings revert to zero (0) hours during the first pay period of each year and shall be accumulated on an annual basis.
- 3) All overtime worked and waived, with the exception of overtime hours worked by employees normally scheduled to work on holidays, will be accumulated and reported on the overtime list(s) on a weekly basis (Wednesday of each week). Overtime hours worked will be determined from the prior week's time reporting data. Overtime hours waived will be determined from annotations on the previous week's overtime report. Employees who are informed of their need to work an overtime assignment will be charged waived overtime for instances when they are contacted in person (or in person by phone), or by a system generated message (ARCOS) and are allowed to waive the overtime assignment. The number of compensated hours earned by the individual(s) who accepted that overtime assignment will determine the number of hours waived. If one individual is required to work an overtime assignment, the number of hours waived will be equal to the hours worked during that individual assignment. If more than one individual is required to work an overtime assignment, the number of hours waived will be equal to the average number of hours between the highest individual's and lowest individual's number of hours worked during that overtime assignment. (Example: Five employees are required to work an overtime assignment with employee A working 9.0 hours, employee B working 7.0 hours, employees C & D working 4.0 hours and employee E working 2.0 hours; the waived overtime would be calculated: $9 \text{ hours} + 2 \text{ hours} = 11 \text{ hours} / 2 = 5.5 \text{ hours}$). Tenths of a hour will be rolled-up to the nearest 5/10 of an hour. Waived hours will be included in the accumulated overtime hours listed for those employees who waived the particular overtime assignment.
- 4) All overtime, worked and waived, will be accumulated on an hour per hour basis. Hours of compensated overtime plus hours of waived overtime will be combined and will reflect the total overtime hours for each employee on the overtime listing(s).
- 5) When it is determined that additional personnel are needed to work overtime for routine work, employees in the work area (North, South, or Central) where the overtime is needed will be offered the opportunity to work the overtime, beginning with the lowest overtime qualified, available employee and continuing down the list, in low overtime order, until the

required number of employees are obtained. Please note that if the overtime is necessary to fill a shift vacated due to illness or other unplanned absence of an employee, the back filling of that shift will be offered to USW personnel within the work area of the vacated shift. For example, the USW employee who is assigned to cover the City area on 2nd shift calls in sick and the Dispatcher determines that the work load is sufficiently heavy enough to warrant filling that vacancy. In this case, the overtime to fill this vacancy must come from within the USW personnel in the Central work area.

- 6) When it is determined that additional personnel are needed to work overtime for gas trouble, only employees in the work area (North, South, or Central) who are qualified to work that type of gas trouble will be offered the opportunity to work the overtime. The overtime will be offered in low overtime order, until the required number of employees is obtained.
- 7) If the Dispatcher or other person contacting employees to work overtime is unable to obtain the required number of employees after going through the entire overtime list for that Work Area (North, South, or Central), employees in the next logical geographic work area will be offered the overtime, in low overtime order, until the required number of employees is obtained, based on the following chart:
 - a) Overtime list in North exhausted; contact employees in Central, then South.
 - b) Overtime list in South exhausted, contact employees in Central, then North.
 - c) Overtime list in Central exhausted; contact employees in South, then North.
- 8) Qualified, available employees may work or be waived overtime seven days per week. A sincere effort will be made, however, to avoid working an employee more than 16 hours on any given day. As agreed with the USW, a sincere effort will also be made to avoid working any USW employee "back-to-back" 16-hour days.
- 9) If it is determined by management that the need exists for all employees at a headquarters to work a day of overtime in a particular week, all employees at that headquarters will be provided the opportunity to work on their first scheduled day off.
- 10) Employees who may be absent from work for extended periods of time will have no adjustment made to their hours on the overtime listing. The only exception to this would be if the employee's absence occurred during the beginning of the year, when the uniform reduction in overtime hours shown for all employees would occur.
- 11) With the implementation of the Mobile Work Management System (MWMS)/Service Suite and Home Based Reporting in each Work Area, additional "start-of-shift" and "end-of-shift" overtime guidelines are necessary. Employees who are contacted prior to the start of, or after their shift has ended, for communication purposes only will be compensated as follows:
 - a) If they have not yet left home, or are traveling toward their geo-grid prior to the start of their shift and are contacted momentarily by supervision, but are not required to begin working at that time, overtime pay at the appropriate rate for the amount of time such contact is made will be paid. This amount of time will also be added to the employees "worked overtime" accumulation for that day.

- b) Employees who are on their way home and are contacted after their normal shift has ended for communication purposes only, but are not required to resume working will receive overtime pay at the appropriate rate for the amount of time such contact is made. This amount of time will also be added to the employees "worked overtime" accumulation for that day.
 - c) Employees who are contacted by supervision and given a job assignment within fifteen minutes of their scheduled start time will be paid overtime at the appropriate rate for the amount of time preceding their start of shift. Employees contacted by supervision and given a job assignment prior to fifteen minutes before the start of their scheduled shift will be paid overtime at the appropriate call-out rate.
 - d) Employees who are contacted by supervision and given a job assignment after they have confirmed their 10-7 with the dispatch office and after the end of their scheduled shift will be paid overtime at the appropriate call-out rate.
- 12) Overtime hours worked for "call-out" overtime for employees who home Base Report will be considered the total hours (minimum of 4 hours) elapsed from the time the employee leaves his or her home until his or her return home from that assignment when those hours are not contiguous with their normally scheduled shift
- 13) Up to four (4) hours per day of casual overtime may be worked by employees represented by USW Locals 12049 and 5541-06 working within Field Customer Services, regardless of Union boundaries or headquarters.
- 14) When overtime occurs that requires Remodel Services, a Remodel Lead will first be acquired based on low overtime. Then management will follow low overtime order to contact and acquire the appropriate low overtime person to complete the task at hand.



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 560
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45248

RE: Inclement Weather -- Service Delivery

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed issues with unusually harsh weather conditions and the need of the Service Delivery Department to meet customer service expectations.

It is understood that the July 5, 1979 negotiations letter pertaining to inclement weather is applicable solely to the working forces in the Construction & Maintenance Division of Gas Operations. However, the Union expressed concern about work assigned to the Service Delivery employees during periods of extremely frigid temperatures. The Union wanted assurance from the Company that employees in Service Delivery would not be assigned work that would require them to endure extended periods of exposure to such weather conditions.

The Union was assured that management of Service Delivery has no intention of requiring employees to remain outdoors in frigid temperatures for prolonged periods to complete work that is not necessary to conform to law or applicable regulations, to protect life, property, or to guarantee service to the customers. However, some of the work performed routinely at customers' residences may require employees to be outdoors for short periods of time. Fortunately, under normal circumstances, employees are able to warm themselves in their vehicles or in the customers' residences as needed to avoid any risk of overexposure.

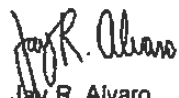
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August 1, 2007
Page 2

Of concern to the Company is the fact that much of the customer work routinely performed at customers' residences is on the basis of pre-arranged appointments. Customers often make special arrangements themselves in order to be home at the times of those appointments. Therefore, the Company must sometimes make reasonable strides, even under some adverse conditions, to avoid missing or cancelling its promised appointments with little or no notice.

The Company gave assurance to the Union that Service Delivery will continue its efforts to anticipate extreme weather events and to make adjustments as circumstances may allow for minimizing the need for employees to work outdoors for extended periods in extremely cold weather.

Very truly yours,



Jay R. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

RE: Union Employees' Annual Incentive Program (UEIP)

Dear Gentlemen:

During the 2021 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed that the payout for the incentive bonuses for employees will be modified to incorporate goals relative to Safety and the Company's financial results.

Beginning with the goals established by the Company for 2022, the UEIP payout (payable beginning in 2023) will be administered as follows:

Employees will be eligible to receive up to a 5% maximum (1.75% minimum, 3% target, 5% maximum) annual incentive opportunity. Beginning in 2022 the annual incentive opportunity will be based 20% on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 80% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company.

It is believed that this letter properly describes the agreement reached between the parties concerning this issue.

Sincerely,

A handwritten signature in black ink that reads 'Lisa A. Gregory'.

Lisa A. Gregory
Manager, Labor Relations

A-67



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

June 2, 2016

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President
Local 12049
United Steelworkers
Valley View Headquarters

Re: Amendment to A-67 Letter Regarding the Union Employee Annual Incentive Program (UEIP)

Dear Gentlemen:

During the 2016 contract negotiations, representatives of the Company and the USW, Locals 12049 and 5541-06 ("Union") discussed eligibility for the Union Employee Annual Incentive Program ("UEIP"). As a result of those discussions, the parties agreed to amend Letter A-67 dated June 3, 2011 as set forth below.

Beginning with the 2017 calendar year performance period under the UEIP, the Company will provide a prorated UEIP payment (calculated as set forth below) to any eligible Union employee who meets the following criteria during a performance period: (i) works for at least six complete calendar months, and (ii) retires (as defined below).

Such prorated UEIP payments shall be paid in the first quarter of the calendar year immediately following the applicable performance period at the same time and on the same basis as other UEIP payments are made to other eligible Union employees, and any such prorated UEIP payment shall be calculated based on the eligible earnings of the retired Union employee during the applicable performance period and actual achievement relative to the pre-established goals set forth in Letter A-67.

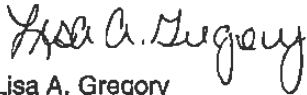
For purposes of clarity, in no event will a Union employee who does not meet the criteria set forth in this letter be eligible for a prorated UEIP payment for a performance period if he or she isn't employed on December 31st of the performance period. For purposes of this Letter, "retire" means separate from employment with the Company after having attained at least age 55 and 10 years of service (as determined for purposes of access to Company-sponsored retiree medical coverage).

A-67a

www.duke-energy.com

In other respects, Sidebar Letter A-67 shall continue in full force and effect herein for the duration of the 2016-2021 Agreement, unless changed by mutual agreement of the parties.

Sincerely,


Lisa A. Gregory
Human Resources Principal



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Employees with \$9,000.00 Paid-Up Post-Retirement Life Insurance Coverage

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the \$9,000.00 paid-up post-retirement life insurance benefit that certain employees have available to them.

The Company assured the Union that it would provide the necessary updated contact information for the current carrier and administrator of those benefits to the active employees with those grandfathered policies.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Jay R. Alvaro'.

Jay R. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06

A-68

www.duke-energy.com



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Sabbatical Vacation Bank and Vacation Credit Programs

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs.

As agreed, these programs shall be phased out in accordance with the attached document, Attachment A, which outlines the specific revisions to the Sabbatical Vacation Bank and Vacation Credit Programs that will remain in effect through December 31, 2011.

The Company and the Union expressly understand and agreed that the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs, as stated in the attached document, shall continue in full force until December 31, 2011, surviving the termination of the 2007 - 2011 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Jay C. Alvaro', written over a horizontal line.

Jay C. Alvaro
Managing Director
Labor Relations

Attachment

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06

A-69

Attachment A

**REVISIONS TO THE SABBATICAL VACATION BANK AND VACATION
CREDIT PROGRAMS
FOR USW 12049 & 5541-06 LEGACY CINERGY EMPLOYEES**

Effective January 1, 2008, the Vacation Bank and Service Credit programs will be phased out over a four year period for employees who are eligible for them as of December 31, 2011. As a reminder, employees are eligible to bank vacation if they are at least 47 years old, and are eligible to receive "vacation credits" if they are at least 51 years old.

The Changes:**Sabbatical Vacation Program:**

- The sabbatical banking program will be eliminated for employees who are younger than 47 years old as of December 31, 2007.
- Employees who are 47 years old or older as of December 31, 2007 will be eligible to continue banking vacation until December 31, 2011, up to the limits described on the chart below.
- Employees who have already banked more than the maximum amount of vacation based on the schedule below (including any vacation credits) cannot bank more after January 1, 2008, but will be grandfathered with the amount they have banked.
- No additional banking will be permitted after January 1, 2012. Therefore, the last opportunity to bank vacation will be in December 2011 because banking is done at the end of the year.
- Banked vacation will be paid out at the final rate of pay at retirement.

Vacation Credit Program:

- The vacation credit program will be modified for employees who are younger than 51 years old as of December 31, 2011. For those employees hired prior to January 1, 1997 and who are age 50 or older at the time they leave the Company, they will continue to receive vacation credits up to the amount of vacation time they were eligible for as of January 1, 2008.
- Employees who are at least 51 years old as of December 31, 2011 will continue to receive vacation credits up to the lesser of their annual vacation entitlement or the schedule below.
- Vacation credits will be paid out at the final rate of pay at retirement.

Service Credit Program:

- Employees will continue to receive one week of service credit added to their vacation bank in years 32 and 33 of employment in lieu of time off until December 31, 2011. Effective January 1, 2012, employees will be granted a 6th week of vacation time off during their 32nd year of employment in lieu of a week of service credit.

The Schedule:

Age as of 12/31/2007	Maximum Banked Vacation Weeks (including vacation and service credits)	Maximum Vacation Credits (not to exceed annual vacation eligibility)	Service Credits (granted at 32 and 33 years of service in lieu of time off)
47	10	up to 6	
48	10	up to 6	
49	10	up to 6	
50	12	up to 6	Up to 2
51	14	up to 6	Up to 2
52	16	up to 6	Up to 2
53	16	up to 6	Up to 2
54	18	up to 6	Up to 2
55	20	up to 6	Up to 2
56+	22	up to 6	Up to 2



Duke Energy Corporation
139 East Fourth St.
Cincinnati, OH 45202

June 3, 2011

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 and 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

RE: Sale of Assets

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed employment security for bargaining unit employees. The Company and the Union reached the following agreement:

I. Divestiture Issues

The utility industry is in the midst of major restructuring. It may become necessary or prudent, in the Company's sole judgment, to sell, divest, transfer or swap its gas assets or operations to a third party or to transfer gas assets or operations to a subsidiary, a joint venture, or other business combination. Employees who accept employment with the Buyer will be covered by the collective bargaining agreement with the Buyer. Employees who are offered employment by the Buyer will have their employment at the Company terminated on the transfer date and will have no future rights under the Labor Agreement between the Company and the Union. The Labor Agreement must be interpreted to require no other result.

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II. The Company and Union have conducted bargaining regarding potential divestiture, sale or transfer of assets.

A. As a condition of divestiture (e.g., sale, transfer or swap of assets as defined above), the Company will:

1. Require the Buyer to offer equivalent employment to any Union employee whose job is eliminated as a result of the Buyer's acquisition or purchase, including employees absent from active service due to illness or leave of absence, whether paid or unpaid but excluding employees on long-term disability as of the closing date. (However, employees who are on "own occupation" long-term disability and return to work within one year of the transfer of ownership of the asset, will be offered employment by the Buyer.) In the event that not all jobs of employees in a bidding area are eliminated, the Company will initially solicit volunteers, with the most senior employees getting the first opportunity to elect to stay at the Company or fill the vacant positions with the Buyer. If there are insufficient volunteers to fill all vacancies, the Buyer will offer the remaining positions to the least senior employees.
2. Subject to paragraph II B, require the Buyer to recognize the Union as the collective bargaining agent for bargaining unit employees the Buyer employs, and assume provisions identical to provisions of the Labor Agreement applicable to those bargaining unit employees.
3. Subject to paragraph II B, require the Buyer to provide employees with full credit for service with the Company, including retention of seniority under the provisions of the Labor Agreement.
4. Require the Buyer to agree that, prior to the expiration of the Labor Agreement, should Buyer transfer, sell or divest to any other business entity (regardless of relationship to the Buyer) the corporate gas assets or operations formerly owned by the Company, the Buyer will require the third party to assume the conditions set forth in paragraphs II A 1-3.
5. This Agreement satisfies any Company duty to bargain over the decision or effects of a transfer or sale of assets.
6. If any regulatory agency requires the Company to offer severance or other benefits to affected employees, the employees may accept those benefits or the benefits provided under this Agreement, but not both.

B. Employee Benefits

The Company will require the Buyer to provide to affected bargaining unit employees' benefits that are substantially equivalent to the Company's benefits under the Labor Agreement. In doing so, the Buyer may use

Page 3

different providers and establish new benefit plans or use its existing plans. There will be no duplication of coverage. Subject to items 1 through 5 below, the Buyer must recognize service with the Company for calculating eligibility, vesting, and benefits in any benefit plan, program, or fringe-benefit arrangement, provided it does not result in duplication of benefits. The Buyer can substitute a different benefit package if the Union agrees.

1. With respect to the Cinergy Corp. Union Employees' Retirement Income Plan ("Pension Plan"), the Company will coordinate with the Buyer to enable the Buyer to provide employees no less than the pension benefit they would have received had they remained at the Company. The Company will require the Buyer to agree to credit all past service with the Company (subject to the Company's Pension Plan provisions) for eligibility for participation, vesting, early retirement subsidies, and benefit accrual service, provided it does not result in duplication of benefits. The Company will be responsible for its employees' benefits accrued through the date of closing. After the date of closing, the Buyer will be responsible for benefits accrued during the remainder of the Labor Agreement by its employees. The Buyer's plan may offset the benefit it pays by any benefit paid by the Company's plan.
2. For purposes of medical and dental coverage, the Company will require the Buyer to waive all limitations regarding pre-existing-condition exclusions, actively-at-work exclusions and waiting periods for employees who become employees of the Buyer. Further, for the calendar year in which closing occurs, all expenses incurred by bargaining unit employees that count towards any deductible or out-of-pocket limit under the Company's health plans shall also count towards any deductible or out-of-pocket limit under the Buyer's health plans.
3. The Buyer will be required to give affected bargaining unit employees full credit for all vacation, short-term disability, or FMLA benefits accrued but unused as of the transfer of ownership.
4. With respect to the Duke Energy Retirement Savings Plan for Legacy Cinergy Union Employees (Midwest), the Buyer must establish a 401(k) plan or add bargaining unit employees to its existing 401(k) plan provided that the employees' deferral options and employer match (except that matching contributions will not be made in Duke Energy stock) are no less favorable than those provided under the Company's plan. The Buyer must accept rollovers from other qualified plans. The Buyer may offer investment funds different than those offered under the Company's plan. Consistent with applicable law, employees hired by the Buyer will have the option of leaving their account balance in the Company's 401(k) plan, rolling the amount into the Buyer's plan or an individual retirement account, or cashing in the account balance subject to any tax withholding and penalties.

Page 4

5. Employees offered employment by any Buyer shall not be eligible for severance pay or any other termination benefits from the Company, unless required by law.

C. **Transfer of Assets**

Bargaining unit employees offered employment by the Buyer will cease to be employees of the Company upon the transfer of ownership of the assets and will have no further bidding, recall or other rights for positions in the Company. Upon transfer of ownership, the Company is relieved of obligations and liabilities under the Labor Agreement or otherwise to all affected bargaining unit employees or employees of the Buyer.

D. **Legal, Administrative or Legislative Proceedings**

The Union will support and it will not oppose or in any way support or encourage opposition to the Company's position before regulatory or administrative agencies, in legislatures or in court, regarding any rate proceedings, plant or gas pipeline siting proceedings, mergers, acquisitions, divestitures or similar transactions announced or begun during the term of the Labor Agreement or the Company's effort to seek approval from any applicable regulatory agency for its recovery of stranded costs or asset swap or sale. In addition, the Union will support agreements (including settlements) between parties involved in the Company's stranded-cost determinations as reasonable and support the Company's position that the stranded costs it has identified are reasonable in amount and fully recoverable from customers. The Company will provide the Union as much timely information as is reasonably practicable about its regulatory and legislative proposals. The agreement set forth in this paragraph is not intended to limit legislative or regulatory actions on matters not reasonably related to the Company's restructuring and stranded-cost proposals.

E. Notwithstanding any provision of this letter to the contrary, the Company will satisfy all of its obligations under Sections II(A)(1)-(5) and II(B)(1)-(4) of this Letter so long as it uses reasonable efforts to require the Buyer to provide the items described therein.

III. **Transition Assistance Plan**

- A. The Company will offer certain benefits to employees who lose employment as a result of a divestiture (e.g., sale, transfer or swap of assets) that results in a loss of employment for employees not located at the asset that was divested. Employees offered employment with the new owner will not be eligible. These benefits are contingent on the employee signing a waiver of all claims and release of liability for the Company and affiliates and will include:

Page 5

1. Severance Benefit. A lump sum cash benefit for eligible employees equal to two weeks' base pay for each full year of service, with a minimum of eight weeks' and a maximum of one hundred four weeks' pay per eligible employee.
2. Deferred Pension Benefit. If over age 50 and would be eligible for unreduced pension benefits at age 55 (due to 85 points provision), may defer receipt of pension benefits until age 55 and receive unreduced pension benefits.
3. Medical and Dental Benefit. Union employees who voluntarily sever may elect to continue insurance coverage for a period of one month for each year of service up to a maximum of 18 months by paying premiums applicable to active employees. Coverage for medical and dental benefits under the Company's welfare benefits program generally ends on the last day of the month in which employment with the Company ends. Eligible employees generally can continue health coverage (i) if they are eligible for post-retirement health benefits or (ii) for 18 months under the Federal Law "COBRA" by paying 102% of the full premium.
4. Group Outplacement Assistance.
5. Educational Expense Reimbursement. The Company will reimburse eligible employees for up to \$2,600 for educational expenses that they incur within two years of the date they terminate employment with the Company.

IV. Resolution of Disputes

A. Resolution of Disputes Between the Company and the Union

1. Any and all disputes between the Company and the Union regarding the Company's and the Union's interpretation or application of the terms of this Agreement shall be resolved exclusively through the grievance-arbitration procedures set forth in Articles IX and X of the Labor Agreement.

B. Resolution of Disputes Between Buyer and Union

1. Any and all disputes between the Buyer and the Union regarding the Buyer's and the Union's interpretation or application of the terms of this Agreement or regarding any other agreement between the Buyer and the Union, shall be resolved exclusively through whatever dispute resolution process and procedure to which the Buyer and the Union agree, if any.

This Agreement satisfies any obligations to bargain over the decision or effects of utility industry restructuring or divestiture of assets. This Agreement is hereby incorporated into the Labor Agreement and is made a part hereof, Unless otherwise expressly agreed in

Page 6

writing by the Company and the Union, any extension or termination of the Labor Agreement also shall apply to the terms and provisions of this Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro".

Jay R. Alvaro
Vice President
Labor Relations



DUKE ENERGY CORPORATION
139 East Fourth St.
PO Box 960
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Retirement Plan and HRA Conversion Agreement

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the Company's desire to migrate all employees to a common benefits program. The following outlines the agreement between the Company and the Union for providing the employees with options and protections for Retirement Plan participation and post-retirement health care benefit that will remain in effect beyond the 2007 - 2011 Contract.

Traditional Retirement Program Frozen:

Participation in the Company Traditional Retirement Program will be frozen as of January 1, 2012 for certain employees. Active employees on January 1, 2012 who are younger than age 50 (as of December 31, 2011) and anyone who is older than 50 but has fewer than 25 years of service (as of December 31, 2011), will automatically begin participating in the New Duke Retirement Program.

Voluntary Conversion Opportunities:

Active employees in the Traditional Retirement Program will be offered a voluntary window in 2007 to elect to remain in the Traditional Pension Program or elect the New Retirement Program. In 2011, a second voluntary window will be offered only to those active employees who remain in the Traditional Program and who are age 50 with 25 years or more of service as of December 31, 2011.

Voluntary Conversion to the New Retirement Program:

Part A Benefit (Part A): The pension plan benefit employees will earn under the Traditional Program will be based on their participation service as of the "day before conversion date" and their final average monthly pay at retirement (not the date of conversion).

AND

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August 1, 2007
Page 2

Part B Benefit (Part B): On the "conversion date," employees will start earning an additional pension plan benefit through a new formula that "mirrors" the Duke Energy Retirement Cash Balance Plan.

The Company matching contributions for the 401(k) plan will be enhanced to mirror the Duke Energy 401(k) Plan. As a result, employees will be eligible to receive higher matching contributions on a broader definition of pay. The higher amount is a dollar-for-dollar match on the first 6% of eligible pay (this includes base, overtime and annual incentive pay).

Employees will also begin participating in an annual incentive plan with greater award opportunities (up to 5%).

With Mandatory Conversion to the New Retirement Program:

1. Mandatory conversion will be effective January 1, 2012 for employees who are younger than 50 years old and anyone who is older than 50 but has fewer than 25 years of service, as of December 31, 2011. Other terms applicable to the mandatory conversion are as follows:
 - a. The final average monthly pay for retirement will be frozen at the time of conversion (no pay run up).
 - b. Employees will have no choice between annuity and lump sum on Part A; only the current traditional program annuitant options will be available for Part A.
 - c. Can still grow in to the 85 points.
 - d. Employees will receive the enhanced 401(k) and enhanced incentive pay as described above once they mandatorily convert.

Employees Currently in the Cash Balance Plans:

Employees who previously selected one of the Cinergy cash balance plans (Balance or Investor) will automatically transition to the New Retirement Program as soon as administratively possible, but no later than January 1, 2008, to include participation in a cash balance pension plan that mirrors the Duke Cash Balance Plan, an enhanced 401(k) plan to mirror the Duke Energy 401(k) Plan and enhanced annual incentive plan, as described below.

Annual Incentive Plan Summary Changes for those who elect or automatically move to the New Retirement Program:

In conjunction with the New Retirement Program, all participants who volunteer or upon mandatory conversion to the New Retirement Program will be eligible for up to a 5% maximum (1.25% minimum, 2.5% target, 5% maximum) annual incentive pay based solely on the Company's financial results (i.e., earnings per share, net income, etc.).

August 1, 2007
Page 3

Annual Incentive Plan Summary Changes for those who do not elect the New Retirement Program:

Employees who elect to remain in the Cinergy Traditional Program, which provides benefits under the current final average pay formula, will not be eligible for the higher incentive payout, but will continue their eligibility for the current Cinergy 401(k) Plan formula and will begin participating in an annual incentive plan, with a maximum award of 2% (.5% minimum, 1% target, 2% maximum) based solely on the Company's financial results (i.e., earnings per share, net income, etc.).

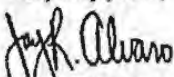
Post-Retirement Health Care Subsidy Discontinued:

In 2007, the Company will offer employees enrolled in the Post-Retirement Health Care subsidy program a voluntary window to either stay in the current Post-Retirement subsidy program or to convert to the Post-Retirement Health Reimbursement Account (HRA) at \$1,000/Year of Service. In 2011, any employee who is age 50 with 20 years or more of service as of December 31, 2011 will be offered another voluntary choice to convert to the HRA. Effective January 1, 2012, any employees remaining in the subsidy program younger than 50 years old or age 50 with less than 20 years of service, as of December 31, 2011, will be automatically converted to the Post-Retirement HRA.

The Retirement and HRA Conversion Agreement Survives the 2007-2011 Contract:

The Company and the Union expressly understand and agreed that the Retirement Program and HRA conversion agreement shall continue in full force through January 1, 2012, surviving the termination of the 2007 - 2011 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,



Jay R. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06



June 3, 2011

LISA A GREGORY
Director Labor RelationsDuke Energy
EMMBO / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 and 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

Re: Amendment to August 1, 2007 Sidebar Letter A-71

Dear Gentlemen:

During the 2011 contract negotiations, the Company and the Union discussed post-retirement health care. As a result of those discussions, the parties agreed to amend the Sidebar Letter A-71 dated August 1, 2007 entitled, "Retirement Plan and HRA Conversion Agreement."

Specifically, in consideration of the Union's agreement to modify Article VIII, Section 14(d) of the Contract to eliminate the post-retirement HRA Option for employees hired on or after January 1, 2012, the Company has agreed to amend the section titled "Post-Retirement Health Care Subsidy Discontinued" on page three of the August 1, 2007 letter effective as of the date of this letter, such that:

- (i) Employees hired prior to January 1, 2006 will be offered a voluntary choice in 2011 to convert to an HRA if they are not already in the HRA Program, regardless of the employees' age or years of service (i.e., the provision requiring that an employee has attained age 50 with at least 20 years of service as of December 31, 2011 in order to participate in the second voluntary window has been deleted); and
- (ii) Employees who choose to remain in the Traditional Program will not be forced into the HRA Program by the Company during the term of this Contract (i.e., the provision requiring that employees remaining in the subsidy program who have not

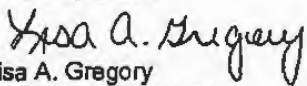
A-71a

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attained age 50 with at least 20 years of service as of December 31, 2011 will be automatically converted to the Post-Retirement HRA has been deleted).

Except as provided above, the August 1, 2007 Sidebar Letter A-71 shall remain in full force and effect through the 2011-2016 Contract, and continue in force in any succeeding contracts unless changed by mutual agreement of the parties.

Very truly yours,


Lisa A. Gregory
Director Labor Relations

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

April 4, 2005

CINERGY.
CG&E

Mr. Dave McLean
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

Re: Benefit Claims Disputes

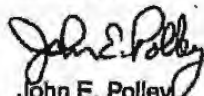
Dear Mr. McLean:

During the benefits opener discussions for 2005, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the process for employees to resolve disputes over claims or application of welfare and pension plan benefits.

With respect to any claim or dispute involving the application or interpretation of any employee welfare or pension 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. Additionally, it is understood that, 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 plan documents will be modified to reflect changes agreed to during collective bargaining.

Disputes over any of the benefits provided in the Voluntary Benefits Program will not be subject to the grievance procedure.

Sincerely,


John E. Polley
General Manager
Labor Relations

Cc: M. McAlpin
T. Caudill

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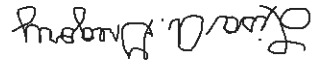
May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center
Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center
RE: Clothing Allowance


Dear Gentlemen:

During the 2021-2026 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the clothing allowance and appearance guidelines. Employees are expected to present a neat and professional appearance consistent with the employee's position, safety requirements, and work activities. It is the Company's expectation that this clothing allowance will provide employees with Duke Energy identified clothing to be worn daily on the job. Effective January 1, 2022, the Company will provide an annual clothing allowance of \$400 for the purchase of work attire. Active employees as of January 1, 2022, will also be provided with a one-time transition payment of \$300 for the purchase of work attire. Employees shall make clothing selections of their choosing from items in the Natural Gas Business Unit approved catalog or vendor website and may not substitute or wear unauthorized items. Company logged items not obtained through the Natural Gas Business Unit specified vendor, can no longer be worn after April 1, 2023, unless otherwise approved. Beginning January 1, 2022, in addition to the \$400 annual allotment, employees hired between January 1 and June 31, will receive an additional allotment of \$200 in the year of hire. Employees hired between July 1 and December 31 will receive an additional allotment of \$100 in the year of hire. Employees must continue to be in compliance with established appearance and attire guidelines.

Sincerely,


Lisa A. Gregory
Manager, Labor Relations

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 DUKE ENERGY	Appearance & Attire Guidelines
	May 19, 2021


Purpose

Employees within the Natural Gas Business Unit are expected to present a neat and professional appearance consistent with the employee's position, safety requirements, and work activities.

1. General Guidelines

While on duty, employees are expected to:

- Wear clothing that is neat and clean, in good condition, fits properly and appropriate for the work environment.
- Employees shall make clothing selections of their choosing from items in the Natural Gas Business Unit approved catalog or vendor website and may not substitute or wear unauthorized items. T-shirts are available for purchase and may be worn as outerwear in certain situations on job sites that are not customer facing. Collared shirts (including polos) should be worn while interacting with customers, the general public and during business meetings.
- Wear shoes and boots that are in good condition, and appropriate for the work being performed. Refer to the Duke Energy Footwear Protection Policy for specific guidelines and the EHS Handbook. Employees should follow PPE requirements in the EHS Handbook and in published NGBU level PPE Hazard Assessment procedures.
- Wear all Personal Protective Equipment (PPE) in accordance with the Duke Energy EHS Handbook. Employees should follow PPE requirements in the EHS Handbook and in published NGBU level PPE Hazard Assessment procedures.
- If a hat or cap is worn, it must be issued by the Company or purchased through an approved vendor, be worn with brim facing forward and have the Duke Energy logo.
- Maintain good personal hygiene.
- Refrain from excessive fragrances such as perfume, cologne and after shave as this may cause adverse reactions to individuals who have fragrance sensitivities.
- Displaying images or garments with offensive slogans or pictures, political slogans, shorts, sleeveless shirts, and excessively revealing attire are not permissible.
- Ensure compliance with the EHS Handbook regarding Jewelry EHS Handbook.
- Employees whose job duties require they wear Flame Resistant ("FR") clothing shall wear the appropriate FR garments and may not substitute unauthorized items.

 DUKE ENERGY	Appearance & Attire Guidelines
	May 19, 2021

Employees working in a gaseous environment shall wear undergarments of 100% natural fiber or flame-resistant fabric. Refer to the Flame Resistant Clothing Policy ENV-PR-1420.

2. Requests for Religious, Medical and Disability Accommodations

The Company will reasonably accommodate exceptions to the Guidelines if required due to an employee's religious beliefs, medical condition or disability. Employees in need of an accommodation should contact their supervisor/manager or Human Resources Representative.

3. Following Expectations

We expect all employees to follow the guidelines as described above. Supervisors and managers are responsible for monitoring and ensuring these expectations are followed. Should there be a concern, supervisors and managers will follow the normal coaching and progressive corrective action process for the respective area, subject to any limitations and/or requirements contained in a Collective Bargaining Agreement, if applicable. Employees who report to work presenting an inappropriate appearance or not following these expectations and guidelines will be asked to change clothing to be in line with these expectations.

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201-0960

April 4, 2005

Mr. Mike McAlpin
President
Local Union 12049
United Steelworkers of America
Monfort Heights Headquarters

CINERGY.
CG&E

Mr. Tim Caudill
President
Local Union 5541-08
United Steelworkers of America
Todhunter Headquarters

Re: Post-Retirement Medical Benefits

Dear Mr. Gentlemen:

During the benefits opener discussion in 2005, representatives of the Company and the United Steelworkers of America and the Locals 12049 and 5541-08 ("the Union") discussed post-retirement healthcare benefits, including providing the Union members a post-retirement health reimbursement account ("HRA") option (the "HRA Option"). As a result of these discussions the parties agreed to the post-retirement Healthcare benefits set forth below.

I. OVERVIEW OF HRA OPTION

All current, full-time employees represented by USWA, Local 12049 and Local 5541-08 will be able to make a one-time choice during one of two windows between continuing in the current traditional post-retirement medical option (the "Traditional Option") or electing to participate in the new HRA Option described below. Employees will be required to make this election by a specified election date in 2005 or 2006. (Notwithstanding the foregoing, employees currently receiving long-term disability benefits or on a military leave of absence, will make this election when they return to active, full-time status. If they do not return to active, full-time status, they will default to the Traditional Option.) All employees hired or rehired on or after January 1, 2006 will participate in the HRA Option. Each employee who elects to participate in the HRA Option, and each employee hired on or after January 1, 2006, will be referred to as a "HRA Participant" herein.

Under the Traditional Option, eligible retirees (those who retire after attaining age 50 with five (5) years of Service, as defined in the applicable Pension Plan) are provided access to group medical coverage and a premium subsidy that varies based upon the retirees' service and classification (see detail regarding the subsidy levels attached hereto as Attachment A).

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Subject to any collective bargaining obligation, the Company reserves the right to amend, modify or terminate the Traditional Option and/or the HRA Option at any time. However, amounts already credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

The benefit under the HRA Option is based on a bookkeeping account that can grow like a savings account with service and interest credits as described below. An employee who elects the HRA Option will start with an opening balance that is equal to 1/12th of \$1,000 for each prior calendar month in which the HRA Participant worked at least one day for the Company. In the future, the Company will credit eligible HRA Participants with an additional 1/12th of \$1,000 for each calendar month in which the HRA Participant works at least one day for the Company. The Company will also credit each eligible HRA Participant's bookkeeping account with an annual interest credit. Interest will be credited at the same interest rate as the cash balance updates as determined in August of each year, except that for the term of the current labor agreement, the interest rate will not be less than 3.5%; for 2005, the rate is 5.06%. Except as discussed below, only HRA Participants who are active, full-time employees and work at least one day in the month are eligible for the monthly service credit. Like retirees in the Traditional Option, HRA Participants will have access to group medical coverage only if they retire after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), however, there will be no subsidy. Please note the following regarding the HRA Option:

- a. If a HRA Participant retires after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), the amounts credited to the HRAs generally can be used for the qualified medical expenses, as defined in Section 213(d) of the Internal Revenue Code, of the retiree and the retiree's spouse and eligible dependents. See IRS publication 502 (Attachment B) for examples of qualified medical expenses. To the extent permitted by applicable law and as is otherwise practicable, the HRA option is intended to provide a tax-free benefit. Due to future law changes, however, there can be no assurance of favorable tax treatment.
- b. Except as provided below, if the employment of a HRA Participant terminates prior to attaining age 50 with five (5) years of Service (as defined under the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- c. If a HRA Participant dies while actively employed prior to attaining age 50 with five (5) years of service (as defined in the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- d. If a HRA Participant dies while actively employed after attaining age 50 with five (5) years of Service, his/her spouse and eligible dependents will be entitled to use amounts credited to the HRA to pay qualified medical expenses immediately.

Page 3

- e. In the event of disability or leave, the Company will continue monthly service credits for the first 12 months. The Company will continue interest credits while the HRA Participant is disabled or on leave (and prior to recovery or retirement). For HRA Participants on a military leave, service credits and interest credits will continue for the full qualified leave period.
- f. If the employment of a HRA Participant is involuntarily terminated in connection with an involuntary reduction in force and such termination is in no way related to performance deficiencies, the HRA Participant will be eligible to maintain his/her HRA balance as of termination. The HRA Participant will be able to use amounts held in his/her HRA Account immediately following the termination.
- g. For the term of the current Collective Bargaining Agreement, the Company will agree not to amend, modify or terminate retiree health care benefits for any active employees covered by the CBA. Amounts credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

II. QUESTIONS

Set forth below are responses to some of the questions regarding the HRA Option raised in previous meetings.

1. Will the Company offer choice to all USWA employees?

A: Yes. The Company will allow all current, full-time employees to elect to stay in the Traditional Option or switch to the HRA Option. After January 1, 2006, new hires and rehires will automatically participate in the HRA Option.

2. Will an employee be able to elect the HRA Option upon retirement?

A: No. Employees will be able to make a one-time election in 2005 or 2006. Current employees will have one affirmative choice during one of two open windows, the first in 2005 with the choice to be effective 1/1/06 or one in 2006 to be effective 1/1/07.

3. Can a HRA Participant withdraw amounts credited to his/her HRA account in cash upon retirement? Can the Company pay the amount out in a lump sum?

A: Money may be withdrawn from the HRA account only for paying qualified medical expenses. The account will not be paid out in cash. Favorable tax treatment is available for a HRA only if the HRA reimburses medical expenses as defined in Section 213(d) of the Internal Revenue Code. As stated below from IRS Notice 2002-45, any right to receive cash will disqualify the HRA from receiving favorable tax treatment.

Page 4

"An HRA does not qualify for the exclusion under § 105(b) if any person has the right to receive cash or any other taxable or non-taxable benefit under the arrangement other than the reimbursement of medical care expenses. If any person has such a right under an arrangement currently or for any future year, all distributions to all persons made from the arrangement in the current tax year are included in gross income, even amounts paid to reimburse medical care expenses. For example, if an arrangement pays a death benefit without regard to medical care expenses, no amounts paid under the arrangement to any person are reimbursements for medical care expenses excluded under § 105(b)... Arrangements formally outside the HRA that provide for the adjustment of an employee's compensation or an employee's receipt of any other benefit will be considered in determining whether the arrangement is an HRA and whether the benefits are eligible for the exclusions under §§ 106 and 105(b). If, for example, in the year an employee retires, the employee receives a bonus and the amount of the bonus is related to that employee's maximum reimbursement amount remaining in an HRA at the time of retirement, no amounts paid under the arrangement are reimbursements for medical care expenses for purposes of § 105(b)..."

4. What happens to the HRA balance upon disability or extended leave from the Company?
A: See Section I(e).
5. What happens to the HRA balance in the event of a termination of employment?
A: See Section I.
6. What happens to the HRA balance if I die while actively employed?
A: See Sections I(c) and I(d). Currently, the spouse and eligible dependents of an employee who dies while actively employed with Cinergy can elect to become covered under the non-union medical plan and receive subsidized coverage at the active employee rate until death or a disqualifying event (for the spouse, this would include, but not be limited to, remarrying or becoming Medicare eligible; for an eligible dependent, it would include, but not be limited to, ceasing to qualify as an eligible dependent due to age).
7. Will the Company contributions be indexed in future years (e.g., indexed to the trend line for health care costs)?

Page 5

A: No. At this time, we do not plan to align our service credit or interest credit to any index. However, the Company will continue to evaluate its crediting levels. Subject to any collective bargaining obligations, the Company reserves the right to make adjustments, including increasing, decreasing or discontinuing credits unilaterally.

8. Will the opening HRA balances be calculated with retroactive interest crediting?

A: No. Making retroactive interest credits would be cost prohibitive from the Company's perspective.

9. What are other companies doing with regards to post-retirement healthcare?

A: See Hewitt survey (Attachment C) (51% of survey respondents have a unionized workforce).

10. How can HRA Participants use amounts credited to the HRA?

A: Money credited to a HRA can be used to reimburse the HRA Participant for medical expenses as defined in Section 213(d) of the Internal Revenue Code. See IRS publication 502 for examples of qualified medical expenses.

11. Who will administer the HRA account balances?

A: Hewitt Associates will track the HRA credits while HRA Participants are actively employed. The Company is reviewing proposals from third party administrators for post-retirement administration, but this will likely be Hewitt Associates.

12. Will the HRAs be protected/guaranteed?

A: The benefit under the HRA option is based on a bookkeeping account and is not funded like a 401(k) plan. See Section I regarding the Company's ability to amend.

13. If the Company decides to eliminate the Traditional Option at a later date, would employees be allowed to get in the HRA?

A: The Company periodically evaluates its benefit programs and would determine the appropriate course of action at that time.

14. Would interest on the HRA account continue to accrue after an employee retires?

A: See Section I.

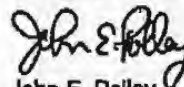
Page 6

15. If two Cinergy employees are married, can they make different elections with respect to the HRA Option?

A: Yes, one could elect to remain in the Traditional Option, and the other could elect the HRA Option; if they remain married during retirement and so elect, they would receive subsidized coverage under the Traditional Option and have access to amounts credited to the HRA on behalf of the other spouse. Regardless, the elections are independent of each other.

Please note that the explanation set forth above merely summarizes the basic elements of the HRA Option. The Company has fully documented the Health Reimbursement Account Program in the "Cinergy Corp. Post-Retirement Health Reimbursement Account Program" which governs the terms of the Plan as adopted by the Company.

Very truly yours,



John E. Polley
General Manager
Labor Relations

cc: T. Verhagen
P. Gibson
K. Feld
C. Riggs

Attachment A
Summary of Post-Retirement Health Care Options

Current Post-Retirement Health Care Option

Employees hired before January 1, 2006, who elect the subsidy option and who retire from the company on or after age 50 with at least five years of service, may be entitled to a post-retirement health care subsidy from the company dependent on their years of service at retirement.

Subsidy Schedule:

Service at Retirement	(Pre-65 only)
30+	50%
29	45%
28	40%
27	35%
26	30%
25	25%
24	20%
23	15%
22	10%
21	5%
20	0%
19	0%
18	0%
17	0%
16	0%
15	0%
14	0%
13	0%
12	0%
11	0%
10	0%
9	0%
8	0%
7	0%
6	0%
5	0%



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

RE: Special Union Wide Lump Sum Opportunity

Dear Gentlemen:

During the 2021 contract negotiations, the parties discussed a special union wide lump sum financial opportunity based on goals established in conjunction with the Company's Operational Excellence Policy and its objectives. Operational Excellence allows us to exceed customer and stakeholder expectations by operating safely, reliably and affordably, while maintaining a focus on operational discipline and event-free results.

It was agreed that employees will be eligible for a 0.5% lump sum bonus based on the achievement of goals (i.e. Operational Excellence objectives, procedural adherence, customer outages, environmental compliance, etc.) established each year by the Company for 2022, 2023, 2024, 2025, and 2026 with the payout to be issued in the following calendar year.

The opportunity for this payout begins in 2023 for 2022 calendar year performance, continues in 2024, 2025 and 2026 concludes in 2027 for 2026 performance. The Company will determine any appropriate payout for each year. The payout amount will be calculated based on all straight time and overtime earnings for the applicable year, and will be paid as a lump sum, less applicable taxes.

Sincerely,

A handwritten signature in black ink that reads 'Lisa A. Gregory'.

Lisa A. Gregory
Manager, Labor Relations

A-77



Duke Energy Corporation
139 East Fourth St.
Cincinnati, OH 45202

June 3, 2011

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 and 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

Re: Health Care Security

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the issue of health care security for bargaining unit employees.

As a result of those discussions, the Company understands the Union's concerns over health care uncertainty, particularly given recent health care reform legislation and the potential impact of the Company's planned merger with Progress Energy. In turn, it is hoped that the Union recognizes the high value that the Company places on safety, wellness, and the overall well-being of all employees. We are making investments in educating and engaging our employees in improving and managing their health. The Union should be assured that providing quality health care coverage options for all employees aligns with our health and wellness strategy and promotes safety in the workplace. In addition to its value to safety and wellness, health care coverage also adds great value to our recruitment and retention of high quality employees.

Assuming the merger is completed with Progress Energy later this year, the combined company is expected to have more than 25,000 employees across the country. As a Fortune 500 company and the soon-to-be largest investor-owned utility in the United States,

A-78

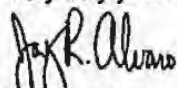
the Company takes its responsibilities to its employees and their families very seriously. Given the level of importance of health care to the Company's priorities and brand, the Company intends to ensure that employees have access to comprehensive healthcare coverage options now and in the future.

The Company also plans to continue its annual review of health care options to determine if any revisions are appropriate given our demographics, legislative and regulatory developments, and any changes in the marketplace. Any material changes determined by the Company will be planned to take effect on January 1 of a calendar year. The Company recognizes that it would be administratively burdensome to increase the frequency of such reviews, and the Company has no current plans to make material changes to health care coverage options or benefit levels that are effective other than on January 1 of a calendar year.

It is unlikely that the Company would feel compelled to completely discontinue offering company-sponsored health care coverage options under the current laws. Because the impact of the planned government-sponsored health care exchanges and other possible legal developments are unknown at this time, in the unlikely event that the Company's current intent changes regarding the discontinuation of all company-sponsored health care coverage, the Company will notify the Union in advance and bargain over the complete elimination of company-sponsored health care coverage, even though the company-sponsored coverage likely would be replaced by government-sponsored coverage or USW-sponsored coverage. In that event, if the Union believes that the USW-sponsored plans are more competitive or would offer greater benefits desired by the membership, the Company would be willing to negotiate with the Union over a potential move for USW members to the USW-sponsored plans. The Company also will notify the Union in advance in the unlikely event that the Company changes its current intent to make material changes to health care coverage options effective on a date other than January 1 of a calendar year so that the parties can discuss the issue and any concerns. Again, the Company views health care coverage as vital to the success of its business due to its impact on safety, wellness, recruitment, retention, our image and reputation, and the overall well-being of our employees and their families.

The Company understands the Union's concerns with respect to health care coverage for its members. This letter shall apply for the duration of the 2011- 2016 collective bargaining agreement between the Company and the Union. It is the intent of this letter to demonstrate the Company's willingness to consider and discuss those concerns.

Very truly yours,



Jay R. Alvaro
Vice President, Labor Relations

Schedule Replacement Guidelines for Planned Vacancies

When the Company determines there is a temporary vacancy in the schedule that needs to be filled, the following replacement procedure will be used to fill the vacancy.

(Applies to USW Local 12049)

If the schedule to be filled is an afternoon shift (second shift), the person selected to fill the vacancy will be determined by counting over five on the appropriate crew leader or helper schedule list.

If the schedule to be filled is a night shift, the person selected to fill the vacancy will be determined based on seniority within the appropriate job classification.

Upon return, the individual will fulfill the next schedule of the affected member at their option, barring any extenuating circumstances.

Members electing to trade schedules shall be held responsible for the schedule after the proper paperwork is completed.

(Applies to USW Local 5541-06)

A Crew Leader vacancy is to be filled with the junior qualified Mechanic Operator I regardless of placement on schedule listing.

A Helper vacancy is to be filled with the junior qualified Helper regardless of placement on schedule listing.

The person causing the vacancy in the shift will be required to work the shift of the person assigned to their shift.

(Applies to USW Local 12049 and 5541-06)

When a permanent vacancy occurs in the schedule, the following replacement procedure will be used to fill the vacancy.

A Crew Leader vacancy is to be filled with the junior qualified Mechanic Operator I regardless of placement on schedule listing.

A Helper vacancy is to be filled with the junior qualified Helper regardless of placement on schedule listing.

In the event a vacancy cannot be filled by the process described above, the Union and the Company will meet to discuss and resolve.

Home Site Reporting Guidelines

June 2, 2016

(Field Operations, Gas Measurement Center, Contractor Construction, Corrosion, System Operations, Gas Production and Service Delivery)

Company Vehicles:

Effective January 1, 2017, employees who home site report and are assigned a Company vehicle, will be required to live within 40 air miles of their assigned headquarters. In this case, vehicles can be parked at the employee's residence. If an employee lives beyond 40 air miles of their assigned headquarters, they will be required to leave the vehicle at the closest Headquarters or agreed upon location for pick-up each day. (Example: Headquarters closer to the residence than reporting headquarters)

Reporting Time:

When reporting within the area of the assigned headquarters, start time is on the job site at the start of the shift.

When reporting outside of the area of the assigned headquarters, start time is on the job site no longer than 30 minutes after the start of the shift.

Quitting Time:

When quitting from the job site within the area of the assigned headquarters, it is permissible to leave the site no earlier than 15 minutes prior to the end of the shift.

When quitting from the job site outside the area of the assigned headquarters, it is permissible to leave the site no earlier than 30 minutes prior to the end of the shift.

Employees are expected to be available until the end of their shift.

Meetings:

For training or Company meetings, employees shall report to the headquarters directed by the Supervisor at the start of the shift.

Inclement Weather

During periods of inclement weather employees with an assigned route or geo-grid will typically remain in the field within their assigned area unless directed by their Supervisor to report to a different work location.

Employees who do not have an assigned area or geo-grid nor any work to perform, should report to the District at the start of their shift unless directed otherwise by Management.

A-82

June 2, 2016

When on Vacation or other leave:

The vehicle shall be left at the regular parking location or brought to the headquarters as determined by the Company. The assigned driver shall notify the Supervisor and provide access to the vehicle. The assigned driver shall also arrange with the Supervisor when he/she will pick up the vehicle upon or prior to returning to duty.

When on Schedule (excludes Service Delivery):

The vehicle shall be left at the regular parking location or brought to the headquarters as determined by the Company.

June 2, 2016



February 25, 2013

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President
Local 12049
United Steelworkers
Eastern Avenue Headquarters

Re: Apprentice Mechanic Operator III

Dear Gentlemen:

Reference is made to the committee efforts and discussions between the parties pertaining to the new Apprentice Mechanic Operator III position.

As agreed to in the 2011-2016 negotiations, this newly created position is the starting position for the Mechanic Operator line of progression. The attached job description outlines the duties and qualifications of the position. The parties have agreed that the job will be set at a wage level VI in lieu of using the formal job evaluation process as is outlined in the contract (Article V, Section 1, (h)-(m)).

All employees entering into the Apprentice Mechanic Operator III position will be employed with the understanding that they must successfully promote to the Mechanic Operator II position within the timeframes outlined. Specifically, it is expected that employees entering into the Apprentice Mechanic Operator III position, will have successfully completed all the training and received the necessary licenses and/or certifications to be able to qualify to promote to the Mechanic Operator III position within a period of 12 months. At a minimum, failure to qualify for this purpose would include situations where two successive written examinations or two successive practical demonstrations were not passed. Employees will be allowed a maximum time period of three months between the two successive examinations and/or demonstrations.

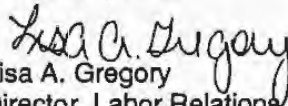
A-83

In addition, it is expected that employees entering into the Mechanic Operator III position, will have successfully completed all the training and received the necessary licenses and/or certifications to be able to qualify to promote to the Mechanic Operator II position within a period of 24 months. At a minimum, failure to qualify in this case would include situations where two successive written examinations or two successive practical demonstrations were not passed. Employees will be allowed a maximum time period of three months between the two successive examinations and/or demonstrations.

If an employee is not able to complete the required training within the timeframes outlined above due to the Company not being able to schedule the appropriate classes, the Company will accommodate those delays by extending the time period to promote by the time the start of the class was delayed.

The employment of any individual who does not successfully meet the requirements to promote to the Mechanic Operator III or Mechanic Operator II position will be terminated.

Very truly yours,


Lisa A. Gregory
Director, Labor Relations

cc: G. Hebbeler
S. Farley
D. Smiley



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President, Local No. 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President, Local No. 12049
United Steelworkers
Kellogg Resource Center

Re: Safety Shoe Policy

Dear Gentlemen:

During the 2021 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the safety shoe reimbursement for eligible employees in the Natural Gas Business to be used for the purchase of footwear to be worn on the job.

Effective January 1, 2022, eligible employees, as determined by the Company, will be reimbursed up to \$175.00 for the purchase of one pair of safety shoes per year that comply with the Company standards. Effective January 1, 2024 and for the remainder of the 2021-2026 Contract, eligible employees will be eligible to receive an annual reimbursement of up to \$200.00 per year for the purchase of one pair of safety shoes that comply with the Company standards.

Employees will be expected to purchase and wear footwear that meets the requirements for the type of work they are required to perform. Currently those requirements include: over the ankle foot support, a reinforced toe cap (when performing certain job duties) and a well-defined heel. Footwear must meet an impact resistance rating of 75 pounds and have a compression resistance rating of 75 or 2,500 pounds. Shoes can be purchased at a vendor of the employee's choosing. Prior to reimbursement, the employee is required to provide a copy of the receipt and also proof that the boots meet the safety standards. Employees who damage their boots during normal work activities, should contact their Supervisor immediately, to discuss boot replacement options. Violations of this footwear policy could result in corrective action up to and including discharge.

Sincerely,

A handwritten signature in black ink that reads 'Lisa A. Gregory'.

Lisa A. Gregory
Manager, Labor Relations

A-85

www.duke-energy.com



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

June 2, 2016

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President
Local 12049
United Steelworkers
Valley View Headquarters

Re: Global Positioning Satellite (GPS) Technology

Dear Gentlemen:

This letter documents our discussions and agreement concerning the use of Global Positioning Satellite (GPS) system and other similar types of technology being contemplated for use within Gas Operations.

The primary purpose of the GPS and similar technology is to allow the Company the ability to more efficiently manage and assign work and to enhance safety by allowing us to locate a vehicle in the event we have lost contact with someone or a vehicle has been stolen. As discussed, it is not the Company's intent to constantly monitor employee's whereabouts using the GPS or other technology for purposes of issuing corrective action.

Although its primary use is for managing work, the Company may review and rely on technology and/or the information obtained through its use to aid in an investigation where there is reason to believe an employee may have violated a Company policy or work rule, and the violation may be substantiated or disproven by such a review. To the extent the Company does rely on such information, the Company will treat similarly-situated employees in the same manner. Any such information, upon which the Company relies for purposes of imposing corrective action, will be provided upon request by the Union in accordance with applicable law.


The Company will endeavor to limit the history used in these systems to a maximum of 90 days for any type of disciplinary action.

A-86

www.duke-energy.com

This letter will be interpreted and applied to comply with all laws. To the extent that this letter conflicts with any applicable law, the law will prevail.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary J. Hebbeler".

Gary J. Hebbeler
GM, Gas and Field Systems

cc: L. Gregory
C. Lange



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

June 2, 2016

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President
Local 12049
United Steelworkers
Valley View Headquarters

Re: Seniority Departments

Dear Gentlemen:

During the 2016 – 2021 Contract negotiations, representatives of the Company and the United Steelworkers and its Locals 12049 and 5541-06 (the Union) discussed changes to certain seniority Departments, Divisions and Sections. This letter documents our discussions and agreements.

As was agreed, effective June 1, 2016, the Departments, Divisions and Sections for Local Union 12049 will be modified such that Field Operations will consist of a combined Ohio/Kentucky Seniority District. Similarly Service Delivery will be modified to consist of a combined Ohio/Kentucky Seniority District.

As of the date of this letter, employees currently in the Field Operations Kentucky seniority district or the Service Delivery Kentucky seniority district in the Mechanic Operator II, Mechanic Operator I, Inspecting Mechanic, Service Mechanic B, or Service Mechanic A job classification, will remain in the respective Kentucky seniority district (see attached list). In addition, the employees in the Service Delivery Kentucky seniority district, will continue to maintain seniority for the purpose of assigning work (i.e. bidding routes) over employees in the newly combined Service Delivery Ohio/Kentucky seniority district.

Employees in the Mechanic Operator II and Service Mechanic B job classifications, will have exclusive rights to the next promotional bid in the Kentucky district within their job hierarchy. For example, a Mechanic Operator II in the Kentucky seniority district, will have seniority for the next Mechanic Operator I opportunity in the Kentucky seniority district.

A-87

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Should those employees remaining in the Kentucky seniority district within Field Operations or Service Delivery elect to change their current job (i.e. downbid) they will be placed in the appropriate combined department and seniority list.

Any employees bidding or downbidding into Kentucky, in Field Operations or Service Delivery, after June 1, 2016, will be placed in the combined Field Operations (Ohio/Kentucky) or Service Delivery (Ohio/Kentucky) department and seniority unit.

Any future job openings within the Inspecting Mechanic job classification in Kentucky will be filled based on the combined seniority list of all qualified employees in the Field Operations (Ohio/Kentucky) seniority unit.

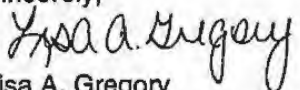
Effective June 1, 2016, one seniority list will be maintained within Local 12049 for the Field Operations (Ohio/Kentucky) Department and one list for the Service Delivery (Ohio/Kentucky) Department for all future job opportunities.

In the event of a surplus in Kentucky, Denny Caple, Hans Butsch and Craig Rittinger will retain their original classified seniority date as indicated below:

Denny Caple 4/01/2002
Hans Butsch 5/27/2002
Craig Rittinger 5/22/2008

It is believed that this letter properly describes the agreement reached between the parties concerning this matter.

Sincerely,


Lisa A. Gregory
Human Resources Principal

cc: Chuck Allen
Terri Barnes
Gary Hebbeler

Current Field Operations Kentucky District Employees

Name	Job Title	Classified Seniority Date
Kevin Anthony Hall (031970)	Inspecting Mechanic	5/13/2002
James McDermott Jr. (054120)	Inspecting Mechanic	2/18/2008 (02)
Robert Allen Cooper (018361)	Inspecting Mechanic	1/4/2016
Patrick Glenn (028445)	Mechanic Operator I	10/10/1988 (03)
Walter Kevin Montgomery (058180)	Mechanic Operator I	3/13/1989 (01)
Michael J. Highhouse (037512)	Mechanic Operator I	7/29/2002 (02)
Russell D. Routt (070160)	Mechanic Operator I	8/26/2002 (03)
Glenn D. Poston (064863)	Mechanic Operator I	11/25/2002
Michael D. Allen (017446)	Mechanic Operator I	9/5/2006 (02)
Denny J. Caple (018163)	Mechanic Operator I	11/17/2014 (01)
Hans J. Butsch (018116)	Mechanic Operator I	09/28/2015 (02)
Craig A. Rittinger (096798)	Mechanic Operator I	04/11/2016 (02)
Christopher M. Thomas (095389)	Mechanic Operator II	7/20/2011 (03)
Brian Waters (087845)	Welder I	11/28/2011

Current Service Delivery Kentucky District Employees

Jeffrey Paul Bucher (018023)	Service Mechanic A	5/9/1994 (01)
Michael E. Johnson (042203)	Service Mechanic A	4/29/1996
Douglas Duryea (021750)	Service Mechanic A	4/5/2015
Robert L. Gebhardt (026857)	Service Mechanic B	9/26/2011 (02)
David A. Harms (033300)	Service Mechanic B	9/26/2011 (03)
Eric A. Leedy (048630)	Service Mechanic B	06/10/2013
Gerald Joseph Schack (071853)	Service Mechanic B	08/04/2014 (01)
Jerry William Harris (033635)	Service Mechanic B	08/04/2014 (02)
Michael J. Hertenberg (036884)	Service Mechanic B	08/04/2014 (03)
Marc D. King (044792)	Service Mechanic B	08/04/2014 (04)
Michael Anthony Baynum (017662)	Service Mechanic B	12/10/2014 (01)
Robert W. Winterman (091847)	Service Mechanic B	12/10/2014 (02)
Jeff Berkemeier (017723)	Service Mechanic B	01/25/2016 (01)
Ryan Moore (096039)	Service Mechanic B	01/25/2016 (02)



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

June 2, 2016

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President
Local 12049
United Steelworkers
Valley View Headquarters

Re: Work Hours Beyond Normal Scheduled Shift

Dear Gentlemen:

This letter documents our discussions related to rest periods allowed by employees after they have worked extended hours due to Company needs.

Pursuant to previous Company Protocol Group guidelines, as revised in 1999, the Company will continue to follow the guideline stating that any employee required to work as a result of an emergency callout, will be permitted six (6) hours rest, which includes travel time, before being required to report to their next scheduled shift. This guideline does not establish start or release times or limit managements right to hold employees over during emergency situations.

It is believed that this letter properly describes the agreement reached between the parties concerning this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa A. Gregory'.

Lisa A. Gregory
Human Resources Principal

cc: Chuck Allen
Gary Hebbeler

A-88

www.duke-energy.com



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

Re: Emergency Work Outside of Ohio/Kentucky Service Territory

Dear Gentlemen:

This letter documents our discussions and agreement concerning emergency work performed outside of the Ohio/Kentucky service territory. The following guidelines will apply when employees represented by USW 12049 or 5541-06, are called upon to work outside of the Ohio/Kentucky service territory in emergency situations.

For continuous 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 of such an assignment, the rate of time and one-half will be paid for all hours worked.

Double time shall be paid for all emergency time worked for other utilities at their respective operating locations.

Compensation Guidelines:

- Compensation when traveling begins when the employee begins driving toward their destination and ends when the employee arrives at the final destination of the day.

A-89

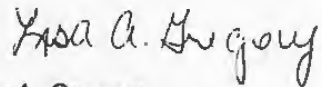
- When employees reach their destination and are to begin work, compensation will begin when the employee leaves the host Company staging area. If the staging area is away from the place of lodging and crews have to be transported to the staging area, then time begins when the employee leaves the place of lodging.
- Compensation ends for the work day when the employee returns to the host Company's staging area. If the staging area is away from the place of lodging and crews have to be transported, then the time will stop when the employee returns to the place of lodging.
- Employees required to work ten consecutive hours or more, shall be furnished a meal or compensation in lieu thereof (in accordance with the Contract), and an additional meal or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty.
- Employees are not eligible to receive a daily per diem allowance.
- After 16 consecutive hours of work, Article VII, Section 1(i) will continue to apply.

Crew Assignments:

- The duration of each employee's deployment will be for no longer than two weeks. It is the intention of the Company to rotate crews in and out of deployments. Employees deployed for an initial time period may become eligible for a second deployment after serving at least one rotation back at their regularly assigned location or if there are no other volunteers.
- Management will determine which Districts will be eligible to participate in a deployment, and the number of employees and crews from each of the Districts. Management will post a sign-up sheet, if time allows, at each eligible District for employees to volunteer no later than the deadline communicated or attempt to contact employees by low overtime to solicit volunteers, if time does not allow. Management will determine the appropriate make-up of the crew.
- If there are excess volunteers, the Company will select employees to be deployed based on low overtime. In the event of an insufficient number of volunteers, the Company will assign employees to the deployment based on low overtime but will consider extenuating circumstances.
- If an employee is on a rotating shift schedule, as determined by the Company, at the start of a deployment period, the employee will not be eligible to participate in the deployment, either voluntarily or by assignment.
- An employee will not be eligible for this opportunity if there are disciplinary issues.
- During their deployment, employees are expected to comply with the Duke Energy Code of Business Ethics and related policies and procedures.

This letter will be interpreted and applied to comply with all laws. To the extent that this letter conflicts with any applicable law, the law will prevail. The current Contract will remain in effect for issues not addressed herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa A. Gregory". The signature is written in a cursive, flowing style.

Lisa A. Gregory
Manager, Labor Relations

cc: C. Allen
C Fritsch



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

Re: Welder I's Returning to Operations & Maintenance

Dear Gentlemen:

This letter documents our discussions and agreements related to current employees in the Welder I job classification who are returned to Operation & Maintenance. These employees include: Justin L. Bolender, William Joseph Broering, Joshua Hitt, and Shawn P. Seaver

If the Company determines that it is necessary for a Welder I to return to the Operations and Maintenance Department, that person will return to the Mechanic Operator position that they vacated at the District from which they were promoted or its replacement. The above referenced Welder I's will maintain all of their current accrued seniority as a Welder, if they are returned to a Mechanic Operator position.

In addition, Welder I's being returned to a Mechanic Operator position, will return at their current rate of pay. If the employee's current rate of pay exceeds the maximum for the job classification they are returning to, the employee will have their pay redlined, until the Mechanic Operator I or II wage rate increases to the point of surpassing the Welder pay. At that time, the person would again be eligible to receive a wage increase up to the maximum rate of pay for the Mechanic Operator I or II.

It is believed that the procedures outlined in this letter properly describe the agreement reached between the parties concerning this issue.

Sincerely,

A handwritten signature in black ink that reads 'Lisa A. Gregory'.

Lisa A. Gregory
Manager, Labor Relations

A-90



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

June 2, 2016

Mr. Steve Bowermaster
President, Local No. 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President, Local No. 12049
United Steelworkers
Valley View Headquarters

RE: 2016-2021 Post Retirement Healthcare Letter

Dear Gentlemen:

During the 2016 negotiations, the parties discussed post-retirement healthcare benefits. This letter amends the Retirement Plan and HRA Conversion Sidebar Letter A-71 dated August 1, 2007, as amended by Sidebar Letter A-71a dated June 3, 2011, and the Post Retirement Medical Benefit Sidebar Letter A-76 dated April 4, 2005, and confirms these discussions and the resulting agreement.

Access to Post-Retirement Health Benefits

Employees who terminate on or after November 1, 2016 after attaining at least age 50 with at least 5 years of service will have unsubsidized access (i.e., no Company contributions) to post-retirement medical, dental, and vision coverage. Coverage for retirees age 65 and older will be provided on an unsubsidized basis through a Medicare Coordinator. The Company shall provide a subsidy/contribution towards the cost of post-retirement health coverage only as provided below in this letter.

Subsidies/Company Contributions - Traditional Option

For employees who terminate on or after November 1, 2016, the "Traditional Option" is hereby amended to provide contributions towards the cost of post-retirement healthcare coverage, in the form of credits to a newly established Subsidy Health Reimbursement Account ("Subsidy HRA") only for individuals who are under age 65 and who are:

- In a group eligible for a medical subsidy under the rules in effect prior to November 1, 2016, which is limited to those hired prior to January 1, 2012; and
- At least age 55 with at least 10 years of service at termination of employment.

The amount of the contributions will vary as follows:

A-91

- Eligible employees age 50 or older by November 1, 2016 will receive (during retirement) a pre-65 contribution of \$350 per month, plus \$175 per month for their spouse/domestic partner, if any; and
- Eligible employees younger than age 50 as of November 1, 2016 will receive (during retirement) a pre-65 contribution of \$250 per month, plus \$125 per month for their spouse/domestic partner, if any.

Subsidies/Company Contributions - HRA Option

Effective November 1, 2016, the "HRA Option" is hereby amended such that:

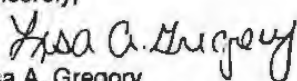
- The Company will discontinue crediting 1/12 of \$1,000 each month to the health reimbursement accounts for those employees who have a health reimbursement account under the HRA Option, with interest credits continuing; and
- The Company will offer a choice window in 2016 to employees who have a health reimbursement account under the HRA Option to elect whether to continue in the HRA Option (modified as described in the above bullet) or to forego their rights to their modified health reimbursement accounts under the HRA Option in exchange for participation in the Traditional Option (modified to provide credits to a Subsidy HRA as described above).

Miscellaneous

The post-retirement health benefits described above will replace the post-retirement medical coverage options in effect prior to November 1, 2016, for employees who terminate on or after November 1, 2016, including those described in Sidebar Letters A-71, 71a, and 76. These benefits will be governed by and construed in accordance with the applicable plan documents.

In all other respects, Sidebar Letters A-71, 71a, and 76 shall continue in accordance with their terms.

Sincerely,


Lisa A. Gregory
Human Resources Principal



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

June 2, 2016

Mr. Steve Bowermaster
President, Local No. 5541-06
United Steelworkers
Todhunter Headquarters

Mr. John Waits
President, Local No. 12049
United Steelworkers
Valley View Headquarters

RE: Amendment to A-71 "Retirement Plan and HRA Conversion Agreement"

Dear Gentlemen:

During the 2016 negotiations, the Company and the Union discussed changes to the Company's retirement programs. This letter sets forth the changes that were agreed to by the Company and the Union.

Retirement Benefits for New Hires and Rehires

For employees hired or rehired on or after January 1, 2017, the Company will provide an annual Employer Retirement Contribution to the Duke Energy Retirement Savings Plan ("RSP") in the amount of 4% of the employee's annual compensation (including base, overtime, and incentive compensation) in accordance with the RSP plan documents. Such newly hired or rehired employees also will be eligible for the Company-provided matching contribution equal to 100% of the before-tax (and Roth) contributions made up to 6% of eligible compensation in accordance with the RSP plan documents on the same basis as employees hired or rehired prior to January 1, 2017 who are eligible for that matching contribution formula. Employees hired or rehired on or after January 1, 2017 will not be eligible to participate in the Cinergy Corp. Union Employees' Retirement Income Plan (the "Retirement Income Plan").

Cash Balance Interest Credit

The cash balance interest credit rate under the Retirement Income Plan for pay credits made on and after January 1, 2017 will be based on a 4% interest rate (0.327% monthly equivalent interest rate). For purposes of clarity, the cash balance interest credit rate applies to cash balance participants and the Part B benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit. The Part A (traditional) portion of the participant's benefit will not be affected by this change.

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Retirement Income Benefit for Long-Term Disability

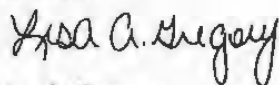
A participant who starts receiving long-term disability benefits on or after July 1, 2017 will receive interest credits under the Retirement Income Plan's cash balance formula while disabled, but will not receive pay credits while long-term disabled, in accordance with the Retirement Income Plan documents. This change will not apply for any individual who starts receiving long-term disability benefits before July 1, 2017, or participants under the traditional formula, or for the Part A benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit.

For purposes of clarity, as previously agreed, the Company may in its discretion merge the Retirement Income Plan into the Duke Energy Retirement Cash Balance Plan or other defined benefit plan maintained by the Company. In accordance with applicable law, any such merger will not reduce participants' accrued benefits.

The complete provisions of the Company's retirement plans are set forth in the plan documents, as amended to make administrative changes, legally-required changes and/or technical changes that do not reduce the benefits formula. In the event of a conflict between any other communication and the plan documents themselves, the plan documents control.

It is thought that this letter accurately describes the agreement reached by the parties regarding amendments to Sidebar Letter A-71 relating to retirement plan agreements.

Sincerely,



Lisa A. Gregory
Human Resources Principal



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President, Local No. 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President, Local No. 12049
United Steelworkers
Kellogg Resource Center

RE: 2021-2026 Post Retirement Healthcare Opt-In/Opt-Out

Dear Gentlemen:

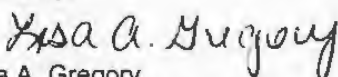
During the 2021 negotiations, the parties discussed post-retirement healthcare benefits. This letter amends the Retirement Plan and HRA Conversion Sidebar Letter A-71 dated August 1, 2007, as amended by Sidebar Letter A-71a dated June 3, 2011, the Post Retirement Medical Benefit Sidebar Letter A-76 dated April 4, 2005, and the Post-Retirement Healthcare Letter A-91 dated June 2, 2016, and confirms these discussions and the resulting agreement.

Access to Post-Retirement Health Benefits

Beginning no sooner than January 1, 2022 (a) employees who retire as eligible retirees, but do not enroll in Company-sponsored pre-65 retiree medical, dental and/or vision coverage at the time of retirement or upon the expiration of any COBRA continuation coverage, will not be permitted to enroll themselves or their eligible dependents at any future date; and (b) retirees who enroll in Company-sponsored pre-65 retiree medical, dental and/or vision coverage but, subsequently, decline/drop Company-sponsored pre-65 retiree medical, dental and/or vision coverage, will not be permitted to re-enroll themselves or their eligible dependents in such Company-sponsored pre-65 retiree medical, dental and/or vision coverage at any future date.

In all other respects, Sidebar Letters A-71, 71a, 76 and 91 shall continue in accordance with their terms.

Sincerely,


Lisa A. Gregory
Manager, Labor Relations

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INTERNAL CORRESPONDENCE

To: Officers, General Managers and Managers

From: Patrick Gibson

Subject: **MANUAL, CLERICAL AND TECHNICAL JOB CLASSIFICATIONS**

Date: December 29, 2000

Reply By: **CINERGY.**

The purpose of this letter is to amend and update the Walter C. Beckjord letter of October 1, 1945, which has served as a preamble to the Cincinnati Gas & Electric Company's job classification and evaluation system for Union represented job classifications.

In October 1945, after a careful and comprehensive study of the various kinds of work necessary to conduct the business of the Company in a safe, efficient and otherwise satisfactory manner, and the requirements of each job involved, the Company by agreement with the Unions representing the employees and with the approval of the National War Labor Board (Region V), placed into effect a schedule of job titles and descriptions for all manual, clerical and technical employees. Wage rate schedules were established and made effective in accordance with the Union agreements and the approval of the War Labor Board.

The job descriptions and wage rate schedules were designed to provide a fair and equitable means by which all the jobs, within the scope of the plan, being filled by manual, clerical and technical employees could be designated with uniformity and understanding throughout the Company system. The Company and the duly certified exclusive bargaining representatives of the bargaining units agreed to the basis used for defining jobs. It became the duty and responsibility of the supervisory force as the representatives of management to see that it was applied and maintained in a fair and consistent manner. It was also essential that employees clearly understood the duties and requirements of the jobs to which they were assigned. While the job descriptions were not intended to be all-inclusive, they were intended to cover such typical tasks necessary to provide a fair basis for evaluation.

The job classification and evaluation plan provided:

1. A set of job descriptions which prescribe typical duties and qualifications;

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The Cincinnati Gas & Electric Company

PSI Energy, Inc.

INTERNAL CORRESPONDENCE

2. A set of promotional charts indicating the line of normal promotions in the respective departments;
3. A set of wage schedules containing maximum wage rates for all jobs and steps of progression to arrive at the maximum wage rates;

In September 1999, a new evaluation system (BOGAR) was implemented to evaluate all manual, clerical and technical job classifications represented by the International Brotherhood of Electrical Workers, Local 1347; the United Steelworkers of America, Locals 12049 and 5541-06; and the Independent Utilities Union. A joint union/management committee designed the BOGAR Job Evaluation System. In addition to the items listed above, the BOGAR system requires a Job Evaluation Questionnaire to be completed and approved for each new or revised job classification.

JOB DESCRIPTIONS

Each job description consists of a statement of the nature of work involved in the job classification, in sufficient detail to identify the title and content to those familiar with the organization; also a statement of the minimum qualifications required to enter the job. Each job description is subdivided into two parts, "Duties" and "Qualifications" as follows:

DUTIES

This section is devoted to a description of the essential duties required in the classification itself, considered entirely apart from the individual who may occupy the position. A sufficient number of duties are listed to:

1. Indicate the character and grade of the work;
2. Indicate the variety of duties;
3. Distinguish each job classification from another.

The duties for each job description are those principal duties that are required to properly identify and evaluate each of the specific job classifications. These duties are not to be considered all-inclusive. Employees may be temporarily assigned, within their capabilities, duties of other classifications. When the temporarily assigned duties are those of a higher or lower rated job classification the employees should be paid the appropriate rate of pay in accordance with the Union agreement.

This section also indicates, as a general guide, the degree of supervision under which the employees are expected to be able to perform their work; that is under "Close," "Directive," or "General Directive" supervision. These terms are defined as follows:

The Cincinnati Gas & Electric Company

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1. The term "under close supervision" means that the employees perform only those tasks which they have been instructed to do and are observed and supervised most of the time while performing them.

For example: A helper assisting a mechanic in performing assignments would ordinarily be under the "close" supervision of the mechanic.

2. The term "under directive supervision" means that the employees perform primarily those tasks and duties which they have been directed to do and then carry out such instructions under observation or checking from time to time.

For example: A mechanic, working under the direction of a supervisor, assigned to a section of the work but observed or contacted periodically during the day, by the supervisor, would be considered as working under "directive" supervision.

3. The term "under general directive supervision" means that the employees under general instructions perform duties independently, but within the limitations of standard practices or procedure.

For example: A Senior Lineperson operating in the field on scheduled assignments, in accordance with standard practices and procedures but without any supervision while in the field, whose production or performance would be the check on activities and quality of work, would be considered as working under "general directive" supervision.

QUALIFICATIONS

In this section of the job descriptions are listed those minimum qualifications which the individual is expected to bring to the job. Specifically included are such items as basic education, degree of skill, extent of experience, special knowledge, and other required qualifications.

Company Requirements as to General Qualifications

In addition to the duties and qualifications for each job classification as set forth in the job descriptions, each employee must meet the Company's requirements as to general qualifications, which include:

1. The physical and mental abilities to perform the essential functions of the job classification, with or without reasonable accommodations;

The Cincinnati Gas & Electric Company

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2. The willingness to follow instructions and cooperate with other employees;
3. The willingness to respond to calls outside of regular hours, when the need arises and in emergencies, to help in any department or phase of the Company's operations in which they are qualified to help;
4. The willingness to work a shift schedule and irregular hours where the nature of the work requires it;
5. The willingness to direct and instruct or train employees, of a lower job rating, assisting on the same work;
6. If required by assignment to drive automobile or trucks, must hold a valid State Bureau of Motor Vehicles Operators' license;
7. Compliance with the general rules and practices of the Company, with specific rules of the department in which they are employed, and with those of other departments with which their work must be coordinated;
8. Thorough familiarity with and strict observance of the Company's safety rules applicable to their job;
9. Have the characteristics of dependability, trustworthiness, and carefulness, and have a satisfactory previous record in these respects;
10. The willingness to submit to physical examinations by a licensed physician designated by the Company;
11. The willingness to supply the necessary employment records including, but not limited to, birth certificate, social security number, selective service record, military record, character and past employment records.

JOB EVALUATION QUESTIONNAIRE

Each questionnaire consists of questions related to the six factors used to evaluate a job classification under the BOGAR system. One or more employees in a job classification represented by the applicable Union must complete and sign one questionnaire. A departmental management representative must approve the completed questionnaire. The six factors and related sections of the questionnaire are as follows:

INTERNAL CORRESPONDENCE

Knowledge

Questions related to the amount of formal and informal education, training and experience.

Responsibility

Questions related to the amount of responsibility for such things as: Company funds; confidential information; safety, training and/or work direction of others; materials and equipment; etc.

Customer Contact

Questions related to the amount, importance and difficulty of contacts with internal and external customers.

Decision Making and Complexity of Duties

Questions related to the complexity of the work; the freedom employees have to make decisions; and, the impact their decisions may have on the Company.

Physical/Adverse Characteristics

Questions related to the amount, duration and frequency of: physical work (e.g., lifting, climbing and walking); and, work in adverse conditions (e.g., heat, cold, dust and noise).

Hazards

Questions related to the inherent dangers in the job which directly expose the employee to the possibility of accidents which may result in lost time accidents or death.

WAGE SCHEDULE

Starting Rates

When employees are first assigned to a job classification, they receive the starting/minimum rate indicated in the wage schedule for that job, except in cases where an employee is already receiving a rate equal to or in excess of the starting/minimum rate indicated. In such event when the employee is promoting into the job classification, the employee receives an increase as described in the applicable Union Agreement, but in no event in excess of the maximum wage rate for the job to which the employee is assigned.

INTERNAL CORRESPONDENCE**Progression Steps within a Wage Range**

The wage range provides for progression steps leading up to the maximum evaluated rate of the job. Job progression steps are designed for the purpose of advancing an employee within the wage range. These progression steps are to be used as follows:

At intervals of six months, the supervisor shall make a review of the employee's development and progress on the assigned job. If progress, measured by demonstrated ability and performance, has been satisfactory, the scheduled progression step will be made effective on the first Monday following the expiration of that particular interval, until the employee's wage rate equals the maximum rate specified for the particular job classification.

When the performance review indicates that the employee has not made satisfactory progress in the job and an increase in pay is not warranted the employee is to be personally notified by the immediate supervisor that the progression step increase is being withheld. The notification must take place at least one month in advance of the date for the scheduled progression step. In addition, serious consideration should be given as to whether or not the employee should be demoted, transferred or released. The Union may request a review of such a decision. Such review is to be made by a representative or representatives of the Union and a representative or representatives of the Company.

For new employees the six-month interval will start from the hiring date, and for promoted employees, a new series of six-month intervals will start on the date of promotion.

CONCLUSION

Although this plan is set forth as clearly and explicitly as possible, questions may arise as to the intent or interpretation of some provisions. In such event, the matter should be discussed with a representative in the Labor Relations department.

Very Truly Yours,

Patrick P. Gibson

Patrick P. Gibson



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President, Local No. 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President, Local No. 12049
United Steelworkers
Kellogg Resource Center

RE: Shift Differential Guidelines

Dear Gentlemen:

During the 2021 negotiations, the parties discussed the administration of shift differentials paid to employees working on scheduled shifts.

Employees who are required to work overtime which extends into or directly follows the employee's regularly scheduled workday, will be paid the shift differential applicable to his/her regularly scheduled shift for such overtime hours worked.

Employees who are required to work overtime which is not contiguous with their regularly scheduled workday, will be paid the applicable shift differential for such overtime hours worked.

Day Shift Worker

- If a day shift worker fills an afternoon or night shift that is contiguous with his/her regularly scheduled shift, no shift differential applies.
- If a day shift worker fills an afternoon or night shift that is not contiguous with his/her regularly scheduled shift, they are eligible for shift differential based upon the time they started work in accordance with Article V, Section 1(g).
- If your regularly scheduled shift is day shift and you are held over, you do not receive shift differential pay.

Afternoon Shift Worker

- If an afternoon shift worker fills a day shift or night shift that is contiguous with his/her regularly scheduled shift, the afternoon shift differential applies to all hours worked.
- If an afternoon shift worker fills a day shift that is not contiguous with his/her regularly scheduled shift, they are not eligible for a shift differential.
- If an afternoon shift worker fills an evening shift that is not contiguous with his/her regularly scheduled shift, they are eligible for the evening shift differential based upon the time they started work in accordance with Article V, Section 1(g).

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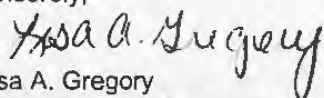
- If an afternoon shift worker is held over, the afternoon shift differential continues to be paid until the employee is released from work.

Night Shift

- If a night shift worker fills an afternoon shift or day shift that is contiguous with his/her regularly scheduled shift, the night shift differential applies to all hours worked.
- If a night shift worker fills a day shift that is not contiguous with his/her regularly scheduled shift, they are not eligible for a shift differential.
- If a night shift worker fills an afternoon shift that is not contiguous with his/her regularly scheduled shift, they are eligible for the afternoon shift differential based upon the time they started work in accordance with Article V, Section 1(g).
- If a night shift worker is held over, the night shift differential continues to be paid until the employee is released from work.

It is believed that the procedures outlined in this letter properly describe the agreement reached between the parties concerning this issue.

Sincerely,



Lisa A. Gregory
Manager, Labor Relations



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

Re: Pipeline Welder and Operations Specialist Lines of Progression

Dear Gentlemen:

During the 2021 contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the "Union") discussed the newly created Pipeline Welder and Operations Specialist lines of progression.

The Pipeline Welder and Operations Specialist will each have their own lines of progression. With respect to the Pipeline Welder progression, the Company will have the ability to hire at the entry level position or at an advanced level within the progression, if there is no one in the promotional sequence below that level who would be bypassed.

The attached job descriptions outline the duties and qualifications of the positions. The parties have agreed on a wage level in lieu of using the formal job evaluation process as is outlined in the contract (Article V, Section 1, (h)-(m)). The classifications and wage levels are as follows:

Job Title	Wage Level
Pipeline Welder III	07
Pipeline Welder II	12
Pipeline Welder I	15

Job Title	Wage Level
Operations Specialist III	07
Operations Specialist II	12
Operations Specialist I	15

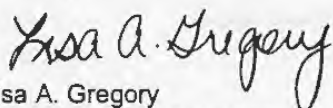
All employees entering a Pipeline Welder or Operations Specialist job classification will be employed with the understanding that they must be able to successfully promote to the Pipeline

Welder I, or Operations Specialist I within the timeframes outlined within the qualifications of the respective job descriptions. At a minimum, failure to qualify for this purpose would include situations where two successive written examinations or two successive practical demonstrations were not passed. Employees will be allowed a maximum time period of three months between the two successive examinations and/or demonstrations. Employees will not be permitted to request waiver of their rights to promotion.

The employment of any individual who does not successfully meet the requirements to promote to Pipeline Welder I, or Operations Specialist I will be terminated.

The Tool Repair Specialist job classification will be abolished and the incumbent will be mapped to the Operations Specialist I job classification. In addition, existing employees in the Welder I classification will be offered a one-time opportunity in 2021 to remain a Welder I, performing all of the duties of a Welder I, or move to the new Pipeline Welder I job classification performing those duties and responsibilities. The Welder I wage level will move to a level 15 effective on May 15, 2021. All welders (Welder I's and Pipeline Welders), will be on the same overtime list.

Sincerely,



Lisa A. Gregory
Manager, Labor Relations

cc: S. Fields
C. Fritsch
D. Smiley



Duke Energy
139 East Fourth Street
Cincinnati, OH 45202

May 19, 2021

Mr. Scott Newkirk
President
Local 5541-06
United Steelworkers
Todhunter Resource Center

Mr. John Waits
President
Local 12049
United Steelworkers
Kellogg Resource Center

RE: Workplace Security Policy

Dear Gentelmen:

During the 2021 negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the Union's concerns relative to the Duty to Report Arrests and Convictions provision in the Company's Workplace Security Policy (the "Policy"). Specifically, the Union expressed concern about the Policy's requirement that employees report arrests.

As we discussed, off-duty illegal activity may jeopardize workplace safety, the Company's brand and reputation and/or its ability to provide safe and reliable service to its customers. The purpose of the reporting requirement is not to monitor every aspect of an employee's off-duty activities, but to assist the Company with efficiently and effectively evaluating and managing the potential risks and issues associated with an arrest or a conviction. It is also considered a best practice from a security standpoint.

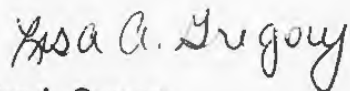
The Company does not and will not make employment decisions based upon the mere fact of an arrest. All arrests and convictions are reviewed on a case-by-case basis. Enterprise Protective Services, in coordination with Human Resources and Legal, considers the nature of the alleged crime or conviction, the nature of the employee's job duties, any relevant history, other risk factors that may be present, information obtained from the employee and additional investigation, and other similar factors in determining next steps.

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It is believed that the above accurately captures the parties' discussion and the Company's position on the Policy's arrest reporting requirement and that the Union's concerns about the requirement have been addressed.

Sincerely,

A handwritten signature in black ink that reads "Lisa A. Gregory". The signature is written in a cursive, flowing style.

Lisa A. Gregory
Manager Labor Relations

OUR VISION



SAFETYFirst

DUKE ENERGY HEALTH AND SAFETY VISION

Our health and safety vision is aimed at cultivating:

A healthy and injury-free workplace, sustained by behaviors that consistently demonstrate our commitment to the welfare of each other, our contractors and to the communities we serve.

CONFIDENTIAL PROPRIETARY TRADE SECRET

CONFIDENTIAL ATTACHMENT SAC-3(a)

FILED UNDER SEAL

CONFIDENTIAL PROPRIETARY TRADE SECRET

CONFIDENTIAL ATTACHMENT SAC-3(b)

FILED UNDER SEAL

CONFIDENTIAL PROPRIETARY TRADE SECRET

CONFIDENTIAL ATTACHMENT SAC-3(c)

FILED UNDER SEAL

CONFIDENTIAL PROPRIETARY TRADE SECRET

CONFIDENTIAL ATTACHMENT SAC-3(d)

FILED UNDER SEAL

2025 Restricted Stock Unit (RSU) Award Summary (granted 2/26/2025)

As a participant in Duke Energy's long-term incentive (LTI) program, you have been awarded a restricted stock unit (RSU) grant which was approved **February 26, 2025** (*i.e.*, the grant date).

Your grant value was calculated by multiplying your annual rate of base pay that was effective on the grant date by your LTI opportunity. The number of RSUs awarded to you was determined by dividing your grant value by **\$116.31**, the closing price of Duke Energy common stock on the grant date. These RSUs will vest over a three-year period, as described below.

Accepting Your RSU Grant

It will be necessary for you to accept your RSU award and agree to its terms via the Fidelity NetBenefits site. Upon accepting your award, we encourage you to read your award agreement carefully as well as the 2023 Long-Term Incentive Plan (LTIP) Summary and its Prospectus. In the event of any conflict between the information in this summary and the LTIP or the award agreement, the terms of the LTIP/award agreement will govern. You may also wish to discuss this information with your personal financial advisor.

Accessing Your Stock Award

Record keeping for your stock award is provided by Fidelity Stock Plan Services, LLC. You will be able to access your stock plan information online at **www.netbenefits.com** or by calling a Fidelity Stock Plan Services representative at **800-376-4015**.

Vesting

Your RSUs vest, while your employment continues, according to an installment-based vesting schedule (or as otherwise described in the *Restricted Stock Unit Award Summary Chart* on page 3). Under that schedule, one-third of your RSUs will vest on each of the first three anniversaries of the grant date (*i.e.*, 2/26/2026, 2/26/2027 and 2/26/2028).

Vested RSUs are paid in whole shares of Duke Energy common stock shortly after they vest and will be reduced by the applicable tax withholding, as described below.

Cash Dividend Equivalents

You will receive a cash payment equal to the quarterly cash dividend per share declared and paid on Duke Energy common stock for each unvested RSU awarded to you. These cash payments will be included in your paycheck. Dividend equivalent payments are treated as ordinary income, and, therefore, are subject to tax withholding. Upon vesting and payment, or forfeiture of the unit, future dividend equivalent payments will end.

Voting Rights

Prior to vesting, your RSUs do not give you shareholder voting rights because no actual shares of common stock are issued to you until your RSUs vest and are paid.



Ability to Sell

You may not sell your unvested RSUs, but you may sell the shares of Duke Energy common stock that you receive upon vesting, subject to Duke Energy's Insider Trading Policy.

Taxes

Under current U.S. tax rules, you will incur taxable income when your vested RSUs are paid, based on the fair market value of the common stock delivered to you. This income will be included on your Duke Energy Form W-2. Federal income tax and any applicable state, local, Social Security and Medicare tax withholding is required upon the vesting of your award. Your taxes will be paid by the share reduction method which means you will receive the number of shares that have vested less the shares withheld to pay your tax withholding. Shortly after vesting, you will receive your net shares in your Fidelity brokerage account.

EXAMPLE: Tax Withholding Payment Through a Reduction of Shares

You vest in 100 RSUs and are notified that the tax withholding amount due is \$3,400. The shares used to pay your tax withholding are valued at fair market value (let's assume \$100). The amount of Duke Energy common stock you receive would be reduced by 34 shares ($\$3,400/\$100 = 34$ shares). You would receive 66 shares in your Fidelity Brokerage account, the 100 shares that vested less the 34 shares withheld to pay your tax withholding.

Keep in mind that your income will be taxed at applicable withholding rates, and you may owe additional income taxes depending on your personal financial situation. You may wish to consult with your tax advisor to determine whether you should make additional estimated tax payments.

Resources

If you have specific questions about your RSU award, you may contact:

Brian Callahan
Executive Rewards
859-801-5975
brian.callahan@duke-energy.com

If you have general questions regarding restricted stock units, you may contact:

Fidelity Stock Plan Services, LLC
800-376-4015
www.netbenefits.fidelity.com

Restricted Stock Unit Award Summary Chart

The following chart summarizes the terms of your 2024 RSU award.

Provision	Restricted Stock Units (RSUs)
Grant Date	February 26, 2025
Vesting's <ul style="list-style-type: none"> • While employment continues • When employment with Duke Energy and its affiliated companies terminates <ul style="list-style-type: none"> - <i>After attaining the age of 55 with 10 years of service or on account of termination by the company without cause or termination as the result of divestiture</i> - <i>On account of death/disability</i> - <i>Termination other than described above</i> 	<p>Three-year installment vesting — 1/3 of units vest each year on anniversary of grant date (i.e., 2/26/2026, 2/26/2027 and 2/26/2028)</p> <p>Units in award are reduced to reflect actual service during the installment vesting period* and become immediately vested to the extent not previously vested</p> <p>Units not previously or immediately vested are forfeited</p> <p>Unvested units become immediately vested</p> <p>Vesting ends — units not previously vested are forfeited</p>
Dividend Equivalents	Quarterly payments on unvested units that have not been forfeited are paid when common stock cash dividends are declared and paid

*Calculated based on number of days of actual service from the grant date divided by total number of days in the period from the grant date to the third anniversary of the grant date.

This document contains selected highlights of Duke Energy's employee compensation plans. If any statement herein, or any other communication, conflicts with the applicable plan documents and/or award agreements, the plan documents and/or award agreements will govern. Duke Energy retains the right to amend, modify or terminate its compensation plans in any respect and at any time, and neither its benefits plans, nor your plan participation, will be considered a contract for future employment.